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The long and winding road to greening the common agricultural policy

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Out of all the European Union's policies, the common agricultural policy (CAP) repeatedly stands out. It may be the 'first truly common policy' (Swinnen, 2016, p. 271), but no other EU policy is as disliked – nor has proved so resilient. The CAP is a permanent, though decreasing, fixture of the EU's budgets since the late 1950s and has remained thus despite a number of profound reforms since the 1980s. Furthermore, for such an expensive policy – the CAP claimed up to 75% of the EEC's budget in the late 1980s and close to 30% in the 2014–2020 Multiannual Financial Framework (European Commission, 2020a) – the CAP is little studied.[1] The policy is often left to the peripheries of academic scholarship and teaching on European integration – where attention is more frequently drawn to external and global challenges such as migration, climate change and sound economic governance. But every few years comes the time to revise the EU's long-term budget, the Multiannual Financial Framework, and the CAP, and its reforms, are back on the top of the EU's political agenda.

This chapter takes stock of research on the emergence and reforms of the common agricultural policy, from its early days in the 1950s to the von der Leyen Commission attempts to make the CAP work towards its overall ambition of a Green Deal for Europe. It analyses changes to the CAP through two complementary lenses. First, it analyses the history and reforms of the CAP insofar as they moved the policy towards one of three, or a combination of three, overarching discourses of agricultural policy-making: productivism (or neo-mercantilism), neo-liberalism and multifunctionality. These three discourses have long dominated agriculture policies debates, although their respective weights and practical applications have changed. Productivism favours increases in production and productivity to deliver increased food security both in Europe and overseas, neo-liberalism aims to treat agriculture as any other economic sector and multifunctionality replaces agriculture in a broader rural development and environmental management context. (Erjavec et al., 2015; Potter & Tilzey, 2005).

Second, it analyses the politics of CAP reform as an often-parallel and concurrent game played by a variety of political actors at European and national levels, which is constituted of four moving parts:

1 financing the CAP as part of the overall EU budget and high-level EU politics,
2 balancing funding between the CAP's two pillars,

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3 debating the specific policy instruments within these,
4 and implementing them on the ground.

This chapter shows how, despite greening becoming a major justification for CAP funding, the CAP continues to cause major environmental harm (in terms of pollution, soil erosion, climate change and biodiversity loss) (European Environment Agency, 2019). Another 'loser' of CAP reforms are small family farms, which ironically have long epitomised the 'European model of farming', offering a rationale for public support (Swinnen, 2016). Finally, both lenses are brought together to analyse the new wave of CAP greening promoted by the von der Leyen Commission. The 2021 reform, coinciding as it does not only with the agreement of a new European budget (the EU's Multiannual Financial Framework for 2021–2028) but also the launch of a new overarching EU strategy (the Green Deal, with a farming component, the Farm to Fork Strategy) had the potential to become one of the CAP's 'major reforms' in which both CAP budget and instruments can be profoundly changed (Daugbjerg & Swinbank, 2011; Mahé, 2012).

A history of CAP reform: from productivism to neoliberalism and multifunctionality, and back again?

Agriculture has long occupied a special, strategic place in European politics – a key part of European heritage, combining necessity (of feeding Europe's people) with culture (and Europeans link to the land) and innovation. This 'exceptionalist' view of agriculture (Daugbjerg & Feindt, 2017) was particularly prevalent at the inception of European integration in the 1950s.

Agriculture in the early days of European integration

Immediately after World War II, it might have been expected that agriculture would be at the forefront of integration, with the need to provide for the population of a war-torn continent. Early discussions mooted the idea of integrating agriculture – see, for example, the French agriculture minister Pflimlin's idea of a 'green pool' (1950) which would bring together the national agricultural sectors in the same manner as had happened under the European Coal and Steel Community (ECSC) right at the beginning of the European integration process. The green pool, as well as other agricultural policy proposals, such as by Commission President Sicco Mansholt, failed, however, to overcome the strong local grounding of agriculture policies and failed consequently to transform European aspirations into European solutions. The need for a European solution was not obvious: what did a farmer have to gain from European integration in the agricultural sector? Could individual farmers stand up to the competition of farmers from other countries? What did international politics of the type of European integration have to do with the beasts out on the far reaches of Normandy pasture? It was only when politicians decided to extend the positive experience of the ECSC to a common internal market comprising all goods that the agricultural sector had to seriously engage with these discussions. This situation was similar across Europe. The positions of France, Germany and Britain will serve as an example for the ensuing debate in the 1950s which led to the inclusion of the CAP in the Treaty of Rome:

The new president of the Fifth French Republic (1958), Charles de Gaulle, had deep empathy for the many small family farms which were seen as essentially embodying the French national identity (Faure, 1957). In Germany, the situation was quite similar, that is, a rural world dominated by many small family farms that were in dire need of investment and innovation. Subsidies through the CAP were meant to turn these small farms into productive modern agricultural businesses, which could compete, for example, with the US agricultural industry.

The importance of the common agricultural policy was a feature already in place under the Fourth French Republic (1946–1958) and therefore not a Gaullist invention as sometimes portrayed. Indeed, as Ackrill explains – the Netherlands argued for a CAP long before the French did (2000). Nevertheless, de Gaulle made the practical development of the CAP a *sine qua non* condition for the implementation of the Treaties of Rome, which his pro-European integration predecessors of the Fourth Republic had signed (Vaisse, 2013). This CAP focus of de Gaulle was further demonstrated in the first crisis of the young EEC, the 'Empty Chair Crisis' (1966), which saw de Gaulle's government boycott the European institutions for a year in opposition to a move to qualified majority voting on agricultural matters (Moravcsik, 2000). It resulted in some concrete results for European farmers. The CAP provided a minimum price for agricultural products, which would support a calculable basis of income for farmers and in turn an effective guarantee to keep (some of) them in business (Vaisse, 2013). For the first time, it was not only big industries profiting from international agreements: This time, farmers would get a share of the cake, too.

Box 22.1 The common agricultural policy in its early days

The legal base: Article 39 Treaty of Rome, 1957 (unchanged since)

1 The objectives of the common agricultural policy shall be:

(a) to increase agricultural productivity by promoting technical progress and by ensuring the rational development of agricultural production and the optimum utilisation of the factors of production, in particular labour;

(b) thus to ensure a fair standard of living for the agricultural community, in particular by increasing the individual earnings of persons engaged in agriculture;

(c) to stabilise markets;

(d) to assure the availability of supplies;

(e) to ensure that supplies reach consumers at reasonable prices.

2 In working out the common agricultural policy and the special methods for its application, account shall be taken of:

(a) the particular nature of agricultural activity, which results from the social structure of agriculture and from structural and natural disparities between the various agricultural regions;

(b) the need to affect the appropriate adjustments by degrees;

(c) the fact that in the Member States agriculture constitutes a sector closely linked with the economy as a whole.

The policy inception: how the CAP worked in its early days

The CAP was set up gradually over the 1960s according to three principles of (1) a Single Market for goods with common prices and stable exchange rates (2) Community Preference with protection against cheaper imports (through common trade policy) and export subsidies (3) Financial Solidarity with pooling together of funding for the policy and common system to disburse funds (Ackrill, 2000, p. 33).

The CAP set up a price support system with a number of politically agreed-upon prices within the Council: target price, intervention price (if price falls below this, the EEC would buy up stock to raise prices again); threshold prices for imports outside of the EEC, to ensure local production would not be undercut; and finally export subsidies to help farmers sell stock on the (cheaper) international market without losing money.

As the original CAP (see Box 22.1) was rolled out to cover an ever-greater number of agriculture commodities in the 1960s and 1970s, surpluses started to emerge in key commodities (milk, meat, wine), leading to costly market intervention for the Commission. The share of the CAP in the EEC budget rose steadily. '[O]nly when the budgetary burden became intolerable' (Ackrill, 2000, p. 69) was profound CAP reform considered.

The twin pressures of a growing budget and trade liberalisation: reforming the CAP in the 1990s and 2000s

The 1992 MacSharry reform marked the beginning 'three decades . . . of continuous reform' (Daugbjerg & Swinbank, 2016, p. 265). This series of reforms (1992, 1999, 2003, 2008 and 2013) evolved the original toolbox of measures in significant ways. One key driver of the reforms was to limit the trade-distorting impact of the CAP, making the policy more World Trade Organisation (WTO) compatible (Ackrill et al., 2008). This entailed a gradual switch away from price support to decoupled direct farm payments. At the same time, the reforms added new elements such as environmental policy provisions to the CAP and gave Member States a greater say on how to implement certain policy elements domestically (see subsequently). Importantly, none of the reforms focused on reducing or phasing out agricultural support per se. Analysing the key outcomes of the respective reforms, this section provides a brief overview of the 'reform trajectory' from 1990 to 2008.

The MacSharry reform of 1992 was greatly influenced by the need to reduce the trade-distorting impact of the CAP in the context of the Uruguay Round – the round of multilateral trade negotiations that lasted from 1986 until 1993 and eventually led to the creation of the World Trade Organisation. Increased production surpluses in Europe meant that these were sold on the world market with export subsidies. This was seen as an unfair competition by the United States. In turn, the resulting decline in world market prices due to fierce EU-US competition was challenged by a coalition of developed and developing agricultural export countries called the Cairns Group.

In light of this, the reform came up with significant support price reductions. In particular, the support prices for cereals (–29% reduction in intervention prices over three years) and beef (–15% reduction in intervention prices over three years) were lowered. Compensation was organised via direct payments which depended on the area of eligible land.

In addition, the reform initiated a number of accompanying measures, most importantly the inclusion of agri-environment schemes. For the first time, Council Regulation 2078/92 made it obligatory for all Member States to introduce such schemes with the aim of using agricultural land in ways 'which are compatible with protection and improvement of the environment, the countryside, the landscape, natural resources, the soil and genetic diversity' (Article 1c). As such, the reform 'represented the first significant shift towards the integration of environmental concerns within the CAP' (Farmer, 2012, p. 5).

The reform greatly boosted the role of direct payments in EU farm income. In terms of international trade, it freed the way for the Uruguay Round to be concluded and the creation of the WTO in 1995.

The Agenda 2000 reform deepened the 1992 reform in that it further reduced the guaranteed minimum prices and raised direct payments. It also came up with the fundamental split in the CAP between two different 'Pillars': production support (Pillar 1) and rural development (Pillar 2). Under Pillar 1, the market support prices for cereals, milk and milk products and beef and veal were gradually reduced further. At the same time; direct coupled payments were increased. Their significance thus rose sharply, growing, for instance, in the case of Ireland, from 45% to 70%. Under Pillar 2, a number of rural development measures were introduced such as diversification, setting up producer groups and support for young farmers.

The 2003 Fischler reform has been dubbed 'the most radical in the history of the CAP'. (Swinnen, 2010, p. 37). Its core was the introduction of the Single Farm Payment (SFP), which decoupled a large share of CAP support from production. Moreover, payment of the SFP was made conditional to 'cross compliance', that is, farmers abiding by a series of regulations relating to the environment, animal welfare, plant protection and food safety. In addition, the reform ensured that the overall EU and national budgets for subsidy were capped. This effectively prevented the EU from having to spend more on the CAP than its limited budget allowed. Conversely, the 2008 'Health Check' reform – the first reform after the 'Big Bang' enlargement of 2004 – was less ambitious, but it confirmed the focus towards decoupled income support, further reducing possibility for coupled payments and moving away from set aside (Daugbjerg & Swinbank, 2016).

Table 22.1 Two pillars of the CAP in 2020

	Pillar One	*Pillar Two*
Aims	Supporting farmers' income	Broader rural development
Policy instruments	• Direct payments (1992–), including green payments (2013–) and direct payment scheme for young farmers (2013–) (optional) • Market support (common market organisations, export subsidies) (1962–) • Cross-compliance (1999–) • Cap on direct payments (2013–) to trim individual payments over 150,000 (optional)	Countries to develop rural development schemes using the following options: • Agri-environment-climate schemes (1992–) • Young farmers' payments (1999–) • Less favoured areas (1992–) • Knowledge transfer and advisory services (1992–) • Support for organic farming (1999–) • Investment in agriculture infrastructure (1972–) • Cooperative approaches (1999–) • Innovation (1992–) • Community-led development (1992–) • Marketing of food products (1999–)
Budget	Eighty percent of CAP budget (2014–2020), fully paid by the EU	Twenty percent of CAP budget (2014–2020), expenditures are co-funded by Member States at a minimum of 50% co-funding rate

Source: Authors, adapted from Regulations No 1305/2013, No 1305/2013,1257/1999, 2078/92

Multifunctionality and the CAP: greening or greenwashing?

Environmental concerns about intensification of agriculture date back to the 1960s and Rachel Carson's *Silent Spring* – the growing use of fertilisers, pesticides and herbicides happened in parallel to, and provided fuel to, growing environmental conscience in Western Europe, as in the United States.

In addition to intensification, the last 60 years of agricultural policies have encouraged specialisation of farming with little crop or animal diversity per exploitation and concentration, with a sharp fall in the number of workers engaged in agriculture work and an important increase in the average size of farms (Bowler, 1986), all of which have environmental impacts. Hence, concentration in larger units has spurred a dramatic reduction in the number and density of hedgerows (e.g. France lost over 800,000 kilometres of hedges between 1945 and 1983 [Philippe & Polombo, 2009]), which were key habitats for farmland birds, while specialisation in monoculture further reduces biodiversity on farms. Beyond biodiversity, fewer hedges and monocultures where fields often lie fallow over the winter foster soil erosion and run-off of fertilisers and pesticides in waterways.

European measures to tackle the environmental impacts of farming started in the late 1980s/early 1990s. Early examples are the 1991 Nitrates Directive (91/676/EEC) aiming to reduce diffuse pollution of European rivers and waterways by the application of, for example, slurry on fields (Feindt, 2010) and measures such as environmentally sensitive areas pioneered in the United Kingdom in 1986 (Dobbs, 2008). Over the last 30 years, a growing number of policy instruments have been added – in a complex exercise of policy 'layering' which saw new instruments added to older CAP instruments instead of a root-and-branches revision of the agricultural policy toolkit (Daugbjerg & Swinbank, 2016). Overall, environmental instruments in the CAP can be divided in two categories – those aiming to implement and increase a common regulatory baseline for all farmers – cross-compliance and the green payments, both under CAP Pillar 1 – and those aiming to support a smaller number of farmers in going beyond the legal minimum (agri-environment-climate payments, under Pillar 2).

Whether efforts to green agriculture policy in Europe have been successful depend on the perspective we use: greening can be analysed at the levels of policy discourses (the public justification), policy outputs (the content of policy) and policy outcomes (the impact of policy on the ground). These three perspectives lead to very different conclusions.

Hence, Feindt (2010) argues that after a first phase, whereby negative environmental impacts of the CAP were addressed via environmental directives (the 79/409/EEC Birds directive, the 91/676/EC Nitrates directive), the growing use of agri-environmental payments in the 1990s constituted a second phase. The third phase, arguably still unfolding, sees greening as 'the basis of the CAP's legitimacy', where 'all payments are now justified on the basis of the public goods model' (Feindt, 2010, p. 305). Considering all reforms since the 1990s, Erjavec and Erjavec argue that no single discourse prevailed. Instead, the European Commission created each time a new 'hybrid, modified according to the specific political economic context and the European Commission's need to justify the CAP reforms' (2020, p. 661). Increasingly, greening became an important part of these hybrid justifications, as evident in the 2013 reform: the Commission stressed then that the way to a 'more sustainable, smarter and more inclusive growth for rural Europe' was through a greening of the CAP, 'a greener and more equitably distributed first pillar and a second pillar focussing more on competitiveness and innovation, climate change and the environment' (2010, p. 3).

Why is greening or multifunctionality used as a justification? *A minima*, greening is used to justify the status quo. Potter and Tilzey argue 'multifunctionality' has long been dismissed by critics 'as a protectionist excuse for continued farm support'(2007, p. 1290); similarly, greening can simply be 'the state-assisted paradigm in disguise' (Daugbjerg & Swinbank, 2016, p. 267). In this understanding of greening, it retains the central elements of productivism – the exceptionality of agriculture as a sector, requiring special treatment and a high level of public support. For greening to be more than a 'fashionable justification' (K. Erjavec & Erjavec, 2015, p. 53) and mere greenwashing, policy outputs and critically the CAP budget itself need to become greener by phasing out subsidies that have detrimental impacts on the environment.

Despite its green claims, policy output in the 2013 CAP reform showed mixed results (Matthews, 2013). While direct payments (income support) to farmers became increasingly conditioned to achieving a basic level of environmental action with the creation of a 'green payment' representing 30% of the direct payments, the budget for the second pillar, and thus agri-environment schemes, was reduced.

Finally, when it comes to outcomes, the 2020 State of the European Environment report by the European Environment Agency draws a worrying picture: despite over 20 years of 'greening' agriculture, we are still falling short of our environmental objectives on soil health, water quality and ecosystems and biodiversity, with both common and protected species still decreasing sharply (European Environmental Agency, 2019).

Taking stock of 30 years of CAP reform

Almost 30 years on from the MacSharry reform of 1992, which saw European agriculture move away from price towards income support, the CAP is both profoundly different yet still eerily similar.

The wine lakes and butter mountains of the 1980s are long gone – the European Union does not have large surpluses anymore. Nor do its export subsidies, barely used today, depreciate world agriculture prices. Indeed, Swinnen (2016, p. 272) shows that when considering nominal rates of assistances (NRAs), an indicator used to track the use of market-distorting government subsidies, European countries are down to their 1950s level (NRA of less than 10%, down from 100% in early 1980s). After decades of criticism of the CAP for depreciating world food prices, the EU is now having very limited impact on these – at a time where the challenge for many in the global south is high, not low, international food prices. While NRA levels have fallen sharply, the CAP's budget has reduced, but not as much, as the EU replaced trade distortive policy instruments by non-distortive alternatives. At an all-time high of 75% in the late 1980s, the CAP budget now represents approximately 30% of the EU's budget.

But not everything has changed. Introduced as a transitional measure in 1992, direct payments of income support are still central to the policy. As subsidies have become decoupled from production, owning farm land has become a proxy for being eligible to receive CAP funds. This has led to farmland cost inflation, barriers to entry for new farmers and continued pressure for concentration in large units (Noichl, 2017), as well as political corruption (Gebrekidan et al., 2019). As direct payments remain the central plank of the CAP, their (in) equitable use is repeatedly debated, with demands for rebalancing between East and West European farmers, between small and large farms and finally between land owners and tenant farmers and agricultural workers. Finally, despite over 20 years of 'greening' the CAP, agriculture remains the principal driver of biodiversity loss in Europe (Dudley & Alexander, 2017) and a major contributor to water pollution and climate change (European Environmental Agency, 2020). This puts the CAP at odds with the von der Leyen Commission commitment to achieve carbon neutrality by 2050.

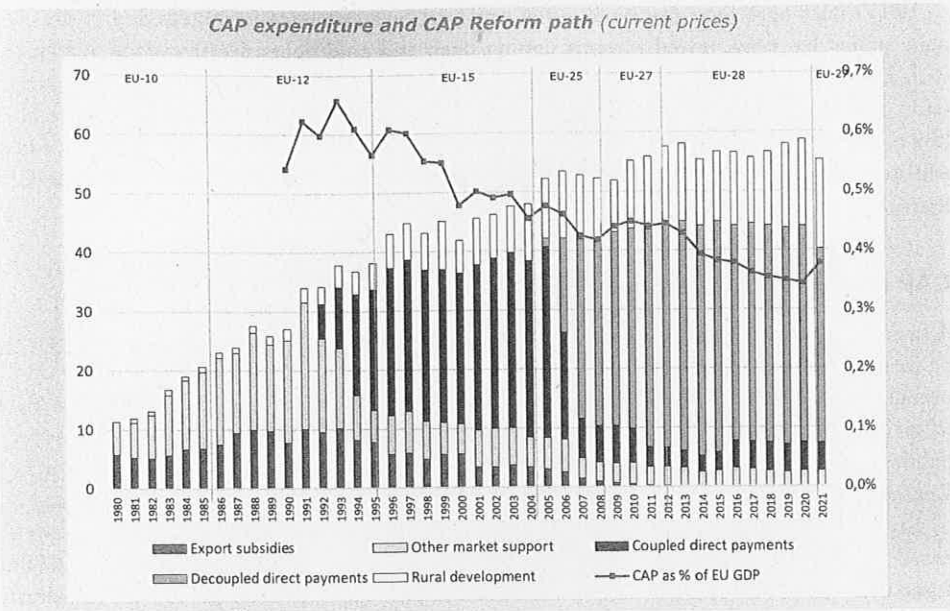

Figure 22.1 CAP expenditure and CAP reform path (European Commission, 2021)

Hence after 30 years of CAP reform, we are left with a puzzling mix of continued political support, large budget commitment and apparent policy failure – on farmers' and farm workers' income and on environmental impacts, most notably. While the drop in the use of trade-distortive measures could be seen as a move towards neo-liberalism in agriculture, CAP reforms have not fully divested from an exceptionalist view of farming, leading to what Daugbjerg and Feindt (2017) conceptualise as a half-way house of 'post exceptionalism'. Ackrill's conclusion is still valid 20 years later: there has been 'no significant reduction in the level of support, even if the fundamental basis of support provision has changed' (2000, p. 179). To understand how we arrived here, and whether change is possible, we need to consider the politics of CAP reform.

Understanding the politics of CAP reform: four levels of (in)action

CAP reforms in the 1990s and early 2000s took place in a context of intense trade liberalisation and high pressure on the EU budget. Scholarship on these reforms has tended to favour the external trade pressure explanation, from Ackrill arguing that there is an 'intimate relationship' between the GATT talks and the 1992 reform (2000, p. 100) to Daugbjerg and Swinbank contending that 'the European Commission's wish to adopt an offensive negotiating stance in the closing phases of the Doha Round was a more likely explanatory factor' for the 2008 reform (2011, p. 127). Budgetary concerns played a role (notably in preparing the CAP to the EU's 2004 'Big Bang' enlargement, which would see an increase in 50% of EU farmland and over a doubling of the number of farmers [Swinnen, 2016]), but major changes in policy instruments and the move from price to income support and from coupled (i.e. linked to production levels, more distortive) to decoupled payments are best explained by the EU's trade agenda and its commitment to the Uruguay and Doha Rounds.

WTO talks have long plateaued – the organisation's influence is contested, and the EU's trade policy has now moved towards signing deep and comprehensive free trade agreements with key economies. What are the drivers and levers of CAP reforms now that the external trade dimension is much weakened? To understand CAP reforms, we need to open the black box of the CAP and distinguish between its different components. In doing so, we can isolate and study the actions of the different political actors involved in the four pieces of the CAP reform jigsaw puzzle.

CAP reform as budgetary politics

A first entry point into the politics of CAP reform, and the first piece of our CAP jigsaw, are the politics of the EU budget – debates within the European Council. The share of the CAP in the overall EU budget, while decreasing, makes the policy an obvious target for countries wishing to spend less at the EU level, and conversely, defending the CAP has long been central to the politics of (former) net beneficiaries of the EU budget such as France, Spain, Italy and the new Central and Eastern European Member States.

Bringing the European Council into CAP reform, which happens if budgetary issues are raised, does not necessarily lead to deeper reform. Daugbjerg and Swinbank (2007, p. 6) thus argue that when CAP reforms are part of a broader package of policies (as was the case during the Agenda 2000 reforms), countries intent on preserving the CAP (and its funding) can use the broader remit of European Council discussions to their advantage: 'Member States with small CAP win-sets [can] decrease pressure for CAP reform by making concessions on non-CAP issues on the summit agenda'. A case in point has been tensions between France and the United Kingdom on CAP reform (which the United Kingdom supported more than France) and the UK's budget rebate, which all EU countries, including France, paid for. While UK Prime Minister Tony Blair was willing to renegotiate the UK rebate if it meant a profound reduction in CAP spending in the early 2000s (an offer rejected by French President Jacques Chirac – see Daugbjerg & Swinbank, 2007), David Cameron instead struck a 'non-aggression' pact with his French counterpart Nicolas Sarkozy: the United Kingdom would not push too hard on cutting agricultural spending, and France would hold its fire on the UK's rebate (Watt, 2012).

CAP reform as competition between its two pillars

The first part of the CAP policy jigsaw, the budget, sets out the overall funding available. The second sets out who will be the main beneficiaries of this funding, contesting the respective weights of Pillar One and Pillar Two, as well as national levels of support.

The two pillars of the CAP differ in three important ways in terms of funding, beneficiaries and policy flexibility. Funding for Pillar Two is co-funded, which means Member States need to provide additional domestic funding at national or regional level to gain access to European funding for these schemes. This can stifle the use of second pillar instruments: for example, the United Kingdom, despite its long-standing support for agri-environmental funding available through Pillar Two has long chosen to limit its Pillar Two budget, to limit additional funding towards EU policies, in line with its overarching aim as EU member of EU budget reduction and CAP share reduction within it (Gravey, 2019). Beneficiaries are different, too – while Pillar One funding is limited to farmers and, since 2013, to 'active farmers' (European Commission, 2019), beneficiaries for Pillar Two are much broader, ranging from local government to charities and farmers in least favoured areas. This variety in beneficiaries is further fuelled by the

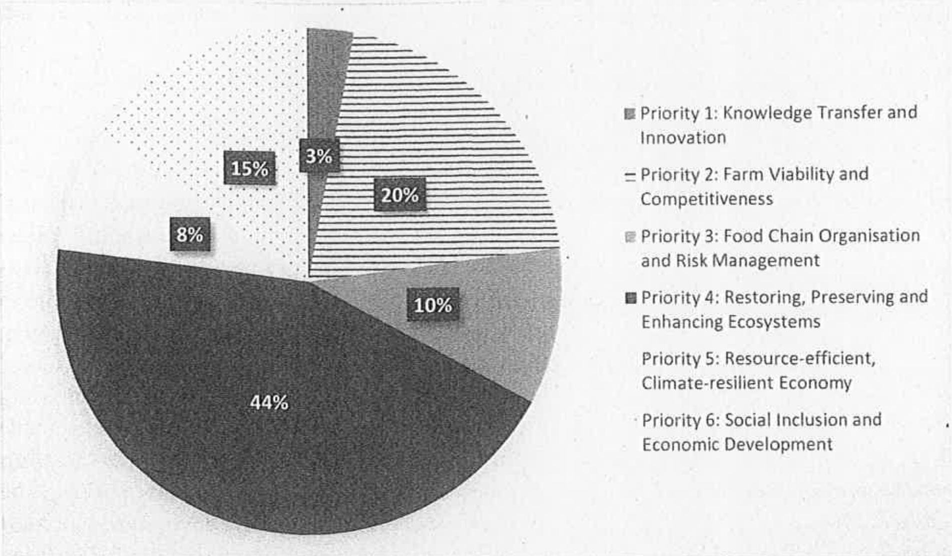

Figure 22.2 Spread of rural development programmes funding across the six priorities (2014–2020)

Source: Authors – based on European Commission data

number of policy instruments Member States and regions can choose from in devising their many rural development programmes. In the 2014–2020 funding period, there were 118 rural development programmes across the 28 Member States of the European Union, drawing from six different priorities.

Variety between rural development programmes is not only happening between countries but within certain countries – for example, France adopted 30 different programmes, Italy 23, Spain 19 and Germany 15.

These differences in funding and in beneficiaries mean that usual political friends of the CAP will tend to defend Pillar One over Pillar Two. For Member States that are net recipients of CAP funding, Pillar One funding does not require co-funding – it is only European funds. For farming unions, Pillar One funding only goes to their members, while Pillar Two funding has to be shared with other actors – and instruments such as agri-environment-climate payments are much less generous, developed to cover costs and income foregone of environmental action, not to provide an alternative source of income (Hart et al., 2011). This means that, when the CAP budget overall is reduced, the smaller Pillar Two is likely to be reduced comparatively more – this was the case during the 2014–2020 Multiannual Financial Framework and is also the case in the deal agreed on in the post-2020 MFF at the July 2020 European Council.

CAP reform and policy instrument design

The detailed analysis of CAP policy instruments and debates on their content is the third piece of our CAP reform jigsaw puzzle – moving fully from budgetary politics to the EU's normal legislative process, which, since the 2009 Lisbon Treaty, means co-decision between the Council of the European Union and the European Parliament.

Agriculture is a very late case of parliamentarisation (Roederer-Rynning & Schimmelfennig, 2012) – especially when we consider it is the oldest EU common policy. Other flagship policy areas, such as the environment, saw greater Parliament power from the early 1990s onward. But Member States had long been reluctant to open the delicate balance between net contributors and net beneficiaries, between proponents of multifunctionality, neoliberalism and productivism to outside influence. Bringing the Parliament in raised concerns for further reform of the CAP. While the European Parliament as a whole had relatively 'green' credentials compared to the other institutions, this appeared to be waning (Burns et al., 2012). Furthermore, COMAGRI, the COMMittee for AGRIculture, had long supported farming interests, with many MEPs with a farming or agri-food background (Greenpeace, 2018). This fuelled concerns about the impact of parliamentarisation on the direction and ambition of reform. Would the Parliament, with its limited administrative capacity, be able to stand up to the Council (Swinnen & Knops, 2012)? Would the Parliament, like the US Congress, end up supporting, not reforming, the status quo (Knops & Swinnen, 2015)?

What impact has this parliamentarisation of CAP reform had? The CAP 2013 reform became associated with a call for greening agriculture and 'public money for public goods' (Gravey, 2011) – but the final policy fell short of these promises, leading environmental NGOs to argue the CAP was more greenwashed than greened (Brunner & Robijns, 2014). The Commission's proposal was to increase the environmental credentials of Pillar One – and to weaken minimum levels of environmental action under Pillar Two. While this approach could increase the environmental baseline for farming across Europe, 'a lack of confidence in the environmental effectiveness of the measures proposed made them difficult to defend' (Matthews, 2013, p. 7). This made it clear that for the Commission, greening Pillar One was first and foremost a legitimising exercise for income support. Both Council and Parliament weakened the already limited ambition of the green payments (Roederer-Rynning, 2015) – but the Parliament defended Pillar Two and a higher minimum level of environmental action in rural development plans. In the end, 'the post-2013 CAP is neither a reversion to an old-style CAP nor a new style environmental policy. Instead, it strongly resembles the pre-2013 CAP, with its dominant focus on farm interests' (Daugbjerg & Swinbank, 2016, p. 276). The post-2021 CAP reform also faced accusations – from environmental NGOs and climate activist Greta Thunberg, amongst others – of greenwashing and falling far below what is required to meet the European Green Deal objectives. As in 2013, the Parliament in 2020 voted against increasing the environmental ambition of CAP reform, refusing, for example, to link the new CAP to the Green Deal objectives.[2] At the time of writing, the reform is still on-going and is likely to deliver small, incremental steps toward greening the CAP which fall short of addressing farming's contribution to the dual biodiversity and climate emergencies.[3]

CAP reform – whither commonality?

The last part of our CAP policy reform jigsaw takes us away from Brussels. While the CAP is the oldest EU common policy, agriculture is a shared competence of the Union and its Member States. With enlargement, the variety of agricultural systems the CAP needs to work for has grown dramatically – fuelling calls for a less 'common' policy with more differentiation and repatriation of competences to the Member States. This move is central to the post-2021 CAP reform, which sees the policy reorganised around 'strategic plans [whereby] countries will set out how they intend to meet the 9 EU-wide objectives using CAP instruments while responding to the specific needs of their farmers and rural communities' (European Commission, 2020b). Such a move towards national strategic plan, following in the footsteps of another policy area, energy, where National Energy and Climate Change plans are also required, is also part of a wider effort by the European Commission to refuse to be blamed for unpopular policy choices.

Hence, in his 2018 State of the Union address, Commission President Jean-Claude Juncker reminded Member States that blame – and credit – should be shared:

> I cannot accept that the blame for every failure – and there have been a few – is laid solely at the Commission's door. Our proposals are there for all to see. They need to be adopted and implemented. I will continue to resist all attempts to blame the Commission alone. There are scapegoats to be found in all three institutions – with the fewest in Commission and Parliament.
>
> *(2018, p. 7)*

The common agricultural policy is not popular – even among farmers who are its main beneficiaries, as evidenced by UK farmers voting strongly to leave the European Union in the 2016 Brexit Referendum (Bidwells, 2016). But not all blame for the CAP's failings should be laid at the Commission's, or more broadly, at the EU's, door. The more the CAP has allowed for flexibility in its implementation, the more the precise makeup of CAP subsidies and grants available is due to decisions taken nationally or regionally, not at the EU level. Comparing the ways in which the 2013 CAP has been implemented in Ireland and across the four nations of the United Kingdom before Brexit, we see how farmers in neighbouring jurisdictions can experience a very different CAP (Table 22.2).

These differences are compounded by Member States developing their own additional national policies – from France's Ecophyto plan to halve the use of pesticides, to Italy's support for social agriculture, Spanish efforts to tackle unfairness in the food supply chain or Denmark's organic food procurement policy (Petetin et al., 2019). Farmers and farming organisations complaining about over-regulation thus need to unpick which rules are of European, national or regional origin.

Conclusions

The CAP is the oldest of the EU's common policies. Due to its prominence in EU debates, we often forget that agriculture was not central to early European integration, and its inclusion was

Table 22.2 Comparing implementation of CAP 2013

	Ireland	*England*	*Scotland*	*Wales*	*Northern Ireland*
Minimum claim size	No hectare-based minimum but no claim below 100€	5 ha	3 ha	5 ha	3 ha
Capping	150,000€ cap for basic entitlements	–5% above 150,000€ claim, no capping	–5% above 150,000€ claim, capping at 500,000€	Progressive capping with reduction from 150,000€ and capping at 300,000€	150,000€ cap for basic entitlements

Source: Adapted from Allen et al., 2014 much debated. Sixty years on, the Europeanisation of the sector is once more up for debate. The common agricultural policy approaches its 60th anniversary in times of turbulence. von der Leyen's plans for the European Green Deal in late 2019 were putting agriculture at the heart of the overarching plan of the European Commission (with the Farm to Fork Strategy); reiterating the call for further greening, the future CAP is expected to see 40% of its funding tied to climate action. This renewed importance – reinforced, during the coronavirus pandemic, by coverage of the frontline work of farmers and actors throughout the agri-food supply chain – does not come with increased funding. But it does come with increased scrutiny. The complexity of the CAP, a common policy with decreasing commonality, designed to accommodate the variety of Europe's farming sectors, its diverse rural areas and national political priorities, makes CAP reform a difficult political jigsaw. Past CAP reforms have showed how the environment is frequently and increasingly used to justify continued levels of support, yet the CAP's policy outputs and policy impacts still fail to deliver significant greening. This state of affairs has been characterised as 'greenwashing' by environmental groups. It can also be understood as evidence of 'post-exceptionalism', a 'partial departure from compartmentalized, exclusive and exceptionalist policies and politics which, however, preserves some exceptionalist features and has not led to a complete transformation to market-oriented and performance-based policies' (Daugbjerg & Feindt, 2017, p. 1358). This chapter has contributed to current scholarship on CAP reform by positing that the politics of CAP reform can be best understood in four steps: budgetary politics, competition between the two pillars, specifics of policy instrument design and finally re-patriation of agriculture decision-making. These debates are interconnected, occurring in parallel with some actors having access to only part of the decision-making process; others, such as the Member States, are active throughout. Agri-environment schemes, the policy instruments that have to this day had the most influence in changing farming practices towards more environmental friendliness, suffer from Member States focusing on the size of the first pillar at the expense of the (smaller, co-funded) second pillar of which they are part.

This focus on maintaining CAP income support and thus the first pillar automatically puts environmental objectives in the back seat, reform after reform, irrespective of how green the reform discourse is. The ongoing post-2021 CAP reform offers one possible way out of this impasse: a renationalisation of policy instrument design with the creation of national strategic plans.

The advent of national strategic plans heralds a new phase in CAP history, a reform of a magnitude similar to the 1992 MacSharry reform and the 2003 Fischler reform. By putting environmental ambition back in the hands of the Member States, the European Commission may finally move the CAP away from 'post-exceptionalism' – but this is unlikely to be the case across the board. Instead, we risk seeing a profoundly unequal level playing field – with farmers in some Member States expected to deliver on the environment much more than others. But it also gives back to Member States the possibility to shape the policies to meet their own priorities, making them, not the EU, the target for future CAP criticism.

Notes

1 If we consider the two leading academic journals in European studies, we can see that there have been only 15 articles with agriculture in the title in the *Journal of Common Market Studies* since 1965 and 22 in the *Journal of European Public Policy* since 1995.

2 www.euractiv.com/section/agriculture-food/news/holdcap-week-post-2020-farming-subsidies-programme-at-a-crossroads/

3 http://capreform.eu/cap-decisions-make-slow-progress-towards-the-green-transition-i-definitions/