The parliamentarization of the common agricultural policy and its role as a global actor

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The entrance of the European Parliament (EP) in the decision-making process of the Common Agricultural Policy (CAP) did not signify a great reform of this policy. Even though some advancement was made and the role of the EP was recognizable, the parliamentarization of the CAP was mostly based on micro-level amendments. Therefore, one can assume that the EP missed this opportune moment of the post Lisbon treaty era and did not use it to its full extent. Despite this, the CAP is still a recognizable and influential foreign policy mechanism enhancing the role of the EU as a global actor.

The European Union (EU) is one institution or supranational institution like many others. It originated from the desire to create an ever-lasting peace between the countries of Europe, most importantly France and Germany, leading to the creation of the European Coal and Steel Community of 1951 that evolved into the European Economic Community of 1957 and then to its present state as the European Union.
Today in this political union, the three most important legislative institutions are the European Commission, the Council of the EU and the European Parliament. The European Parliament is a natural research object as it is the one that has gained the most power in the last decades and treaties of the EU, mostly through the power of codecision.

This political union has indeed survived many crises and periods of pressure, such as the financial crisis roughly between the years of 1969 until 1975, the fall of the Berlin wall when Germany was reunited, and was forced to incorporate a large territory into its economy, the euro-crisis of the post-2008 years and most recently the “Brexit” phenomenon.

It is possible to assume that a union that has survived so many crises will be more able to endure future crises, although an opposite contention is also possible which is that the EU of today is not the same union of the Treaty of Rome of 1957 or of the Maastricht treaty of 1991. To the contrary, the EU might have created latent mechanisms in the process, potentially permeating it by outside influence and rendering it vulnerable to financial crises.

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One of the most important achievements of this political union is the Common Agricultural Policy (CAP) as it is one of the largest policies inside another important instrument of federalization, which is the EU budget.

Being aware that the Lisbon Treaty of 2009 was the treaty that put the CAP under the process of codecision, which made the European Parliament have the same powers as the Council of the EU is the basis for any new study of this policy.

The CAP has been greatly debated by all sorts of scholars. Several schools were formed through the decades: the neofunctionalists (with names such as Ernst Haas, Leon Lindberg), the intergovernmentalists (Andrew Moravcsik, Alan Milward, Frances Lynch) and more contemporary scholars that developed methods that join the positive approaches of these two schools in what I prefer to call mixed theories (Catherine Moury, Adrienne Héritier, Claudia Wiesner, Kari Palonen, among many others).

These authors have repeatedly referred to the EP, its history and its role in the CAP. These authors allow us to have a greater insight into the beginnings of European integration, and the first attempts at understanding its success.

One of the most important discoveries was that, as Haas had stated, the empowering of the EP (which was named the Common Assembly at the time) was originally a French idea. This idea was not pushed forward due to great opposition. The EP thus had to wait for about 40 years to have the ability to have amendments pushed in the legislative process. This procedure became known as codecision in the Treaty of Maastricht.

The CAP was originally intended to create a system of price support so that agricultural production would rise as this was necessary in post-war years to revive this economic sector.

Agriculture policies as constant source of debate for many professionals
The European Commission and some economists and politicians (John Maynard Keynes or Franz Fischler) had long stood up for the idea that agriculture is a practice that deserves national and supranational financial support as it is dependent on the climate. Neoliberal authors, such as Milton Friedman or Friedrich August von Hayek, on the other hand, supported the end of agriculture ministries, and agricultural policies that would affect the normal functioning of the market, ending any kind of quotas for production or financial support to farmers.

Neoliberalism would benefit citizens and countries as they would be able to acquire agricultural commodities at the cheapest price through world markets. In a neoliberal method, it would be better for countries to trade according to world prices than having to subsidize farmers. Friedman would be an opponent of the CAP, as would von Hayek.

However, the history of the CAP has shown that, although neoliberalism did play a role in its development, particularly in the change from price control to direct support for farmers in the 1980s, the choice has always been on continuing with the policies of supranational support for farmers and farming.

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The history of the CAP is one of constant restructuring of policies that manage the practice and support of agriculture. All of the political discourse of the first years after the Treaty of Rome of 1957 was one where financial support for agricultural practices was necessary and one that was to be gathered through the European budget. This financial aid was centered on price support. Price support is a system by which agricultural commodities would not be lowered below a certain level, giving farmers a stable financial livelihood.

Over the years, this system was adapted to one where price support would diminish and the focus was to be put on direct financial aid to farmers. These direct payments became increasingly connected with greening policies, in other words, the growth of environmentally friendly policies for agricultural production and rural development.

After the Treaty of Rome of 1957, the Mansholt Plan of 1968 was the first attempt at reformulating the CAP, and was based on the training of farmers and modernization. It was not a significant reform due to a lot of opposition from farmers and member states. It was with plans such as this that the concept of path-dependence gains momentum for this study but also for the understanding of European integration.

The Green Paper of the European Commission of 1985 began to change the philosophy of this common policy from one of production to one based on competition.

The MacSharry reform of 1992 pushed for some greening ideas and agrienvironmental policies. The process of the reduction of price support for foodstuffs and its substitution by direct payments was continued as the Uruguay Rounds and the General Agreement on Tariffs and Trade (GATT) pushed for the reduction of the incentives for agriculture, and a liberalization of agricultural markets worldwide.

The Agenda 2000 divided this common policy into two pillars (direct payments as the first pillar and rural development as the second pillar). Young farmers would also receive more financial support. This Agenda 2000 came at the same time as
the implementation of the Euro currency and the Euro area thus facilitating the exchange in commodities, the control of inflation, harmonizing exchange rates and monetary policies, and the interest rates of the European Central Bank.

The next step in the history of this common policy was the Fischler Reform of 2003 which is also called the Mid-Term review. In this incisive reform, the most important advancements were the separation of direct payments from production, in other words, decoupling; the separation of agriculture and rural development, the political ideal of sustainability as an orientational concept in policy-design, and the single farm payment that would be made once a year and per hectare. This was a definitive reform but it partially failed as rural development was undercapitalized.

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The CAP Health Check of 2008 was the next step and it was designed to accommodate the 2004 enlargement of the EU, the biggest one until today encompassing ten new member states. It was designed to end quotas for sugar and milk by 2015 that had been initiated in the 1980s, and the creation of the Single Area Payment Scheme as an introductory system for the countries in this enlargement.

The development that followed was the Lisbon treaty of 2009 and with it, the 2013 CAP reform or, more precisely, 2013 CAP change. This was the first reform of the CAP made with a EP that possessed the same powers as the Council of the EU. It was the Lisbon treaty that gave the European Parliament codecision powers in 40 new areas, including the CAP. This treaty signified the completion of the parliamentarization process that had started in the Maastricht Treaty.

Research in both statistics and speeches has shown that the EP has been changing its political behavior from one based on dissensus and strong opposition particularly in the 90s to one more recently based on consensus-seeking, and micro-level amendments. Has the parliamentary influence then made any difference for the CAP?

Market-driven CAP with or without parliament influence

Despite the growing powers of the EP after the Lisbon Treaty, this institution was not able to materialize a deep reform of this common policy in the 2013 CAP reform. It is possible to assume that powerful vested interests based on the internal and foreign policies of the EU’s member states (particularly Germany, France or maybe even the European Commission) have circumvented the rhetorical abilities of the EP.

The CAP seems to have evolved into a policy that continues to push for greater agrienvironmental reform (greening), forcing farmers to produce under strict measures and accelerated production levels in exchange for EU funds.

It can also be argued to function as a mechanism of foreign policy, one that keeps searching for new markets in the world in which to expand (competing with other powers such as China, Russia or the United States) being able to deliver great quantities of high-quality products at cheaper prices thus creating EU economies greatly based on the capacity to export inside the EU space and later
to developing countries that do not have the means to compete but that, on the other hand, gain access to high-quality and cheap EU foodstuffs.

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The development of the “Brexit” negotiations is very relevant but it may not be able to change most of these ideals as they appear to be the basis of part of the EU’s strategy and, in a sense, part of its foreign policy.

M.A. Luis Sargento Freitas will defend his doctoral dissertation at University of Jyväskylä on 12.11.2018.

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