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New Working Paper:

A Guide to CAP Reform Politics: Issues, Positions and Dynamics

This year will be decisive for the reform of the EU's Common Agricultural Policy (CAP). The European Commission will submit its legislative proposals for the post-2013 CAP in June/July 2011, thus largely circumscribing the scope of reform. Furthermore, the member states and the European Parliament (EP) will move from their initial positions that largely reflect the opinions of the agricultural policy-making community to more representative stances that are coordinated with policy-makers in charge of the environment, the economy and public finances. Although agreement between the Council and the EP cannot be expected before 2012, the positioning during 2011 will be crucial. In this new paper, Valentin Zahrnt examines the formal positions as well as the less visible interests and internal conflicts of the main policy actors: DG Agri, the Commission College, the European Parliament, the member states, farmers and landowners, other civil society stakeholders, and academics.

The preceding Commissioners for agriculture, Franz Fischler and Mariann Fischer-Boel, were convinced that their reform efforts served not only the public but also the CAP and the farmers. Their reforms legitimized the CAP and thus ensured that money would continue to flow. But the post-2013 CAP reform will shrink the CAP budget and oblige farmers to deliver more public goods, and thus incur costs, in exchange for the subsidies. This is less to the liking of DG Agriculture, which has grown used to its powerful position within the Commission, based on its outstanding financial resources, and which tends to perceive its role as that of the defender of farm and rural interests.

It seems that DG Agriculture has got its way within the Commission College. Yet, there is also another interpretation. The leniency of DG Budget (and José Manuel Barroso) with the CAP in the budget review conclusions could have been motivated by tactical considerations: let them run against the wall (of the Council) rather than force them to produce a text that is more coherent with the overall flavour of the budget review conclusions.

Member states' positions are equally hard to anticipate. The UK is traditionally the harshest critic of the CAP. However, the rebate on UK contributions to the EU budget is being largely justified by the relatively modest UK receipts of farm subsidies and UK disagreement with the CAP. It could be tempting for the UK to protest against, but not to truly resist, the preservation of the CAP status quo – both to maintain the public justification of the UK rebate and to obtain support for the UK rebate through house trading with CAP-friendly member states. Some even speculate that the UK has already struck a side deal with France and Germany to freeze everything as it stands: the CAP budget, the EU budget ceiling and the UK rebate. But how does that fit with a recent speech by the Environment Secretary Caroline Spelman in which she called the CAP 'morally wrong' and insisted that 'Rising global demand for food and rising food prices make it possible to reduce subsidies and plan for their abolition.'?

Poland's attempt to forge an alliance with France and Germany has failed – and they were left out of a Franco-German position paper. Faced with the resistance of old member states against redistribution of

the subsidies of the first CAP pillar, Poland and other new member states are now pushing for a stronger second pillar in which they have a much larger share. But DG Agriculture has proposed to promote environmental objectives through the greening of the first pillar instead of continued shifts towards the second pillar.

These are just some of the intricacies of a political game whose stakes go well beyond agriculture and sustainable land use: will the EU manage to agree on a long-term budget that tackles the priorities of the future and thus acquire new momentum for European integration? Or will negotiations confirm the flawed status quo and undermine public support for the EU further?

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