EXPLAINING THE ENDURING POWER OF A DECLINING SECTOR: 

Political and Institutional Bases of European Agriculture’s Success in Resisting Liberal Reform

von

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The European Community’s Common Agricultural Policy (CAP) has long been widely criticized for subsidizing farmers in a fashion that reflects the power of the “farm lobby” but makes no sense in economic terms. The refrain for more than two decades has been that the CAP excessively burdens consumers and taxpayers, stimulates surplus production and distorts agricultural trade on the international scene. Over time, the political equation that leads to acceptance of these economic effects has appeared increasingly baffling to critics. After all, the percentage of the EC work force employed in agriculture declined from 21% in 1961 to roughly 7% in 1990, and agricultural output as a percentage of gross domestic product declined from 4.8% in 1973 to 2.4% in 1990. As of 1990, however, the member state governments which collectively shape the CAP were still allowing it to account for nearly 60% of total EC expenditures, to inflate food prices by 7% (and non-agricultural prices by an estimated 3.8%) over the level that would be reached if subsidies were eliminated, and to frustrate the progress of GATT negotiations.

These statistics are all the more remarkable given the fact that many developments have combined over the last decade to create unprecedented pressure for liberal (i.e., cost-cutting and subsidy-reducing) reform of European agricultural policy. Agricultural surpluses increased at such a pace during the 1980s that CAP expenditures more than doubled; especially in the grain and dairy sectors, the surpluses began to appear as a “time bomb” that badly strained relations among member states and threatened to bankrupt the CAP. General economic stagnation and increasing welfare state demands created a context that made it increasingly difficult for EC governments to justify allocating ever-more funding to the CAP; budget deficits and competing demands for revenue in France and Germany made it increasingly difficult for EC governments to justify allocating ever-more funding to the CAP; budget deficits and competing demands for revenue in France and Germany.

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1 Indeed, the CAP has been termed "a social and political policy with an economic veneer." See Rosemary FENNEL, "A Reconsideration of the Objectives of the Common Agricultural Policy," Journal of Common Market Studies, March 1985, p. 265.


(especially after reunification) made even these traditionally staunch CAP proponents more open than before to the possibility of cost-cutting reforms. 6

At the same time, the wave of integration in the 1980s entailed the launching of new EC programs - for example, "cohesion" funds for less-developed regions and research and technology projects - that represented popular alternative uses of EC resources; this development tended to "brighten the spotlight on agricultural expenditure, as claimants for new programmes and critics of the CAP" were given the "opportunity to combine their forces." 7 The ranks of CAP critics were also strengthened by the increasing influence of "green movements" that questioned the prudence of retaining a CAP that, by encouraging greater production through intensive farming, not only produced unwanted surpluses but did so through the use of polluting chemical fertilizers and pesticides. 8

The hand of EC forces opposed to unchecked growth in agricultural subsidization has also been strengthened from the early 1980s onward by anti-CAP pressure from outside the Community, especially the United States. Frustrated by the failure of earlier efforts to convince the Community to reduce the export subsidy component of the CAP (which greatly aided European efforts to penetrate traditional American markets), the U.S. in 1985 instituted an Export Enhancement Program explicitly intended to "increase the financial burden" posed by the CAP "to a politically unacceptable level." In 1990 the American Agricultural Secretary declared that the U.S. was prepared to "bankrupt the European Community with a trade war" if the Community refused, in the Uruguay round of GATT talks, to negotiate reductions in agricultural subsidies. 9 American insistence on CAP reform as a condition for a GATT agreement seemed likely to prove effective given the European desire to secure a GATT-derived boost to industrial exports.

These growing pressures for reform led in the 1980s to a variety of calls for action, but nothing more than "minimal adjustments" were instituted and the CAP was left "fundamentally unaltered." 10 Liberal critics of the CAP were given at least somewhat more reason to applaud when two celebrated accords were reached in 1992: agreement by the EC Council of Ministers on a reform of the CAP itself followed by a provisional EC-US deal regarding the agricultural element of the GATT. Both of these steps were widely heralded as evidence that politicians had finally stood up to the fearsome farm lobby. The CAP reform of May 1992, which entailed a 29% cut in cereals prices over three years along with


9 LIBBY, pp. 1 and 5.

10 For discussion of CAP reform in the 1980s, see Rosemary FENNELL, "Reform of the CAP: Shadow or Substance?," Journal of Common Market Studies, September 1987; see also KEELER, Neocorporatism, pp. 248-252; Our Farming Future, pp. 17-20;
other measures to curtail production, was accepted despite the intense opposition of the EC’s major farmers’ unions. For example, German Minister of Agriculture Ignaz KIECHLE, who had vetoed a liberal reform proposal in 1985, ignored pleas from the Deutschen Bauernverband (DBV) to do the same thing this time and condemned his critics as "day dreamers who have no idea of ... political necessities." Six months later, in November 1992, Commission representatives negotiating for the European Community turned a deaf ear to an angry farm lobby and accepted a GATT agreement with the United States that involved a 21% reduction in subsidized grain exports as well as other concessions.

While both of the 1992 agreements reflected some erosion of European agro-power in the face of growing counter-pressures within Europe and beyond, a closer examination of them reveals just how formidable the "farm lobby" has remained. EC Agricultural Commissioner Ray MACSHARRY portrayed the CAP reform as a radical venture reflecting a "totally different philosophy than what has existed for thirty years," but the Economist assessed the proposed changes as "minimal when set against the damage done by the CAP." A Financial Times editorial categorized the reform as "much more than tinkering," but stressed that it left prices too high, insufficiently checked excess production, and spread direct income payments (compensating farmers for price cuts) too widely. "The more muscular reform MACSHARRY had originally envisioned," lamented another critic, "was sapped by the fierce outcry of the EC’s farm lobbies, echoed and targeted by their agricultural ministers." As a result, the reform would actually increase the cost of the CAP in the short run and would not deliver cheaper prices to consumers until the mid-1990s.

As for the provisional GATT agreement, its status has been in question ever since it was announced in November of 1992. The French Socialist government immediately protested that the EC negotiators had made concessions so excessive (allegedly rendering the GATT terms incompatible with the CAP reform) as to make the pact unacceptable. When that government lost its majority in the March 1993 National Assembly elections, the new neo-Gaullist government of Prime Minister Edouard BALLADUR expressed even firmer opposition to the accord. A negotiated compromise still seems quite possible, but it would no doubt entail at a minimum a new package of EC or national compensation measures for the farmers.

In short, the power of the European "farm lobby" has clearly remained formidable, remarkably so by some measures. There appears to be, in the words of a December 1992 Economist survey, "a paradox at the heart of farm protection: subsidies ... have grown over the years, even as farmers’ contribution to economic output and their share of the votes

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15 GARDNER, "Reforms with a Grain of Sense."
17 See "Le Gouvernement face à ses promesses?", Agriculture Magazine, Mai 1993.
have dwindled .... How has a shrinking minority managed to exert such power?"18
Providing a comprehensive answer to that question will be the central purpose of this paper.

It will be argued here that the puzzle of the enduring power of the declining agricultural sector can be explaining only through an appreciation of both the political and institutional assets of the farmers, especially those in key member states such as France and Germany. Section I will discuss how and why the agricultural sector wields political power far greater than what one would expect on the basis of population statistics alone. Section II will discuss the institutional bases of agro-power, focusing on the strength of farmers' unions, the relationship between those unions and the ministries of agriculture, and the ways in which the structure of CAP policy making serves to enhance the capacity of the farm lobby to resist liberal reform.

I THE POLITICAL BASES OF EUROPEAN AGRO-POWER

As John FITZMAURICE has argued, many analyses of European Community policy making have been excessively "EC-centric." They focus exclusively on the institutions of the EC, debates among governments within the Council of Ministers, the role of the Commission and the lobbying efforts of EC-level interest groups. The problem with such an approach is that it neglects to take into account the fact that "the domestic decision-making process on EC matters depends largely on the internal political necessities."19 In line with this logic, it is impossible to unravel the paradox of agro-power without descending below the Brussels level. EC institutions and organizations (e.g., the Comité des Organisations Professionnelles Agricoles or COPA, the main Euro-umbrella group for agriculture) are part of the story, but the place to begin is with the often neglected bases of agricultural power within the EC's national political systems.

This section will discuss six elements of agro-power at the national level: 1) the size of the agricultural population; 2) the electoral power of agriculture; 3) the non-farmer components of the farm lobby; 4) the public sympathy for farmers; 5) the asymmetry of farmer/consumer interests; and 6) agriculture's party ties in key member states. Special attention will be given to the case of France, whose agricultural sector produces the largest share of Community output (22% of the total as of 1990), whose agricultural exports rank not only first in the EC but second in the world (7.7% of the market, compared to 11.6% for the U.S.), and whose government has generally been the most formidable advocate of agricultural subsidization from the CAP's creation through the recent GATT debates.20

1 The Size of the Agricultural Population. In an editorial condemning the French government's opposition to the November 1992 GATT agreement, one American newspaper expressed its bewilderment over the fact that any government would allow "a handful of farmers" to block a deal of such importance. It should thus be stressed that, however much

18 "A Survey of Agriculture," p. 1; emphasis added.
the number of farmers has declined over the years, one should not underestimate the degree to which they have remained a sizeable group. In the French case, for example, only three other occupational groups comprise a larger percentage of the working population than the 6.4% represented by farmers: teachers, health professionals and transport workers.\(^{21}\) A roughly similar situation exists in the six other EC states (Greece, Portugal, Ireland, Spain, Italy and Denmark) in which farmers make up an even larger portion of the population than they do in France.

Beyond this fact, the number of active farmers (the statistic usually cited) is less relevant in political calculations than the size of what one might term the broader agricultural community. After all, active farmers are not the only segment of the population with a special sensitivity to issues affecting farmers. In the French case, active farmers comprise only 4% of the electorate, but one scholar has calculated that fully 17% of the electorate possess a "strong agricultural attribute": active farmers, retired farmers, spouses of farmers, voting-age children of farmers and former farmers now in other occupations.\(^{22}\) While the specific numbers differ in the other cases, this demographic multiplier effect is obviously politically relevant throughout the European Community.

2 The Electoral Power of Agriculture. Two factors serve to give farmers or the larger "agricultural community" a greater degree of electoral power than one would assume on the basis of population statistics alone. First, the sparsely populated rural constituencies in which most farmers reside tend to be allotted in virtually all political systems (not only in Europe) somewhat more elected representatives per capita than the densely populated urban constituencies.\(^{23}\) Second, at least in the intensively studied French case, research shows that farmers tend to participate in elections at a higher rate than other occupational groups. It is estimated that while active farmers comprise only 4% of the total electorate, their higher turnout rate enables them to make up approximately 8% of the voters in national elections and as much as 9% of the voters in municipal elections.\(^{24}\) Assuming an average turnout rate for the other elements of the "agricultural community," that broader group may thus be said to constitute more than 20% of the voters in French elections.

Whereas many electoral systems are structured in such a way as to give farmers disproportionate influence with elected officials, it is important to note that special features of the French system also give farmers a disproportionate chance to be elected officials. France has more local administrative districts (36,487 communes), and thus more sparsely populated rural districts (for example, 40 communes in the department of Haute-Garonne have less than fifty residents), than any other EC state. As a result, as of 1989 28.5% of French mayors were active farmers, and more than one-third were either active or retired.

\(^{21}\) HERVIEU, Les Champs, p. 45.


farmers. Since members of the French Senate are indirectly elected by an electoral college in which 95.5% of the votes are cast by members of the communes' municipal councils, it is not surprising that farmers are over-represented in the national upper house as well; as of 1989, 14.3% of Senators were farmers. Farmers are also over-represented, albeit to a lesser degree (12% as of 1985), in the departmental general councils. Only in the National Assembly are farmers even slightly under-represented (3%).

Although the number of farmers elected to these various representative positions has declined over the years, as one would expect with the rural exodus, it is important to note that the degree of their over-representation has in fact increased. For example, the percentage of farmers among the mayors has declined from 56.4% in 1953 to the 28.5% figure of 1989, but the "ratio of representation" (percentage of mayors who are farmers divided by the percentage of farmers in the active population) has increased during those years from 2.1 to 4.6. By the same token, the percentage of farmers in the Senate has declined from 24.8% in 1959 to the current 14.3%, but the ration of representation has increased in that time from 1.24 to 2.04.

3 The Non-Farmer Components of the Farm Lobby. Appreciating the full weight of the farm lobby requires taking into consideration those non-farmers (beyond the ones included in the "agricultural community" above) and corporations with a stake in the status of the agricultural economy. Residents of rural areas in which agriculture is the only basic activity obviously have strong common interests with farmers; cutting farm subsidies, for example, would "trigger a perverse multiplier effect" accelerating the exodus of rural merchants and thus impairing the quality of life. By the same token, absentee owners of agricultural land have a stake in the CAP, for a drastic decline in price supports would negatively affect land values. Finally, the traders, storers and food processors who make up agro-business have a huge stake in the fate of farmers. As a recent Economist survey noted, agro-business is now "an industry ... as big as farming itself," and it provides valuable urban political allies for the farmers given that most of its jobs are in towns and cities.

4 The Public Sympathy for Farmers. An additional key to the political success of European farmers in defending their vested interests is the fact that the nature of work and their demographic decline have engendered considerable sympathy beyond the rural sphere. "Support for farming has been accepted with remarkable docility by the public at large," notes one critic of the CAP (with a tone of obvious regret), "partly because many people have come from a farming or rural background themselves and partly because the production of food is looked on as a vital activity of intrinsic worth." Moreover, she adds, the farmers "have been well aware of this basic public sympathy and have been skilful apologists in

27 GRANGÉ, p. 252.
28 The ration was compiled from statistics in GRANGÉ, pp. 250 and 258-259, and in L'Information agricole, février 1993, p. 20.
29 See TARDITI, pp. 4-5.
their own cause." Whether one prefers to deem them "apologists" or - more sympathetically - effective advocates, there is evidence that the European farmers have indeed won citizen support for continued subsidies by stressing factors ranging their "green" role as "guardians of the environment" to the lack of alternative jobs for them in cities already troubled by unemployment.

By all accounts, such public sympathy has been especially pronounced in the key French case. There "public opinion turns toward the rural world as toward a tabernacle of symbols" nourishing "dreams of stability and rootedness." In a country that apparently leads the world in the number of citizens who rush for vacations to secondary residences in the countryside (often inherited from deceased or retired farmers), tragic images of green fields turning to abandoned desert and even speeches condemning liberal CAP reform as "peasant genocide" have evoked considerable compassion. Allegations of unjust treatment of farmers ring particularly true in France for another reason as well; productivity gains have been especially impressive there, sufficiently so to have transformed France in the space of a few decades from a net importer to one of the world's leading exporters of agricultural products.

5 The Asymmetry of Farmer/Consumer Interests. Sympathy is not the only reason why citizens across the EC have manifested "docility" in regard to a CAP that has inflated consumer food prices so as to bolster farmers' incomes. Those who are puzzled by the inability of consumers to represent an effective countervailing force to "rent-seeking" farmers should consider the following two points. First, the stake of the farmers in the retention of CAP subsidies is far higher than that of consumers in eliminating them. It has been estimated that, if price supports were ended, the "net income losses per agricultural worker would be nine times higher than income gains of non-agricultural workers." Second, the "inflation" of food prices attributable to CAP subsidies is far less visible to the typical consumer than to reform-minded economists equipped with charts and mathematical models. Since European citizens have experienced substantial real income gains over the past twenty years, "food has absorbed a declining share of the family budget"; on average an EC household spends only 21% of its budget on food today compared with 28% two decades ago. Moreover, increased productivity has meant that the real price of food has actually declined somewhat during that period.

Public opinion polls regarding the liberalizing CAP reform of 1992 provide a vivid illustration of the asymmetry of farmer/consumer concerns and, perhaps, the success of farmers in shaping views on an issue of great salience to them. Such variables as net CAP expenditures per country (.58), CAP expenditures per farmer (.41), and the amount of national farm income that would be lost if subsidies were eliminated (.58) all correlate

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34 See KEELER, Neocorporatism, pp. 91-95; "A Survey of Agriculture," p. 12.
35 TARDITI, p. 13; emphasis added.
positively and fairly strongly with the percentage of each country’s population stating that CAP reform is a "bad thing." In stark contrast, there is a seemingly irrational negative correlation between such variables as the amount of money that taxpayers (-.44) or consumers (-.40) would save, or the net gain that would be made per capita (-.27), if CAP subsidies were eliminated and the percentage of each country's population stating that CAP reform is a "good thing."37

The key German and French cases are both representative of the political dynamic reflected in these statistics. It is estimated that German farmers and agricultural "suppliers" would rank second in income lost from subsidy elimination (13.9 billion ECU) but that German taxpayers (6.1 billion) and consumers (13.2 billion) would benefit more than any others in the EC, and that Germany would make the largest gain per capita in net terms (88 ECU). The German sample ranked third (at 17%) in viewing the CAP reform as a "bad thing" and also gave the third lowest degree of support to the reform on balance (31% more said it was a good thing than said it was a bad thing). As for France, it is projected that French farmers and agricultural "suppliers" would rank first in income lost from subsidy elimination (16.3 billion ECU) but that French taxpayers (5 billion) and consumers (12.8 billion) would make the second highest gains in the EC. The French sample ranked second (at 20%) in viewing the CAP reform as a "bad thing" and also gave the second lowest degree of support to the reform on balance (28% more said it was a good thing than said it was a bad thing).38

6. Party Ties in Key Member States. One more piece in the puzzle of European agro-power is the political utility of special ties which the farm lobby enjoys with political parties in the key EC states of France and Germany. In the French case, the weight of the farm vote and the nature of the presidential election system (a two-ballot direct election system in which, as the 1974 and 1981 examples showed, a shift of little more than one percent of the electorate can determine the outcome) make it impossible for any party to ignore agricultural interests. Moreover, the farm lobby is especially strong within the moderate Right parties (the neo-Gaullist RPR and the UDF) that have held power for all but ten of the last thirty-five years.

At least two-thirds of farmers generally support the parties or presidential candidates of the Right, especially the RPR and its leader, Jacques CHIRAC; it is estimated that 20-25% of CHIRAC's first-ballot votes in the 1988 presidential election were provided by farmers.39 The competition between two Right parties of nearly equal strength, and between candidates of the two parties at the first ballot of presidential elections, assures that farmers' votes will be eagerly sought. Perhaps the most dramatic evidence of the cozy relationship between the farm lobby and the Right is that CHIRAC felt compelled in 1986 to appoint the president

37 The opinion poll data is presented in Our Farming Future, p. 22. The variables correlated with the poll results are taken from Kenneth J. THOMSON, "Budgetary and Economic Effects of CAP Trade Liberalization," in TARDITI, pp. 114 and 117. The THOMSON data omit Spain and Portugal and conflate Belgium and Luxemburg, so the "n" on which these correlations is based is only 9. As a result of the small n, none of the correlations is statistically significant at the .01 level. Nonetheless, the size and consistent direction of the multiple correlations make them well worthy of consideration.

38 THOMSON, p. 117; Our Farming Future, p. 22. Some models project that, with the elimination of MCAs, Germany would suffer the greatest loss of farm income as a percentage of gross value added; see Jan de VEER, "National Effects of CAP Trade Liberalization," in TARDITI, p. 107.

(François GUILLAUME) of the major French farmers’ union (the FNSEA) as Minister of Agriculture. Only seven years before President Valéry GISCARD D’ESTAING (UDF) had appointed a famous past president of the FNSEA, Michel DEBATISSE, as Secretary of State in charge of the food processing industries. A more recent illustration of the farm lobby-Right relationship was the vociferous opposition to the November 1992 GATT accord voiced by both the FNSEA, which denounced the “agricultural Munich” that made farmers the victims of an "American racket," and the neo-Gaullist government elected in March of 1993.

In the German case, despite the fact that farmers comprise a smaller segment of the electorate than in France, the "Green Front" has derived considerable power from the fact that it is “probably the country’s best organized lobby” and has been "a significant force in the parliamentary delegations of both the Christian Democrats and the Free Democrats." At least one of these parties has held national power ever since the creation of the Federal Republic, and the Minister of Agriculture has always been selected from among their ranks.

The last three German Ministers of Agriculture have all been from Bavaria, the state most concerned with agriculture, and the last two (Josef ERTL, 1969-1983 and Ignaz KIECHLE, 1983 to 1993) have each served in the post for at least a decade. These facts, combined with the extraordinary autonomy of the Ministry within the cabinet, have led to a staunch defense of farm interests that has contradicted German taxpayers’ interests and often seemed out of line with broader German economic policy. Perhaps the most dramatic illustration of the farm lobby’s strength within the government was KIECHLE’s veto in the Council of Ministers in 1985 of a proposed price cut for cereals. This was not only the FRG’s first use of the veto ever, but it "also cut straight across the integration policy just advocated by GENSCHER and KOHL."

II THE INSTITUTIONAL BASES OF EUROPEAN AGRO-POWER

The political factors discussed above collectively represent only one part of a comprehensive explanation for the enduring power of Europe’s declining agricultural sector. A second and equally important part focuses on the unique institutional assets of the farm lobby: 1) the remarkable organizational capacity of farmers’ unions; 2) the neocorporatist relationship between those unions and the state in France, Germany and many other EC nations; and 3) the institutional obstacles to liberal CAP reform at the "Brussels" level.

1 The Organizational Capacity of Farmers’ Unions. Compared to consumers, industrial workers and other segments of society with which their interests sometimes clash, farmers

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40 See KEELER, Neocorporatism, pp. 100 and 335.
41 See L’Information agricole, Décembre 1992, p. 7
43 Simon BULMER, "The European Dimension," in Gordon SMITH et al. eds., Developments in West German Politics (Durham: Duke University Press, 1989), pp. 223-225; see also LIBBY, p. 100. KIECHLE’s decision not to use the veto in 1992 reflected not only pressures discussed above, but also his receipt of an especially generous compensation package for German farmers; see Financial Times, May 22, 1992.
in the EC’s member states have been defended by organizations with a remarkable degree of unity and membership density (defined as the number of actual members divided by the number of potential members). In all four of the EC’s most populous states the largest farmers’ union alone can claim a membership density much higher than that of all labor unions; indeed, on average the membership density of the former is roughly twice that of the latter. As case studies of agricultural politics at the national level make clear, this is one of the more important "secrets" of the disproportionate clout enjoyed by the farm lobby.44

How can one explain the unusual organizational capacity of European farmers’ unions? To some extent, as many comparative and national studies confirm, the answer lies in an impulse to unity that is a function of agriculture’s steady demographic decline in an industrial society increasingly dominated by urban interests. Although small dissident unions exist in every national case, the dominant unions - for example, the FNSEA in France, the Deutscher Bauernverband and the National Farmers’ Union in Britain - have all derived much of their organizational strength from the ubiquitous appeal of "agrarian fundamentalism" within what is perceived to be a uniquely embattled sector. "No other profession," as one scholar has noted of the French case, "has pushed so far the quasi-religious construction of its representation."45

Another reason for the organizational success of agricultural unions is that farmers manifest a vast range of needs to which unions can respond with services delivered in the form of selective incentives. The multifarious activities of the farmer as chef d’entreprise create a range of service needs on a par with those of many businessmen, but the typical farmer is generally less equipped to cope with such needs in the absence of organizational assistance. Many farmers possess relatively low levels of education and income, work in an isolated setting, and have a difficult time wending their way through the maze of regulations related to their activities. The dominant farmers’ unions, whose organizational reach is often bolstered by a close relationship with cooperatives and/or semi-public organizations (such as the French Chambers of Agriculture or the German Landwirtschaftskammern), thus tend to succeed in recruiting members largely through the provision of vital services.46

The fact that many farmers pay dues to their union mainly because of the services which membership entails means that union claims of "representativeness" - that is, of mass support for the leadership’s policy positions - based on membership density figures are somewhat misleading. Nonetheless, the impressive membership densities of farmers’ unions are by all accounts a political asset. Moreover, they do reflect a genuine ability on the part of unions to affect members’ perceptions (through means ranging from literature distribution to word of mouth) and - especially in the French case - to mobilize them in demonstrations designed to bolster the union’s hand in negotiations.47

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44 See KEELER, Neocorporatism, pp. 264-265.
46 See KEELER, pp. 260-264.
47 See KEELER, Neocorporatism.
Neocorporatism at the National Level. Given agriculture’s status as the most integrated issue areas in the EC, one might assume that relations between Euro-groups such as COPA and officials in Brussels represent the most important form of group activity for the EC’s farmers. The fact is, however, that "farmers act at the Community level to supplement, not to supplant, action at the national level." The national level is paramount for two reasons: 1) that is where member state governments determine the basic policy positions which they take to the bargaining table in Brussels; and 2) member states retain "substantial scope for applying their own measures in areas of policy not covered by the CAP," and expenditures on such national programs amount to more than twice the sum spent on the CAP. 48

Understanding the nature of European agro-power thus requires an appreciation of the nature of the relations between national ministries of agriculture and the principal interest groups of the sector. In comparative terms, those relations are extraordinary, and they are certainly one of the keys to the farmers’ enduring power. Throughout the European Community (and indeed beyond), agriculture tends to be "the economic sector in which state-profession osmosis is the strongest." 49

As I have discussed at length elsewhere, the principal explanation for this "corporatist imperative" is that the state’s need for collaboration with one or more privileged interest groups is especially pronounced in the agricultural area. Not only is the extent of state intervention in agriculture unusually great, but intervention in this sector poses enormous administrative problems, for no other economic domain features production units so numerous, small and inaccessible. State officials are highly dependent on their interest group clients for information on which policy is based and, most notably, for staff assistance at the local level in assuring that complex programs are effectively implemented. The result in virtually all European nations has been a pattern of "neocorporatist" group-state relations in which the agricultural ministry grants official recognition to the dominant farmers union (and sometimes related organizations as well) and provides that union with exclusive access to state decision-makers at the national level, devolved power for the administration of certain policies at the sub-national level, and often special subsidies designed to facilitate the union’s performance of its quasi-official roles. In short, dominant national farmers’ unions do not simply "lobby" state officials, but instead tend to "co-manage" the affairs of the sector. 50

This model is especially well developed in France, where the FNSEA prides itself on playing an extremely important cogestion role in sectoral affairs, but with some national variance it is applied in all major cases. In Germany the Ministry of Agriculture has been described as a Verbandsherzogtum (interest group duchy) ruled by the Deutschen Bauernverband. 51 In Great Britain the relationship between the ministry and the National


49 HERVIEU, Les Champs, p. 152.

50 See KEELER, Neocorporatism, pp. 6-16 and 256-259; HERVIEU and Rose-Marie LAGRAVE, Les Syndicats Agricoles en Europe.

Farmers Union has been deemed "the most intimate and powerful ... of all the quasi-
corporate relationships between the Government and interest groups." And in Italy, the
relationship between the ministry and the Confederazione dei Coltivatori Diretti has been
portrayed as a system of autogoverno structurally similar to the French system but featuring
far more evidence of corruption and misadministration by the privileged union.

The neocorporatist ties between the state and their union "partners" do not guarantee that
policy will always reflect union interests, but they generally constrain the government in a
subtle yet substantial fashion. Ministry officials recognize that policy initiatives highly
unpopular with the official union and its members may engender not only political costs (as
detailed in section I), but also administrative problems sufficient to make programs
unworkable.

A vivid illustration of this political dynamic was provided by the French Socialist
government’s short-lived challenge to the neocorporatist system from 1981 to 1984. Soon
after the Socialists’ victory in 1981, Agricultural Minister Edith CRESSON embarked on
an ambitious program to undermine the FNSEA’s traditional status and implement sweeping
reforms staunchly opposed by the union. After two years of protests and administrative
disruption, the government came to the conclusion that politics is "the art of the possible"
and that there was "no alternative" to cogestion in the sector. CRESSON was thus replaced
by the more pragmatic Michel ROCARD, radical reform programs were abandoned and the
traditional ministry-FNSEA relationship was revivified.

It might seem logical to assume that state dependence on union "partners" would diminish
over time with the decline in the farm population and eventual cutbacks in agricultural
funding. Working against this scenario, however, is the trend toward increasingly complex
interventionist schemes. The "set-aside" provision of the 1992 CAP reform (requiring many
farmers to refrain from cultivating a designated number of acres), for example, has been
judged as "almost unworkable in the extra supervision of farmers that it demands.
Such reforms are likely to enhance state reliance on union administrative cooperation and
thus make state officials even more sensitive to the concerns of organized agriculture.

3 Obstacles to Reform at the EC Level. At the peak Brussels level of the EC’s complex
political system, at least five different factors serve as obstacles to any truly radical reform
of the CAP: a) the policy legacy of the EC’s early years; b) the decision rules of EC policy
making; c) the bargaining dynamics of the policy making process; d) the bureaucratic
interests of the agricultural decision-makers, and e) the lobbying power of agriculture in
Brussels. Taken together, these factors provide yet another formidable roadblock to those
who wish to challenge European agro-power.

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52 Robert J. LIEBER, British Politics and European Unity (Berkeley: University of California Press,
53 Ernesto ROSSI, Viaggio nel feudo di Bonomi (Roma: Reuniti, 1965), p. 295; see also KEELER,
Neocorporatism, pp. 268-278.
54 See KEELER, Neocorporatism, ch. 8, for a discussion of the Socialists’ abortive effort to dismantle
the neocorporatist system.
a) The Policy Legacy. The statistics that make the power bases of the CAP seem most puzzling are those indicating that, with a two-thirds decline in the percentage of the EC work force employed in agriculture since 1958, agricultural spending has failed to decrease in anything like proportionate terms. Indeed, the percentage of the total EC budget consumed by the CAP rose from 16.7 times agriculture's share of the EC's gross domestic product in 1973 to 24.4 times that share in 1990.56

However curious such an outcome might seem, it is readily explicable in terms of the policy legacy on which the current CAP is based. It may well be "beyond doubt that if the Community were to start afresh to devise an agricultural policy it would not come up with a formula resembling the one which exists today," especially given that only some 7% of the work force is now agricultural, but the point is that the Community cannot start anew.57 In general, as policy analysts express in the notion of "path dependence," decisions at an earlier time "can restrict future possibilities by sending policy off onto particular tracks, along which ideas and interests develop and institutions and strategies adapt."58

A path dependence approach makes understandable the extent to which today's CAP reflects not just the EC's current balance of power, but also - or even primarily - the power balance of the EC's founding years. From the late 1950s to the early 1960s, when the CAP's principles were enshrined in the Treaty of Rome and then elaborated in detail, farmers represented nearly 25% of the work force and the most formidable current advocate of a liberal policy (Great Britain) was not yet an EC member. Moreover, through its celebrated deal with Germany and its intense collaboration with the new Commission, it was France that played the greatest role in shaping the policy legacy on which the current CAP is based.59

It is often noted that an important part of the CAP's policy legacy is the idea that the CAP is uniquely important not only for farmers but for the European Community as an institution. Since agriculture has always featured the most fully integrated or "common" policy in the EC, its advocates have been able to argue from an apparent moral high ground that criticism of the CAP is "non communitaire," i.e., that it undermines the symbol of "unity" and is thus tantamount to an attack on the entire integration venture.60

b) EC Decision Rules. Along with this policy legacy, the EC's decision rules have played a major role in assuring that "the political influence and the institutions established when agriculture was a dominant sector have changed comparatively little."61 No fundamental

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56 Calculated on the basis of statistics in Our Farming Future, pp. 11 and 22, and John MARSH and Pamela SWANNEY, "The Common Agricultural Policy," in LODGE, ed., Institutions and Policies, p. 70. Agricultural output constituted 4.81% of total GDP in 1973 compared to 2.43% in 1990, while CAP spending declined only from 80.3% of EC spending in 1973 to 59.3% in 1990.


59 See KEELER, "De Gaulle"; PEARCE, pp. 146-147.


61 PEARCE, p. 144.
change in traditional CAP orientations stands a chance of gaining acceptance in the Council of Agricultural Ministers as long as each member state, in line with the Luxembourg compromise of 1966, retains the right to a veto on issues declared to be a major national interest. As noted above, Germany exercised that right in 1985, France has threatened to use it to block the provisional GATT deal of 1992, and the mere possibility of such a veto normally assures that only incremental adjustments will even be considered.

c) Bargaining Dynamics. Two other features of the political process that produces EC agricultural agreements have also served to work in favor of farm interests. First, the bargaining over agricultural policy tends to be quite insulated. The complex, technical nature of the many components of CAP package deals makes it very difficult for "outside" decision makers with general interests such as cost limitation to challenge particular decisions reached by agricultural insiders. Second, it is generally agreed that the common financing formula gives agricultural ministers "greater freedom to take decisions entailing higher budgetary costs than they would ... if the burden fell directly on the national exchequers." The resulting propensity toward greater spending is enhanced by what has been termed the "Chinese restaurant syndrome": since the bill is shared, each country has an incentive to seek maximum protection for its own agricultural interests - no country wants to "order one dish and pay for five."  

d) Bureaucratic Interests. An additional factor rendering a radical reduction of CAP expenditures unlikely is that, given the insularity of agricultural decision-making, the plans for such a step would have to be prepared and implemented by the very officials who benefit personally from the disproportionate stature and status of the sector within the Community. At present, the Agricultural Ministers meet more frequently than any other Council except the Foreign Ministers; the Agricultural Council is the only one whose meetings are prepared not by the Committee of Permanent Representatives (COREPER) but rather a Special Committee on Agriculture; agriculture's Directorate General is the second largest of the Commission's twenty-three DGs; and there are many more working parties and advisory groups in this issue area than any other. It is the importance of the CAP which has given agricultural officials "center-stage" in the Community, and as one critic has lamented, it is "unrealistic to expect them voluntarily to retire to the wings where objectively they might be more properly located."  

e) Lobbying Power. The final factor serving to protect the farmers from a frontal assault on the CAP is their disproportionate lobbying power at the EC-level. COPA has long been the most firmly established of the umbrella associations in Brussels. It currently employs a full-time staff of forty-five, while most Euro-associations get by with one or two officials. The European cooperatives association (COGEC) is a substantial organization in its own right and is tied to COPA through a network of joint specialized committees. In addition, both specialized producer groups and national farmers' unions are directly represented with offices in the EC capital. Agriculture's interests are defended by no less than 150 different Euro-groups, the net effect of which is not only to reinforce the many other bases of sectoral clout but also to overwhelm the lobbying capacity of potentially countervailing
interests such as consumers (whose main Euro-group has a staff one-sixth the size of COPA) and environmentalists.66

CONCLUSION

The political and institutional bases of European agro-power are thus widely varied and collectively formidable. Indeed, it is evident that any liberal assault on the CAP would seem unlikely to yield radical change even in the absence of several of the pillars of power discussed above. The obvious remaining question then is the following: under what conditions, if any, might this declining sector eventually become politically vulnerable enough to allow for a substantial liberalization of the CAP and related EC policy?

One factor that will inevitably weaken agro-power over time is the continuation of decline in the number of farmers and farm workers. The farm lobby is obviously far less potent today in Britain than in France, and the most fundamental variable differentiating the two cases is that the former's farm population is only 41% the size of the latter's. It is thus highly significant that demographers project a 48% decline in the number of French farmers (mainly due to retirement) and a substantial if lesser decline in the number of French farm workers between 1990 and 2006. Whereas the French farm population is 2.4 times the size of Britain's today, it is thus likely to be only 1.5 times the size of Britain's 1990 figure in little more than a decade.67 Despite the political and institutional power-multiplier effects discussed above, this fact alone will clearly alter the CAP game substantially.

Agro-power could also obviously be mitigated by an exacerbation of the multiple cost-cutting pressures outlined in the introduction. They have hardly been sufficient to offset the farmers' enormous political assets to this point, but the MACSHARRY/GATT experiences of 1992 show that movement is possible, however incremental it might be.

Institutional changes at the EC level could also play a major role in undermining agro-power, especially in conjunction with demographic decline and mounting pressures. With majority voting gaining acceptance in more issue areas in the wake of the SEA and the "1992" program, it may be only a matter of time before proposals for CAP reform can no longer be blocked as in the past by a German or French veto. In addition, as the EC develops a wider range of common policies and alternative means (such as "cohesion") of aiding rural areas, more issues related to agriculture may be dealt with not through the traditional "encapsulation" that "breeds immobilism" but rather through inter-sectoral or inter-ministerial bargains.68 Whether such deals would genuinely serve national or European interests better than those of the past is hard to predict, but they would seem less likely to reflect the sort of exaggerated agro-power that has shaped the CAP ever since the EC's creation.


68 WALLACE, p. 204; HERVIEU, Les Champs, p. 23.