While public attention is focused on the eurozone crisis, EU Member States and the European Parliament are locked in a struggle over reforming the Common Agricultural Policy.

by Blog Admin

Several attempts have been made to reform the EU's Common Agricultural Policy (CAP) in recent years. **Christilla Roederer-Rynning** *writes that while previous CAP negotiations have proven controversial, the latest attempt has largely been overshadowed by the on-going eurozone crisis. Nevertheless, the current process is no less contentious, not least because the increased powers granted to the European Parliament by the Lisbon Treaty have made CAP reform a battleground between MEPs and Member States in the Council.*

While media attention for the last many months has focused on the management of the eurozone crisis and the reform of financial institutions, the EU has quietly embarked on an internal round of negotiations on the reform of its Common Agricultural Policy (CAP), the EU's programme of agricultural aid and subsidies valued in 2011 at over €55 billion. This is the fifth broad CAP reform in two decades, notwithstanding the more specific reforms circumscribed to individual sectors like sugar or wine. As a rare case of an EU "money policy", the CAP has generated a host of vested interests that resist retrenchment, it plays an invariably crucial role in the high politics of EU budget reform, and it crystallizes contradictions among member-states about what proper economic policy is. All these factors explain why CAP reforms usually are controversial exercises. The lack of public attention to CAP reform this time does not mean that CAP reform is less controversial today, but simply that the economic issues at stake in the eurozone crisis are on a different scale: the EU budget represents only 1 per cent of EU national income, a far cry from what a collapse of the economy of Mediterranean countries would cost Europeans.

Current CAP talks are intertwined with the multi-annual financial framework (MFF) negotiations defining the EU's budget priorities for 2014-2020. MFF are always a challenge for the EU, which tends to approach budget making rather like a medieval political community. However, money being hard to come by in times of economic hardship, the crisis naturally exacerbates these difficulties. The European Commission, seeing in the current political and economic constellation a chance to "rationalize" the EU budget, strives to tie EU money to demonstrable contribution to high levels of European added value and the fulfilment of new EU priorities, such as sustainable growth and employment, education, social inclusion, innovation, and climate and energy.

In agriculture, the Commission proposes a "greening" of EU money, meaning that a significant share of farm payments is made conditional upon the delivery of green projects. EU heads of state and governments, as far as they are concerned, keep warning against significant increases in EU expenditure. The CAP and cohesion policies are designated targets for budget cuts when funds must be found to support new priorities. Faced with the real possibility of a shrinking CAP pie, Agriculture Ministers have shown little enthusiasm for the Commission's "greening" idea and on the whole find it difficult to develop a vision for tomorrow's agricultural policy. Many new EU members (especially the Baltic countries) are unhappy with the fact that their farmers still only receive a fraction of what farmers in older member-states do. Redistributive conflicts between the CAP and other policies are thus compounded by internal redistributive conflict between old and (some) new members. There is not much new on this front: 2012 resembles 2002 (accession negotiations), the legacy of which carries on.

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On the other hand, the "EP-factor" is a decidedly new feature of this CAP reform: the Lisbon Treaty extending codecision (now called "ordinary legislative procedure") to agriculture, which puts the European Parliament (EP) on a par with the Council of Ministers. This change illustrates a more general tendency in the EU to empower the EP in areas where the Council of Ministers rules by qualified-majority voting, on grounds of political accountability. Even so, it was not self-evident in agriculture, which explains why codecision came so late there.

Codecision has ambiguous implications. On the one hand, it affords greater openness and public scrutiny. At the same time, it complicates the process; it gives the Commission less room for manoeuvre in carrying out reforms; and it introduces additional veto points in the decision-making process. All these elements may be expected to slow down CAP reform. In agriculture, the main winner of codecision, given the committee-driven character of the legislative work in the EP, is Comagri, the EP committee dealing with agriculture and rural development. As a farmer's committee, Comagri is known for advocating ever-greater public support for agriculture, though one might expect codecision to foster changes as the burden of responsibility sinks in and the prerogatives attached to codecision become clearer.

How, then, has this new institutional setting affected the CAP reform process until now? It has complicated it, but not entirely or solely for the reasons outlined above. Comagri has called for the CAP budget to remain constant in real terms and its members have tabled a record high number of amendments to the Commission proposals. Many of them, it seems, bear the signature of traditional farm interests or national delegations. This is not surprising given the size of the CAP package, the novelty of codecision, but also the fact that the new procedures are delivering their effects through structures of the past. The EP approaches the current CAP reform with a Comagri that is largely a reflection of pre-Lisbon politics: i.e. representing farm interests and being only slightly enhanced to face the additional administrative burden of codecision. Whatever lessons EP political groups learn from this CAP reform will be reflected in the composition of the next Comagri. Presumably, it will be larger and more diversified. Increased power should make this committee increasingly attractive for MEPs with a broad range of interests and concerns.

The current CAP reform is complicated for yet another reason. This time, the "normal" politics of CAP reform is woven together with post-Lisbon constitutional politics. Treaties are rarely unambiguous, and the uncertainties arising from these ambiguities are often resolved in the context of ordinary policy-making (or budget making), in a second, post-Treaty phase. The Lisbon Treaty provisions on the CAP are no exceptions to this rule. Consequently, as the first big agricultural dossier subject to codecision, this CAP reform is infused with more political significance than just the delivery of a policy outcome; it will define a path for the concrete rules of engagement between Council, EP, and Commission. This puts the EP and the Council at loggerheads. Earlier this year, a Danish Council of Ministers presidency paper summarizing the MFF discussions on the basis of "negotiating boxes" roused EP indignation: the negotiating box for the CAP provided policy detail, which the EP considered to be a trespassing on its codecision rights. At the same time, the efforts by the Commission to settle the ambiguities of the Lisbon Treaty via horizontal legislation (subject to codecision) have run aground as a result of irreconcilable Council and EP positions. EP, Council, and Commission must now formulate an institutional compromise within the current CAP reform process.

The CAP reform negotiations have entered a more active phase. In the EP, the political work of synthesizing more than 7,000 amendments has started with a view to finding an agreement with the Council, officially before the end of the year. The outcome will tell us not only where the CAP is headed, but also how power is to be shared between Council, EP, and Commission. While nobody expects a radical change on the former point, the power game remains open-ended.

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Note: This article gives the views of the author, and not the position of EUROPP – European Politics and Policy, nor of the London School of Economics.

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