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# AGRICULTURAL POLICY-MAKING

AT THE

EUROPEAN COMMUNITY LEVEL:

PLURALIST OR CORPORATIST?

By

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A Thesis

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#### ABSTRACT

This qualitative study was conducted to determine the validity of Streeck and Schmitter's (1991) argument that pluralism is the dominant form of interest intermediation at the European Community level. This thesis tests their hypothesis by examining the organization of agricultural interests at the Community level.

The thesis establishes that agricultural interests continue to participate in a corporatist style of policy-making at the national level.

Secondly, the qualitative analysis enables us to conclude that a corporatist style framework does exist at the Community level.

Thirdly, Streeck and Schmitter's (1991) argument that the Community and its structures contribute to a pluralist organization of interest groups, must be qualified when applied to the organization of agricultural interests at the Community level.

Corporatism does exist in this particular policy sector at the Community level, but it is weaker than that found at the national level.

The analysis focused on negotiation of the Blair House Agreement in November 1992. The case study highlighted the

disintegration of authority from the time the negotiations were completed, to the period following the French Parliamentary elections of 1993.

The case study highlights the fragile nature of corporatist arrangements at the Community level. While the thesis demonstrates that corporatism has been replicated to the Community level, it illustrates the real limits to the development of corporatism at the Community level due to the continued prevalence of national interests.

The thesis points to a need for further research as to the nature of policy networks, and how the type of policy network can change depending on the policy sector, and the issue at hand. It raises further questions as to the validity of Streeck and Schmitter's (1991) argument when applied to other policy sectors.

Furthermore, the existence of differing levels of corporatism both at the national level, and between individual member states should be further examined. This thesis also contributed to our knowledge of corporatism by analyzing the role national corporatism and indeed transnational corporatism played in encouraging national interests, thereby ensuring the fragility of corporatism transnationally.

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### Chapter I

#### Introduction

The prospects of an increasingly unified European Community\* from a political and economic perspective, has become a greater possibility since the ratification of the Single European Act of 1987. Rather than the Community and its member nation-states pursuing political and economic goals according to their respective areas of political jurisdiction, there has been a growing need for coordinated activity between the national levels of decision making and the emerging locus of transnational power. This development is important for political scientists as it provides an opportunity to observe how policy networks, which were traditionally national in scope, have been altered by the emphasis on Community rather than national goals. The relinquishing of political authority from the domestic level to the supranational structures of the Community though still in a preliminary stage, raises a number of questions concerning European-wide policy-making both at the national and European Community (EC) levels.

National level interest groups, which had previously

<sup>\*</sup> Please note: The European Community is now officially referred to as the European Union. This change has occurred due to the Maastricht Treaty. The European Community however, will be the term of reference for this thesis, as the time frame under analysis is prior to the adoption of the new name.

focused their attention solely on national governments, have had to redirect increasingly their focus towards the decision making structures of the European Community. This shift in the locus of power has meant that interest groups have had to adjust their approach to a transnational level of decision making. Thus what we might expect to see is a change in the very nature of the relationship between an interest group and its respective national government, due to the growing influence of the supranational structures of the Community.

In order to assess properly the extent to which the interest groups' relationships to their national governments have been affected, a number of research questions would have to be addressed. First, we need to establish the nature of the relationship between the interest group and its national government. This task may be accomplished by an evaluation of the interest group's relationship to its national government as it existed prior to the emergence of the transnational level as an additional focus point of power. Second, an assessment of the interest group's current relationship to the national government would allow a comparison and hence an ability to measure the extent of change which has occurred with the onset of the European Community. Certainly a key aspect to this analysis is to determine the nature of the interest group's relationship to the specific transnational organization of interest groups (usually EC-level) to which a group may be a member. Finally, this analysis will be

followed by an assessment of the relationship between the transnational interest organization and the transnational structures of power.

Our ultimate objective, then, is to establish the type of interest intermediation which exists within the Community. This step will allow us to determine properly if interest groups, which organize both nationally and at the Community level, have been transformed as the locus of power has shifted from the domestic to the transnational level. In particular, we are interested in whether the type of relationship which existed at the national level has carried upwards to the transnational level. That is, has the type of policy network which existed historically at the national level been replicated at the transnational level? If the type of policy network has not replicated itself transnationally, then we will try to ascertain why this has not occurred? In addition, we ask whether the relationship between the interest group and the national government has been weakened or reinforced?

Wolfgang Streeck and Phillippe C. Schmitter (1991) recently examined several issues related to the organization of interests at the European Community level. They argue that the organization of interests at the European Community level has been both fragmented and competitive, and therefore more pluralist than corporatist (Streeck and Schmitter, 1991: 136). Streeck and Schmitter (1991) maintain that many political scientists during the 1970s and 1980s assumed that the

development of neo-corporatist arrangements at the national levels of many European nation-states, would naturally migrate to the Community level. Streeck and Schmitter state "in turning to 'neo-corporatist concertation,' as it came to be called, national governments appeared to be doing precisely what integration theorists had been counselling the European Community and its Commission" (Streeck and Schmitter, 1991: 135). It was widely accepted by integration theorists, neo-functionalist theorists, as well as neo-corporatists that the organization of interests at the national level would be naturally extended to the Community level.

Generally speaking, these corporatist arrangements at the national level took the form of centralized bargaining between business, labour, and the government. Though the time frame involved concerning the popularity of these type of negotiations was relatively short (early 1970's), the assumption on the part of these political scientists was that,

By fostering a transnational system of organized interest representation, the Community and its Commission in particular would thus contribute to its own growth as a policy arena and executive body and lift itself out of the parochial entanglements of national politics and intergovernmental nondecision making into a safely anchored new world of supranational political management (Streeck and Schmitter, 1991: 134-135).

What is key to Streeck and Schmitter's (1991) argument is that structural and institutional factors have served to promote the development of a pluralistic policy process at the Community level. They cite first the complete absence of

significant business interest associations with an active interest in centralized negotiations with labour at the transnational level (Streeck and Schmitter, 1991: 141). It is important to note that the business sector shows no interest in the prospect of centralized bargaining at the Community level. This can be attributed to the inherent difficulties in organizing from a business sector which is diverse by its very nature as well as its' reluctance in seeking an agreement with labour. Second, the low organizational capacities of labour at the Community level, and the differing interests on the part of national labour movements have also been contributing factors to the lack of centralization of labour interests in Brussels (Streeck and Schmitter, 1991: 140).

Third, the role of national governments in pursuing their own perceived national interests through the exercise of a veto has also been a strong structural deterrent to the development of a more dominant European Community. The veto has served to weaken the ability or desire of organized interests to look beyond their particular national interest (Streeck and Schmitter, 1991: 143). Finally, the very nature of decision making at the Community level in the guise of the Council of Ministers has acted as a strong centrifugal force. It has prevented the European Commission and the European Parliament from fostering their own strong constituencies of organized interests (Streeck and Schmitter, 1991: 142). Streeck and Schmitter further point out that these factors

have ensured that the Community "has never been permitted to develop the organizational design capacities necessary to reshape powerful interest organizations rooted in civil society" (Streeck and Schmitter, 1991: 142-143). Consequently, there has been a lack of "interest organization centralization" in the European Community (Streeck and Schmitter, 1991: 143). Together, these several factors have prevented the development of a neo-corporatist framework.

Streeck and Schmitter (1991) view the integration of the European Community member states as contributing to an even more complex set of interest group relationships. The implications of the Single European Act are viewed as merely exacerbating the pluralistic nature of interest group influence at the Community level. An additional complication is the growing importance accorded to regional rather than national economies under the 1992 process that seeks to abolish the national boundaries for the 12 member states of the European Community. This process will lead, according to Streeck and Schmitter, to "a regionalization of Europe" and the "Europeanization of its regions" (Streeck and Schmitter, 1991: 153). The increasing deregulation of the market economies in the 1990s will simply serve to intensify the inability of neo-corporatism to develop at the Community level. The result as argued by Streeck and Schmitter (1991) should be a complex multitude of interests virtually ensuring that pluralism remains the dominant type of policy network at

the EC level.

This thesis examines the argument put forward by Streeck and Schmitter (1991) to determine the validity of their analysis, concerning the organization of interest groups at the Community level. In order to accomplish this task, it will be necessary to identify a specific policy network within the Community.

This thesis will focus upon the organization of agricultural interest groups and policy-making within the European Community. Agricultural policy represents the most highly developed policy area at the Community level, and constitutes the largest portion of EC budget spending. By far, it is the policy area which requires the most coordination between the member-states of the Community and the Commission. Specifically, agricultural policy-making in the United Kingdom, France, and Germany will be reviewed with a special focus on the cereal grains sector. This choice provides an opportunity to examine the nature of each individual agricultural organization's relationship with its respective national governments. Furthermore, it permits an assessment of neo-corporatist arrangements normally prevalent in agriculture in all three countries.

The selection of these three countries has been based primarily on their dominance to date of the Common Agricultural Policy (CAP). All three represent major agricultural producing member states within the European

Community. Also, they are prominent cereal producing memberstates. An additional reason for the choice of these three
countries pertained to the availability of literature in
English. Unfortunately, the member states of Italy and Spain
could not be included because of the unavailability of
pertinent information in English. In addition, a comparison of
our three member states makes the study more manageable.

Our first task is to establish the type of policy network which exists at the national level. The next step would be to assess whether these arrangements have been replicated at the transnational level. That is, do these individual agricultural organizations participate in a neocorporatist policy network at the transnational level of the European Community? In short, is Streeck and Schmitter's (1991) argument feasible when applied to the agricultural policy sector? If Streeck and Schmitter's (1991) argument is correct concerning the dynamics of interest group organization at the transnational level, then we would expect these same dynamics to overwhelm the corporatist characteristics of agriculture so prevalent at the national level when these interests are organized at the Community level.

In order to address properly the questions raised, it will be necessary to establish a means to assess whether an interest organization's relationship with the government is neo-corporatist. We need to identify a number of criteria by which we can properly analyze interest group activity in

agricultural policy. That is, we need to isolate some standard properties that will enable us to categorize how the agricultural interests are organized at the domestic level. Therefore, a working definition as to what we mean when we speak of a neo-corporatist approach would be in order. That is, what exactly do we mean when we say that an interest group enjoys a corporatist arrangement with the government? We also need a standard definition as to what constitutes a policy network because this concept provides the framework, needed to delineate differences between neo-corporatism and pluralism.

Atkinson and Coleman (1989) attempt to identify and define what constitutes a policy network. What is significant for our purpose is that Atkinson and Coleman (1989) present a disaggregated view of the state. That is, the conceptual variable "state" is divided into three distinct levels of analysis. Thus we speak of viewing the state from a macro, meso, and micro perspective (Atkinson and Coleman, 1989: 49). The meso level of analysis (i.e. the levels of sectors of the economy) is their primary focus and certainly represents a useful heuristic tool for analyzing policy networks prevalent in the agricultural sector. Atkinson and Coleman (1989) also introduce the conceptual variables of "state autonomy" and "societal mobilization" as key ingredients in determining the type of policy network which is most applicable. These concepts are not provided with a specific definitional explanation, but are defined by a set of criteria which

highlight those qualities inherent to both an autonomous state and a highly mobilized societal sector. Atkinson and Coleman (1989) argue that the autonomy of a state must be first determined by the extent to which the decision making is concentrated (Atkinson and Coleman, 1989: 51-52). Once the degree of the concentration of power has been established, the next step is to determine "the degree to which the state bureaucracy is autonomous" (Atkinson and Coleman, 1989: 51).

Atkinson and Coleman identify four conditions which are a prerequisite for a bureaucracy to develop autonomy. These factors entail that the bureaucracy has a clear concept as to its role, has strong political support, administers a corpus of law and regulation that defines the bureau's responsibilities and those of the societal group; and generates its own information in order to pursue its mandate. All these factors play a role in creating a more autonomous bureaucracy (Atkinson and Coleman, 1989: 52).

The conditions for societal mobilization also represent a useful means to determine how interest groups are mobilized at the national and Community levels. Atkinson and Coleman characterize a societal sector as "the organization of relevant socio-economic producer groups ..." (Atkinson and Coleman, 1989: 53). The conditions necessary for societal mobilization of the particular sector include a horizontal division of labour with an absence of overlapping organizations and therefore no competition for members.

Furthermore, there is normally one association which speaks for the sector as a whole. The association will have a high density of representation of the sector's population and in all likelihood be oligopolistic. The interest organization will also have considerable in house capacity for the generation of technical and political information. It will also have the capacity to bind member firms to agreements negotiated with the state (Atkinson and Coleman, 1989: 53).

The conceptual variables of state autonomy and societal mobilization provide a set of criteria by which we may measure and properly assess the role of organized agricultural interests. That is, Atkinson and Coleman (1989) have utilized these factors in order to categorize different types of policy networks. They identify and define six distinct policy networks. What is of interest for our purpose is their definition of corporatism at the meso level of the economy. Atkinson and Coleman argue that corporatism occurs when an autonomous but divided state places "the onus for decision making in the hands of conflicting socio-economic producer groups" (Atkinson and Coleman, 1989: 57). "A corporatist network provides a means for incorporating two or more classes or class fractions into forums where policy is formulated and implemented" and "delegates sufficient authority to conflicting groups to resolve their differences without further state interference" (Atkinson, 1989: 57-58).

In brief, the requirements necessary for a corporatist

policy network would appear to be a highly mobilized societal sector in conjunction with a state structure which is highly autonomous. Atkinson and Coleman do express caution that these are "necessary, but not always sufficient, conditions for these policy networks" (Atkinson and Coleman, 1989: 54).

Van Waarden (1992) though describing Atkinson and Coleman's (1989) approach as interesting in terms of defining the concept of policy network, expresses a number of valid critiques of their analysis. A policy network is described by Van Waarden as a "more general and neutral concept" and represents "an overarching characterization of public-private relations" (Van Waarden, 1992: 30-31). This classification by Van Waarden (1992) does not differ from Atkinson and Coleman's (1989) analysis, nor does Van Waarden's treatment of corporatism as only one type of a policy network. Van Waarden (1992) stipulates more clearly however, the definitional qualities of the term policy network. Van Waarden (1992) provides a categorization as to the major dimensions of a policy network. Thus the role of actors, their function, the structure of relations, the degree of institutionalization, the rules of conduct, power relations, and actor strategies are considered essential areas of analysis in order to define properly a policy network.

Van Waarden's (1992) assessment leads to an identification of eleven types of policy networks. It is a more extensive and exhaustive list than the six categories in

Atkinson and Coleman's (1989) study. What is significant for our purpose is Van Waarden's (1992) description of sectoral corporatism whereby interest organizations are "involved in policy implementation and acquire some form of public authority in order to aid them in this task" (Van Waarden, 1992: 47). Van Waarden (1992) makes clear that this relationship is not unidirectional. The interest organization, in turn, is provided with "certain privileges and resources, among them statutory authority" (Van Waarden, 1992: 47). These resources serve to ensure privileged access and monopoly recognition for the interest organization. Van Waarden (1992) emphasizes that the mutually beneficial aspects to both the interest organization and public authority promote the institutionalization of relations. They create stability and centrality in decision making and encourage the search for consensus, depoliticization, and usually legal or de facto compulsory membership (Van Waarden, 1992: 47).

Schmitter argues that in order for neo-corporatism to develop, it requires "a political exchange in which organized interests and state agencies....agree to a particular pattern of formal representation and substantive negotiation" (Schmitter, 1985: 35-36). What is key to this relationship is that both the state agents and the organized interests are in a position of mutual deterrence. Therefore one actor cannot dominate the policy making process, and there must be mutual cooperation in order to facilitate the accomplishment of

policy goals. What distinguishes Schmitter's analysis from that of Van Waarden's (1992) and Atkinson and Coleman (1989) is the attempt to differentiate between government interests, the interests of civil servants, and the interests of the state. Schmitter (1985) argues that neither government interests nor civil servant interests are conducive to the development of a neo-corporatist relationship. That is, a government seeks to remain in control of public office and therefore will act to preserve the government based on electoral accountability and territorial representation (Schmitter, 1985: 41). In short, it concentrates on becoming reelected. Civil servants have an interest in ensuring a distinction between what constitutes public and private interest. The employees of the state seek to perpetuate an institutional identity, through recruitment patterns and cultural norms, and by development of professional standards (Schmitter, 1985: 41). Any negotiation on the part of the state which results in public recognition and authority provided to private organized interests could be perceived as a threat to the long term interests of civil servants.

Schmitter argues that state interests are determined to a great extent by the "inter-state system" (Schmitter, 1985: 42). There a number of factors which determine a state's position relative to that environment (e.g. relative size, geographical location, material and human resources, military technology). The essential aspect of Schmitter's argument

concerns the emphasis on the state attempting to gain an advantage within the world economy (Schmitter, 1985: 42).

Thus during the 1970s, it served as a means by which smaller countries sought to protect specific sectors and to make these interests more competitive on a world-wide scale. This theoretical argument was also put forward by Katzenstein. The globalization of world trade in the late 1980s and 1990s however, has essentially eliminated the need for sectors to be protected as economies have become increasingly open to world trade. What is important for our purposes is the emphasis placed on state interests as opposed to government and civil servant interests. This is significant as Van Waarden (1992), and Atkinson and Coleman (1989) view the state as the necessary actor in establishing a neo-corporatist policy network. Though corporatism was viewed at the meso level as opposed to the macro and micro levels, the state was not disaggregated by Van Waarden (1992) and Atkinson and Coleman (1989).

A key element in Schmitter's (1985) analysis of neo-corporatism concerns the role of legitimate authority.

Corporatism entails the devolution of public authority to the interest organization. Therefore, "exclusive public status" and the "status of public law" is bestowed on the interest organization in regulating the policy area in question, while at the same time the state "retains their symbolic status as sovereigns and...guardians of public order" (Schmitter, 1985:

43). The policy area is simply too complex in nature for the state to act on its own, and the state requires the agreement and complicity of the organized interest if it wishes to successfully implement policy.

The interest organization should have the ability to aggregate information, and have the "capacity to deliver the compliance of their members with respect to specific aspects of public policy" (Schmitter, 1985: 45). The state authorities should be in a position to offer "attractive and selective rewards" such as conferring public status on the organized interest, and ensuring that the interest organization remains the sole privileged representative organization in that policy area (Schmitter, 1985: 45). The nature of the relationship engenders fear of co-option on both sides. Thus the interest organization seeks to avoid becoming a "dependent recipient of public favours and passive agents of state policy" (Schmitter, 1985: 45). In contrast, the state does not wish to lose the symbolic status nor its legitimacy as acting in the public interest. The point here is that the neo-corporatist relationship is by no means static. It is merely a framework by which relations can be maintained and therefore involves continual positioning on the part of its actors.

Williamson (1989) provides a "formal model of corporatism" in which six characteristics are identified. The criteria stipulated by Williamson (1989) involve the organized interest representing a functional interest occupying a

position of virtual monopoly in the policy area. The organized interest may enjoy privileged access to the state's authoritative decision making process and may be licensed in exchange for its "adherence to certain norms" (Williamson, 1989: 68). The interest organization may also perform a regulatory function over its members on behalf of the state. Furthermore, the membership in the association or interest organization may not be considered wholly voluntary in nature. The association's privileged position prevents the development of other alternative effective channels. This formalization of relations leads to adoption of bureaucratic tendencies on the part of both the organized interest and the state agency.

Williamson (1989: 68) notes that the neo-corporatist relationship encourages a process of negotiation and bargaining which is closed to the other state institutions and the rest of society. The result is a tendency towards protecting the status quo as both actors forego their potential gains in order to ensure that the system is maintained.

What becomes evident in reviewing the description of neo-corporatism by the various political scientists is the existence of a number of common threads in their analysis concerning meso-corporatism. These similarities regarding the development of meso-corporatism enable us to make some generalizations as to what we might expect in a neo-corporatist relationship. It appears that in order for a

sector of the economy to be considered neo-corporatist, it would have to meet most if not all these characteristics. Thus we are provided with some useful criteria which would enable us to 'measure' whether an interest organization's relationship to the state agencies is corporatist in nature. To the extent that a network meets some but not all of these criteria we may be able to distinguish between strong, moderate, and weak corporatism.

The criteria for a corporatist policy network is as follows:

- 1. The interest group is encompassing and has a high density of representation in its particular sector.
- The interest group possesses a virtual monopoly of both formal and informal channels of representation in dealing with the government and the relevant state bodies.
- 3. The interest group participates directly in the formulation of policy and is not simply a policy advocate. In this respect it may have a right to be consulted by the government and the relevant state bodies.
- 4. The interest group also plays a formal role in the implementation of policy.
- 5. The interest group possesses significant technical expertise which facilitates a dialogue with state bodies, and to provide various exclusive services to its membership.

The above criteria provide us with a means by which we may grade the level of corporatism within each of the member states. Therefore, a member state could be described as exhibiting strong corporatism if the interest group possessed both aspects of representation, played a regulatory role by

participating in both the formulation and implementation phases of the policy process, and possessed significant technical expertise. A weak form of corporatism for example, would be assessed if the interest group had a low level of representation both in terms of density as well as formal and informal channels, and played only a regulatory role in the formulation phase of the policy process. Another example of weak corporatism would involve the interest group meeting both aspects of our representational requirements, but involved only in the formulation and not the implementation phases of the policy process. Certainly, the second example of weak corporatism would be "stronger" relative to the first example of weak corporatism. The point here however, is that strong corporatism is established if all five criteria are met. Weak corporatism on the other hand, occurs if the representational role is not supported by a significant regulatory role.

An interest group which enjoys a strong representational role, but no regulatory role, would merely be another interest group competing in the policy process. Furthermore, the interest group's regulatory role would also be crucial in assessing strong, moderate, or weak corporatism. If an interest group is only involved in the formulation stage and not the implementation phase of policy, then its regulatory role is curtailed. This would constitute weak corporatism. A group's involvement however, in the implementation stage of policy in conjunction with a strong

representational role would provide us with a stronger level of corporatism. We are able to distinguish between weak, moderate and strong corporatism based on the degree to which both the representational and regulatory roles are met.

In reviewing the literature concerning neocorporatism, what becomes prevalent is the acknowledgement by
the state that the policy area is simply too cumbersome and
detailed for unilateral decision making. Thus, what appears to
be a necessary condition is the acceptance by both the state
and interest organization that it is in their mutual best
interest to establish a framework by which policy goals can be
pursued and/or maintained. Schmitter (1985) conjures the
notion of "mutual deterrence" whereas Van Waarden (1992)
refers to a mutually beneficial relationship. The point here
is that though this factor is of a more implicit nature, it
can be argued that it is a necessary condition for the
development of a neo-corporatist policy network.

The ability of the interest organization to generate its own technical information is an important factor. Though this may be a function common to most interest groups, it would be an indicator of the complexity of the policy area involved and the organization's potential equal footing with the state institutions based on technical expertise. Technical expertise contributes to the idea of a relationship which is based both on mutual benefits and deterrence.

The analysis provided by Atkinson and Coleman (1989)

and Van Waarden (1992) pertaining to the various criteria in determining the type of policy network will be useful in our analysis. It will allow us to identify the key components which promote state autonomy or mobilize the societal sector. Furthermore, we can utilize the definitional qualities provided by Van Waarden (1992) in order to assess more thoroughly the nature of a policy network. An example would concern the treatment of the conceptual variable "state" based upon a structural explanation. That is, when we refer to the state or state agencies, it will pertain to those institutions which are relevant to the sector under study (i.e. agriculture). This analysis is based on the assumption that institutions have their own agendas and can be perceived as legitimate actors in the policy process. This does not mean that the voice of the government or the interests of the civil servants are ignored, but rather that the goals of the interested state agency will be more long term in nature. Thus, Schmitter's (1985) treatment of the state will also be of heuristic value.

Atkinson and Coleman's (1989) treatment of societal mobilization will enable us to break down the agricultural policy sector in each country under study. It will provide an opportunity to assess more accurately whether the agricultural interest organizations are corporatist at the national level. We can then utilize this assessment in determining the type of policy network at the transnational level. Van Waarden's

(1992) definitional qualities will round out the analysis and enable a thorough review as to the organization of agricultural interests at both the national and European Community levels.

# Organization of the Thesis and Central Argument

Therefore, our first task is to establish the nature of the relationship between the primary national agricultural organization and the relevant government and state agencies at the national level. This will be the focus of Chapter 2 whereby the major agricultural interest organizations in the United Kingdom, France, and the Federal Republic of Germany will be reviewed. The purpose of this chapter will be to examine the individual organizations and their relationship to government and state agencies concerned with the agricultural sector. It will be possible to determine if the agricultural policy network is indeed corporatist by analyzing these organizations.

Chapter 3 examines the nature of agricultural policy making at the European Community level. A description of the policy making process and how decision making occurs will be the main focus of this chapter. Once the main actors are identified, it will then be possible to characterize the type of policy network which exists at the transnational level. This analysis will provide an opportunity to compare and contrast policy making at the Community level and the national level. If corporatism does not persist at the transnational

level, then the question to be addressed would be why these corporatist relationships at the national level have not been replicated to the transnational level? Furthermore, the special role played by COPA (Comité des Organisations Professionelles Agricoles de la CE) will be examined in order to appreciate fully the type of policy network which is prevalent in the European Community.

Chapter 4 will be a case study involving the recent Uruguay Round of the General Agreement on Tariffs and Trade (GATT) which focused on agricultural issues. Specifically, we will examine the issue concerning oilseeds and cereal grains. The emphasis of this chapter will be on the trading relationship between the European Community as a trading entity and the United States during the recent negotiations. In reviewing the circumstances of this issue, it is hoped that we will be able to illustrate the disintegration of authority once the policy leaves the Commission. Special focus will be upon the relationship between the member states of the Community and their national agricultural organizations during these turbulent discussions. Also, the relationship between the national agricultural organizations and COPA, as well as COPA's relationship with the European Commission will be examined. It is hoped that in analyzing these relationships, we will be able to highlight more clearly the type of agricultural policy network prevalent at the Community level. The case study reveals quite clearly the weak development of

a corporatist policy network and the potential for a resurgence of national interests.

The concluding chapter will review Streeck and Schmitter's (1991) article. This will provide an opportunity to reflect on what we have learned from this exercise. It is felt that the argument put forward by Streeck and Schmitter (1991) must be qualified when we examine the agricultural policy network at the Community level. What we can conclude is that national governments are better able to present the national agricultural case to the European Community than the individual agricultural organizations or COPA. Furthermore, once policy has been determined by the Commission in consultation with COPA, there is no guarantee that the policy will remain the same once it goes to the European Council. Thus the overriding influence of national interests due to a set of weak transnational structures and institutions serves to diminish not only the role of the Commission but more importantly the role of COPA.

After an extensive review of the agricultural communities in the United Kingdom, France, and the Federal Republic of Germany, it has been determined that the corporatist style of policy-making continues to exist at the national level. In examining the agricultural policy networks at the Community level, the overall conclusion is that the corporatist style of decision making is carried over to the transnational level. The argument that the Community and its

structures contribute to a pluralist organization of interest groups suggested by Streeck and Schmitter (1991) however, does not hold when applied to the organization of the agriculture at the European Community level. The argument is in part correct, however, in that the Community's structures contribute to a policy network which is corporatist in nature, but is weaker than that found at the national level.

### Chapter II

## CORPORATISM AT THE NATIONAL LEVEL

What becomes evident when we examine the relationship between each major agricultural organization in the United Kingdom, France, and Germany with their respective state, is the predominance of corporatist interest intermediation in agriculture. This does not mean that the organizational development of corporatism in each of our three case studies is the same. Obviously, there are a number of factors which will affect and therefore differentiate how agricultural organizations conduct "business" with the state in each country. Factors such as the number of farmers in that particular society, the average size of a farm, the level of mechanization, the type of crops under cultivation, as well as the number of organizations representing the agricultural sector. Furthermore, the overall historical background of the role and meaning of agriculture from an ideological perspective in the particular society, is also an important consideration. Thus the political organization and the economic impact of the agricultural sector both on the domestic economy and in relation to the global market, also determine the nature of the relationship between the interest organization and the state.

This review of interest intermediation at the national level merely seeks to establish that corporatism has indeed been the mode of decision making both prior to, and since the emergence of the European Community (EC). Establishing the mode of interest intermediation at the national level is necessary if we are to assess the impact which the EC has had on arrangements in the agricultural sector.

In order to properly assess whether corporatism exists at the national level, it is necessary to determine if the components of corporatism as specified in Chapter 1 apply to each of our case studies. The five criteria identified earlier were as follows:

- 1.) density of representation
- 2.) monopoly of representation
- 3.) a regulatory role in the formulation of policy
- 4.) a regulatory role in the implementation of policy
- 5.) technical expertise

This criteria enables an assessment as to whether a corporatist policy network is prevalent in each case study.

What is crucial to note however, is that a policy network must meet most if not all of the criteria stipulated to be considered corporatist. Therefore, the representational role and regulatory role are necessary pre-conditions for a corporatist policy network. It is insufficient for an interest organization to simply play a significant representational role and yet have no regulatory role. A representational role only, would place that interest group in direct competition

with other groups for the attention of both the government and relevant state institutions. Hence, a representational role must be in conjunction with a regulatory role for a corporatist policy network to develop, or be maintained. Furthermore, a regulatory role involves the participation on the part of the interest organization in both the formulation and implementation of policy.

A strong corporatist policy network for example, would entail an interest group organization having a significant density of representation, a monopoly (or near monopoly) of representation, a regulatory role in both the formulation and implementation of policy, and extensive technical expertise. A weak corporatist policy network could involve a strong representational role, in conjunction with a regulatory role only in the formulation of policy. Therefore, if an interest organization played a regulatory role in the formulation stage of policy, but played no role in the implementation phase of policy-making, then it could be argued that it represents a weak corporatist policy network. A poor representational role due to a low density of membership and the absence of an associational monopoly would appear to preclude the development of a corporatist policy network. It would be an indicator of increased competition between groups and could form the basis of other types of policy networks (e.g. pluralism, clientelism).

The point here is that we are able to qualitatively

measure whether a corporatist framework is strong, moderate, weak, or non-existent. It is by applying the five criteria of corporatism that we are able to assess the level of corporatism in our three case studies. Furthermore, we are able to distinguish the levels of corporatism and thus differentiate its development between the United Kingdom, France, and Germany. This qualitative assessment will be applied to the European agricultural union Comité des Organisations Professionelles Agricoles de la CE (COPA), and its relationship to the European Commission in Chapter 3.

It must be noted that despite the continued persistence of corporatism in agriculture for all three of our case studies, the mode of interest intermediation has weakened due to the shift in the focus of power from the national level to the Community. Britain for example, is faced with a corporatist policy network that is in an increasing state of flux. Pluralism which is the dominant type of policy network at the Community level in other economic sectors, is now threatening the privileged position which agricultural interests have enjoyed at the national level. This conclusion holds in all three countries even with the differences in their level of corporatism.

# The United Kingdom

The United Kingdom, normally perceived as a state where organized interests are pluralist, has had an agricultural policy network that departs from this norm. Agriculture certainly has enjoyed a privileged relationship with the relevant state institutions in the post-war period. The state of British agriculture:

It is important to note that only 2.2 per cent of the working population of Britain are involved in agriculture (Agra Europe, August 14th, 1992: E/4). Of special interest is the fact that the average farm in the United Kingdom is three times larger than the average European farm. This in turn has led to a greater degree of mechanization and specialization in British agriculture (Directory of European Agricultural Organizations [DEAO], 1984: 295).

Thus we are dealing with an economic sector while though it has declined, has become more efficient. The emphasis is no longer solely on the inadequacy of farm incomes, but rather the protection of the farmer from sudden economic loss in the event of a setback. The larger, more efficient farming operations lead to greater economies of scale. There is a greater propensity to rely on market forces rather than subsidies. During the 1980s the government and the relevant state institutions adopted an attitude which favoured imposing limits on production and the need to curb spending on subsidization.

There has also been a change in attitude with the NFU (National Farmers' Union). Its' outlook has by no means remained static. Indeed, there has been a recognition on the part of the NFU that in reforming the Common Agricultural Policy (CAP) in 1992, the costs of EC farm supports must be kept within agreed limits, and that overproduction must be controlled (NFU Annual Report and Accounts, 1992: 3). The point here is that the ideological outlook on the part of the agricultural constituency in the United Kingdom has not become stagnant, despite the changes to the economic sector as a whole. The NFU has recognized the need to change along with the greater economy as a whole.

### Regulatory role:

Cox, Lowe and Winter point to the fact that the NFU was provided with a statutory basis for a corporatist relationship in the 1947 Agriculture Act. The Act stipulated that the government in setting subsidy levels should consult "such bodies of persons who appear to them to represent the interests of producers in the agricultural industry" (Cox, Lowe and Winter, 1987: 74).

This legal recognition provided the basis for the formal representational and regulatory role for the NFU. It ensured that the NFU would be consulted on any aspect of agricultural policy by the Ministry of Agriculture, Fisheries and Food (MAFF). Cox, Lowe and Winter (1990: 169) argue that the NFU's privileged position has permitted the organization

to impose decisions in areas of controversy with which the rank and file membership would not be entirely in agreement.

Specifically, Cox, Lowe and Winter (1990) analyze the issue of milk quotas which were introduced by the European Commission and subsequently adopted by the Council of Ministers in 1984. The changes to milk quotas were decided quickly by the Council, and the NFU was placed in the difficult position of having to sell an unpopular decision to its rank and file membership (Cox, Lowe and Winter, 1990: 176-177). The authors make the important point that the NFU executive, though in agreement in principle with the imposition of milk quotas, was able to contain the considerable dissatisfaction which existed among the rank and file. The NFU executive prevented a "full-scale challenge to the prevailing corporatist arrangements" (Cox, Lowe and Winter, 1990: 177).

What is important to note here is that the NFU was able to control its membership due to the special relationship it enjoyed with the government. Based upon its guaranteed access to the corridors of power, it was able to ensure rank and file compliance to the milk quotas. Nonetheless, the NFU did not wish to jeopardize that special relationship by allowing the rank and file to "revolt" against the decision taken by the government. Hence, the NFU plays both a representational and a regulatory role. The fact that dissension within the rank and file had to be checked

indicates that the NFU had to ensure organizational discipline in order for milk quotas to be properly implemented.

Density of Representation:

Cox, Lowe and Winter (1987: 75) describe the organizational structure of the NFU as a highly decentralized branch structure. This description conforms to evidence in the organization's own literature. The NFU describes itself as a "democratic organization with working farmers closely involved" (NFU pamphlet). The executive is elected on an annual basis by a council which is comprised of representatives from the county branches. The Council represents the "final authority of the Union and gives a mandate to the President and the other office-holders to act on behalf of the NFU" (DEAO, 1984: 303). The NFU is divided into 49 county branches, where a considerable amount of its time is devoted to committee work concerning specific commodities in the respective area. The NFU is further subdivided into 864 local branches which are, in turn, subdivided into even smaller organizational units. In 1984, total membership was 155,632, which represents the total of England, Scotland, Wales, and Northern Ireland (DEAO, 1984: 299, 303-304).

#### Monopoly of Representation:

It is noteworthy that the NFU maintains daily contact with the government through MAFF. The NFU also provides policy briefs on all issues pertaining to agriculture to MPs and

Peers. Furthermore, it provides submissions to the Law Commission, Royal Commissions, Committees of Inquiry, select Committees of both Houses of Parliament concerning agricultural issues (DEAO, 1984: 306). Since 1947, the NFU has been authorized by the government as the interest group to be consulted on an annual basis concerning pricing levels in the Annual Review. The significance of this consultative process has been reduced however, due to the shift in authority regarding price fixing from London to Brussels (DEAO, 1984: 296-297).

### Corporatist or a closed policy community?:

There is disagreement however, as to whether the policy network in the United Kingdom, can be described as corporatist. Cox, Lowe and Winter (1987: 73) in discussing the role of farmers in relation to the state's institutions, argue that the existence of corporatist decision making in agriculture is an exception to other sectors of the economy. Cox, Lowe, and Winter (1990: 169) view corporatism as representing a "distinctive form of interest intermediation".

Winter describes corporatism as a particular system of interest intermediation when considering agriculture in the United Kingdom (Winter, 1984: 109). The emphasis concerning the relationship between the NFU and the MAFF is on the political arrangement rather than strictly on a common ideological outlook. Cox, Lowe and Winter, in categorizing corporatism as a form of interest intermediation, point out

that a distinct aspect of corporatism is self regulation: the ability of an organization to discipline its own membership (Cox, Lowe and Winter, 1986: 476).

Smith (1990) argues that corporatism no longer aptly describes the relationship which exists between MAFF and the NFU. Rather than referring directly to corporatism, Smith employs the concept of a closed policy community (Smith, 1989: 151). A closed policy community has developed in post-war United Kingdom due to two primary factors. First, there was a shared ideological outlook between MAFF and the NFU until the late 1970s and early 1980s. This shared ideology centred on the belief that agricultural production should be increased regardless of the cost. This outlook was also largely accepted by non-agricultural politicians and the general public (Smith, 1989: 151).

Second, the formal recognition accorded to the NFU provided the statutory right to be consulted by the government or relevant state institution. Smith refers specifically to the Annual Review whereby there was an exchange of data and negotiations over price levels between the NFU and the MAFF (Smith, 1989: 152). Smith (1989) argues that though the Annual Review placed the farmers in a special position, this did not mean that the NFU shared power. That is, if the government wished to impose new prices and the NFU was not in agreement, then the government would simply impose the new price levels. The NFU would be placed in the position of having to sell

government policy to its membership (Smith, 1989: 93).

A key element in Smith's (1990) argument in explaining a closed policy community as opposed to a corporatist policy network concerns the power of the state vis a vis the interest group. Smith describes the term "policy community" as a "useful means of explaining the relationship between pressure groups and the state" (Smith, 1990: 44). The relationship however, is by no means a balanced one. According to Smith, the state representative is the more powerful actor (Smith, 1990: 44). Therefore, the policy community has been developed by the government departments and represents a means of "mobilizing bias so that the agenda is controlled" (Smith, 1990: 46). The formal institutional structures put in place by MAFF denied access to the policy community by other groups (e.g. County Landowner Association, National Union of Agricultural and Allied Workers). Furthermore, the shared ideological outlook ensured that certain interests would be included (e.g. groups sharing outlook on agricultural production - NFU). The consideration of alternative approaches would be excluded (e.g. environmental groups such as the Friends of the Earth).

Smith does indicate that contact between the NFU and MAFF remains on a daily basis, and that the NFU is an invaluable wealth of information to MAFF concerning the agricultural sector (Smith, 1990: 48). Moreover, the NFU represents the primary agricultural interest group in the

United Kingdom. It was the sole agricultural interest group to have any role in price negotiations with MAFF at least prior to the emergence of the European Community. It also continues to represent the majority of farmers in the agricultural community.

Smith argues further that a closed policy community has developed due to two distinct aspects of policy making in the United Kingdom. These involve departmentalism and clientelism (Smith, 1990: 50). Departmentalism involves individual ministers fighting for their departments at the highest levels of government in order to expand or maintain their power base. Clientelism represents the development of a special relationship between an individual department and a specific interest group. The interest group becomes a client of the department. The department defends the common ideological outlook and the shared priorities it enjoys with its client interest group when it is required to do battle with rival departments concerning policy as well as budgetary allocation. Therefore, Smith argues that MAFF and NFU have developed this clientelistic relationship as MAFF has to do battle with rival departments such as Treasury.

The period 1940-1980 is considered by Smith (1989: 155) to represent a period in which the agricultural community in the United Kingdom could be categorized as a closed policy community with a stable agenda. The policy community had two basic interrelated aims: to support farmers and to increase

agricultural production (Smith, 1989: 157).

In the period following 1980 however, there has occurred according to Smith (1989, 1990), a re-emergence of pluralism in the agricultural community. The agricultural policy community is under increasing pressure concerning the level of financial support received from the national government and the CAP, as well as the high levels of agricultural production. The encroachment of other viewpoints upon the agricultural policy community has emanated primarily from environmental groups, consumer groups, as well as sectors within the state which opposed the increasing subsidization of agriculture. Furthermore, there were more external pressures from other agricultural producing countries outside the European Community (most notably, the United States).

Despite the increase in criticism of the agricultural policy community in the United Kingdom, what is significant for our purposes is that the "closed" policy community has remained virtually intact. Smith (1989) explains that this can be attributed to the fact that subsidization levels, and pricing decisions, as well as quotas are determined by the member states of the European Community and not solely by the United Kingdom. Thus the proliferation of these new groups in the United Kingdom must not only concentrate on pressuring the NFU and the government at the national level, but also must direct their attention to the transnational level of decision making. The fact that the CAPs agenda of minimizing subsidy

and price cuts, limiting quotas, continues to be staunchly supported by the majority of the member states points to the NFU's special relationship to the MAFF being maintained.

In reviewing the various opinions cited by political scientists concerning the organization of agricultural interests in the United Kingdom and its relationship with the state, there appears to be one area of common ground. There is widespread acceptance that the NFU has enjoyed and continues to maintain a "special and privileged" relationship with MAFF. This represents the extent of agreement concerning the nature of the relationship. Smith (1989, 1990) has been extensively quoted in order to provide a conflicting viewpoint as to whether the NFU's relationship with MAFF is indeed corporatist in nature. Smith's analysis, while quite helpful in explaining how interest organizations function within the agricultural policy community, leaves the aspiring political scientist somewhat empty handed when it comes to categorizing the nature of the relationship between the NFU and MAFF. Smith is dealing with semantics in classifying the relationship as a closed policy community. It can be argued quite clearly that the relationship is corporatist in nature.

### Level of technical expertise:

Upon review of the NFU's Annual Report & Accounts

1992, what becomes evident is the wide array of literature and activities in which the association is involved. In 1992, the NFU conducted lobbying on 19 Acts and Bills, 6 sponsored

amendments of Acts & Bills, and 38 regulations and orders. The NFU provided evidence to parliamentary committees in both the Commons and the House of Lords, and provided 36 formal submissions to the government (NFU: Annual Report & Accounts, 1992: 29-30). There are also a large number of articles, reports, and publications which the NFU distributes to its membership.

The important point concerns however, the highly technical nature of the subject matter in all the situations cited. This expert capacity in itself represents an area of significant strength for an organization. The MAFF does not have a monopoly on technical information. Therefore, it is hard to believe Smith's (1989, 1990) contention that the NFU is merely a client of the MAFF. Surely, the NFU's ability to generate its own technical information in a policy area which is so diverse in nature, tips the balance of power away from a unilateral relationship to one which is more balanced and realistic in nature. It stands to reason that the NFU, representing the vast majority of farmers in the United Kingdom would have a significant voice in policy making and its implementation based on its extensive technical expertise. Conclusion:

When we apply the criteria required for a corporatist network to the United Kingdom, it becomes evident that we are dealing with a corporatist policy network. The NFU certainly meets the criteria concerning density of representation. It

clearly is the largest agricultural union within the United Kingdom and represents the vast majority of farmers.

Furthermore, the Agriculture Act of 1947 served to ensure a monopoly of representation as the only agricultural union to be consulted by the government and MAFF. Hence, the NFU was assured a role in formulating policy concerning agriculture at the domestic level.

Therefore, what we see in the United Kingdom is the predominance of one major interest group in the agricultural policy arena (the NFU). The NFU plays a significant role in ensuring that its members comply with government policy. This is not to state that the government unilaterally imposes decisions, but rather that it is the ultimate decision maker. This differs from Smith's (1989, 1990) assessment where he accords a highly passive role to the NFU as a recipient of government decisions. It can be argued at the very least that this "passive" acceptance of the government's policies, in conjunction with the NFU's ability to ensure compliance of the rank and file points to a regulatory role on the part of the NFU. Hence, we witness a regulatory role in ensuring the implementation of policy among the rank and file.

Furthermore, the NFU does take a proactive position in developing high production standards for both producers and consumers. In 1992, the NFU for example, assisted in drawing up animal welfare standards covering the welfare of stock on the farm, during transit, and at abattoirs. The NFU also

participated in formulating guidelines for pesticide use, as well as the British beef and lamb scheme (Annual Report and Accounts, 1992: 23-24). Though these items may appear quite mundane to a person without an agricultural background, the point here is that the NFU does play a role initiating standards for quality assurance as well as implementing government policy. Thus the NFU does play an active regulatory role in the implementation of policy. It serves to ensure compliance among rank and file membership so that the details of a specific policy are applied. The NFU, is also in a position to initiate policy, or at the very least, make the government aware of the need for change. The nature of the subject matter further confirms the technical expertise and ability of the NFU.

Therefore, the high percentage of farmers who are members of the NFU, as well as the technical expertise and information which the NFU is able to generate, certainly ensures at the very least a solid but not necessarily equal footing with MAFF. For our purposes, the relationship between the NFU and MAFF meets the stipulated criteria of what constitutes corporatism. However, I would concur with Smith (1989, 1990) that this relationship which was solidly corporatist in nature prior to the EC's agricultural policy, is increasingly sailing into troubled waters. The shift in the locus of power from the national level to the transnational level has left the NFU rudderless when the decision making now

occurs in Brussels.

What once would have been classified as a strong corporatist policy network, has been subject to growing pressure from the Community. The NFU must now deal with two separate levels of power. The NFU is no longer guaranteed the ear of government or relevant state bodies as it now must compete with the national interests of other national agricultural organizations within the Community. This shift in emphasis to the transnational levels of power has served to weaken the corporatist relationship at the national level. Though the mode of interest intermediation between the NFU and MAFF continues to be corporatist in nature, it represents a moderate form of corporatism.

#### France

What becomes evident when we examine France is the very special role occupied by agriculture in the French political and social culture. Bergmann states that the traditional political culture considered it essential that a large farm population be maintained in order "to save morality, religion and democracy, to feed the country and supply its army with numerous hardy infantrymen" (Bergmann, 1983: 276). This attitude was quite dominant until the mid 1960s when the emphasis began to shift to the need for more productive and efficient farms. Unlike other economic sectors in France however, agriculture is still considered an exception to this drive towards greater productivity and

efficiency. For example, various governments have promised French farmers that their incomes will not be allowed to fall especially in periods of adverse conditions (Bergmann, 1983: 275). Furthermore, French farmers have come to expect this state assistance despite the inefficiencies which persist in French agriculture. There has also been a widespread attitude among successive French governments and society in general, that though small farms are not the way to greater efficiency and productivity; large farms are not considered a viable option. The introduction of large farms would be perceived as destroying the social fabric of rural France.

### The state of French agriculture:

Agricultural activity as part of the overall economic picture in France has been steadily declining. In 1955, it represented 15 per cent of the Gross Domestic Product (GDP). This figure decreased to 9.5 per cent by 1961, and 6 per cent in 1973. By 1980, the percentage was 4.9 per cent (DEAO, 1984: 125). In addition, the proportion of the working population engaged in agricultural activities has decreased quite dramatically in the post-war period. The percentage of people employed in the agricultural sector which was 27 per cent in 1954, had fallen to 15 per cent in 1968, and to 8.8 per cent in 1980 (DEAO, 1984: 123). This percentage has further decreased to 6 per cent as of 1990 (FNSEA - Rapport Moral: "Pour une agriculture dynamique, solidaire et partenariale", 1993: 6). In order to place these percentages in perspective,

the farming population according to the largest agricultural union in France, la Fédération Nationale des Syndicats d'Exploitants Agricoles (FNSEA) has decreased from five million to 1.26 million active farmers in the span of one generation (FNSEA - Rapport Moral: "Pour une agriculture dynamique, solidaire et partenariale", 1993: 6).

Therefore, we are dealing with a declining economic sector in France. There are also external pressures on France to modernize its agricultural sector if it wishes to remain competitive on the global market. Despite these factors, agricultural interests continue to exercise significant political clout especially in times of crisis. The images of violence as well as actions of symbolic value during demonstrations have come to be associated with French farmers.

Certainly, the widespread public support for the agrarian lifestyle as a key element in the French cultural fabric, represents an important explanation as to why agricultural interests remain prominent. However, this only explains the moral and social strength of agricultural interests. The other major aspect which explains the role of agricultural interests is the nature of the relationship between the agricultural unions and the French state, and government.

#### Corporatism challenged:

France represents a unique example of a corporatist style of interest intermediation. Unlike the United Kingdom

and Germany, there are a number of agricultural unions in France which seek the attention of the French government and state institutions, and claim to represent the rank and file farmer. What is significant regarding France is that there is no formal recognition of one agricultural union, which is to speak for the French farmer. This was not always the case. At one time, the FNSEA was the officially recognized agricultural union.

In 1981 however, President Mitterrand and the Socialist Party (PSF) formed a new government. A specific aim of the Socialists was to create a more pluralistic level of interest intermediation between the various agricultural unions and the state. Thus the French government officially recognized other agricultural unions of a leftist orientation (e.g. MODEF-Confédération Nationale des Syndicats d'Exploitants Familiaux, FFA-Fédération Française de l'Agriculture). The Minister of Agriculture Edith Cresson in addressing the manner in which group-state relations had been conducted stated: "It is necessary to end the confusion between the role of professional organizations and that of the state. The former must negotiate and contest if they feel it necessary; the state must make the decisions" (Keeler, 1987: 219). The FNSEA was officially stripped of its right to "comanage" the economy and was now just one of a number of agricultural unions officially recognized by the state. Cresson was simply acknowledging "the union pluralism which

exists in reality" (Keeler, 1987: 219).

What differentiates France from the United Kingdom and Germany is that the recognition or non-recognition of agricultural interest groups represented a purely political decision based upon the balance of political forces of the day. That is, under governments of the Centre-Right (e.g. Giscardists, Gaullists) throughout the 1960s and 1970s, official recognition was withheld of the Communist dominated MODEF, the Socialist CNSTP (Confédération Nationale Syndicaledes Travailleurs-Paysans), and the extremely conservative FFA (Keeler, 1987: 5). The Centre-Right supported FNSEA represented an easy target once the Socialist party had achieved power.

Keeler (1987) argues that the FNSEA had enjoyed a strong corporatist level of interest intermediation with the French government and relevant state institutions. The Socialists however, sought to decorporatize that relationship.

What is important for our purposes concerning this attempt at decorporatizing the agricultural policy community is whether the attempt by the French government has been successful. Keeler argues that the new system is certainly not the "strong corporatism" of the past and that what has developed is a "moderate corporatism" (Keeler, 1987: 252). Though the Socialists were initially successful at instituting changes at the superficial level, political reality essentially ensured that the FNSEA retained all of its

privileges over time. The structures and behaviour patterns of the previous administrations ensured the de facto recognition of the FNSEA as the official voice of agricultural interests in France. It is evident when examining agricultural interests in France that the FNSEA continues to dominate agricultural interest group intermediation. Therefore, the Socialist government which officially pursued a policy to make the agricultural policy community pluralistic, has essentially failed in its guest.

# Representational role pre-1981:

In order to demonstrate how unsuccessful the Socialist government has been in altering the structures of interest intermediation, it is necessary to examine the period prior to the election of 1981. Keeler (1987) has examined the development of the FNSEA from the 1950s until the 1980s. Prior to the election of the Socialist government in 1981, the FNSEA was provided with a number of advantages relative to other agricultural unions, due to its role as a corporatist client.

Keeler (1987) identified four key benefits which the FNSEA enjoyed. The first advantage was the FNSEA's exclusive or privileged access to the decision-making centres of the state both at the national and subnational levels. This access involved "the exclusive right to participate in formal advisory councils, commissions and committees" and on the official administrative councils for agricultural development (Keeler, 1987: 110). The FNSEA also determined in conjunction

with the state, "the distribution of subsidies intended to further structural reform" (Keeler, 1987: 110). Furthermore, the FNSEA would engage in the highly publicized Conference Annuelle to discuss technical and policy issues.

An important example of the strength of the FNSEA concerned its role in the Chambers of Agriculture. Keeler (1987) describes this institution as the most important example of co-management by the FNSEA and the state. The FNSEA traditionally dominated the Chamber winning approximately 90 per cent of the seats. The Chamber provided the FNSEA with a number of organizational gains. It provided state subsidization to the FNSEA, as well as such concrete items as an office building, equipment, office supplies and materials, and a library (Keeler, 1987: 118). In addition, the FNSEAs elected members and the personnel provided by the state for the Chambers administrative purposes were in continual close contact. Therefore, the FNSEA essentially had these staff resources at its disposal.

Keeler also alludes to the negative impact which these close informal relationships engendered, when he refers to how it fostered "improper and even illegal activities" (Keeler, 1987: 120). It is also noteworthy that the FNSEA during this period was the only farmer's union of a "truly nationwide scope" with an affiliate in every department (Keeler, 1987: 109). This remains the case even today. The FNSEA continues to have representatives in all 90 Fédérations Departementales des

Syndicats d'Exploitants Agricoles (FDSEA). It also has representatives in all 38 associations specialized by production (FNSEA booklet, 1993: 9,18).

# Regulatory role pre-1981:

The second benefit which the FNSEA enjoyed was the devolution of power from the state, whereby the FNSEA formulated and implemented important aspects of agricultural policy. This also entailed a third benefit whereby the state was able to revise or for that matter not revise regulations pertaining to elections to the Chamber of Agriculture. Keeler provides the example that the Ministry of Agriculture continually rejected the requests by rival unions (e.g. MODEF) that costs incurred during chamber election campaigns be subsidized by the state (Keeler, 1987: 121). The implication was that the FNSEA did receive state subsidization for expenses incurred during Chamber elections.

The fourth advantage provided to FNSEA was the monetary subsidies received from the state. An example of blatant subsidization concerned a "promotion collective subsidy" which was granted by the state (Keeler, 1987: 122). The intent of this subsidy was to aid "recognized interest groups...to educate activists who would eventually assume leadership roles and become interlocutors of the state" (Keeler, 1987: 122-123). These subsidies were quite substantial. The CNJA (Centre Nationale des Jeunes Agriculteurs) which is the affiliated union to FNSEA, received

92 per cent of its budget through this program. Only 8 per cent of the budget was derived from membership dues (Keeler, 1987: 122). Obviously, these monies provided an excellent means to ensure that the elite of the union were well-informed and educated. Notably, the rival unions such as MODEF did not receive any subsidies from the state. Thus under the governance of the Centre-Right, the FNSEA was able to expand its organizational base as well as provide quality representation to its membership. Finally, the FNSEA was in daily contact with officials of the state and the government (Keeler, 1987: 75).

### Corporatism entrenched pre-1981:

In short, the FNSEA clearly played both a regulatory and representational role during the period of the Centre-Right's political domination. These factors served to enhance the legitimacy of the FNSEA as the voice of agriculture in France. The FNSEA was provided with monetary assistance and moral authority by both the state and the government which enabled it to pursue its objectives from a position of considerable strength. This provided an aura of authority to the FNSEA which was absent from the other agricultural unions.

The attempt of the Socialist government to create a more pluralistic framework in which agricultural interests could participate, was faced then with a highly entrenched organizational system which the FNSEA dominated. It is understandable that initially the new government would have

encountered problems in changing such a framework. Keeler (1987) demonstrates that the government's ability to decorporatize the method of interest intermediation was doomed to failure.

# The survival of corporatism post-1981:

In examining this issue, Keeler illustrates quite clearly that the Socialist government's decision to treat the FNSEA as just another agricultural union, brought a rude response. During the winter of 1981-82 there were a number of widespread demonstrations conducted by the FNSEA. These demonstrations prompted the government to take a number of initial steps at a "rapprochement" with the FNSEA. The Minister of Agriculture Edith Cresson shuffled her cabinet on January 20th, 1982 and those officials unpopular with the FNSEA were reassigned. A meeting between the president of the FNSEA and President Mitterand was held on February 2nd, 1982 (Keeler, 1987: 225-226). Furthermore, the Minister of Agriculture Edith Cresson attended the FNSEA's Annual Congress at the end of February. This was followed on March 23rd, 1982 by a massive demonstration in Paris of between 60,000 -120,000 members of the FNSEA (Keeler, 1987: 227).

These symbolic gestures on the part of the government were in direct contrast to what the Socialist party had been consciously attempting to do, namely reduce the privileged status of the FNSEA. Hence, the Socialist government was offering the FNSEA an olive branch. Certainly, the Socialist

government was not in a position where it could afford to further alienate a specific economic sector. The performance of the new administration had been lacklustre at best and was now encountering an increasing inflation rate, a growing trade deficit, and a record budget deficit (Keeler, 1987: 228).

Though the Annual Conference, as well as the Etats
Generaux des Dévelopment Agricole witnessed the participation
of the rival unions, it is important to note that the FNSEA
was the only union to be granted seats on the ANDA
(1'Association nationale pour le développement agricole), and
the CNASEA (Commission Nationale des Agricultrices des
Syndicats d'Exploitants Agricoles) (Keeler, 1987: 234).
Consequently, the Socialists were providing de facto
recognition to the FNSEA.

This change of attitude is best illustrated by the actions and words of Cresson's successor, Michel Rocard.

Keeler indicates that Rocard not only respected the traditional privileges of the FNSEA such as attending its annual congress, but at the same time he declined the invitations of the newly recognized leftist unions to attend their respective congresses (Keeler, 1987: 247). Rocard also stated publicly that the FNSEA's "capacity to comanage...is decisive for the effective functioning of the institutions...of agricultural policy-making" (Keeler, 1987: 247). An example of this reversal of attitude can best be seen when in 1983, 92 agricultural representatives had to be

selected for the offices for milk, wheat, fruits, vegetables and wines by the Ministry of Agriculture. There was not one nominee of the rival unions (MODEF, FNSP, CNSTP, FFA) selected by the Ministry. Also, these same unions were excluded by the government from participating from commissions and committees both at the sub-national and national levels (Keeler, 1987: 243-244).

Thus the state's need for a client within the agricultural community in order to facilitate the achievement of its policy goals was maintained. Also, the capacity of the FNSEA to mobilize and discipline its membership effectively, was made clear to the government through a series of large and highly visible demonstrations in the early 1980s. These two crucial factors help explain the limited decorporatization of the agricultural policy community in France despite the initial attempts of the Mitterand government to interject a measure of pluralism (Keeler, 1987: 256).

Keeler (1987) argues that corporatism remained largely intact despite the government's initial attempt to stimulate pluralistic interest intermediation for four reasons. These are,

- 1. The sheer cost of time in decorporatizing the current framework of decision making and creating a working alternative.
- 2. The cost of efficiency.
- 3. The cost of monetary resources.
- 4. The disruption caused to bureaucrats who must

attempt to adjust to a new manner of group-state relations.

Therefore, what was perceived by the French government initially as a straightforward transition from corporatism to a form of pluralism, quickly became mired in the organizational and behaviourial structures which existed prior to the Socialist election. It was easy to remove the official trappings of the corporatist framework but quite another to replace it with an equally effective alternative.

Keeler (1987) cites three factors as to why the Cresson ministry dealt cautiously with the FNSEA. These included,

- 1. the fear of "provoking" the FNSEA,
- a desire simply to avoid disrupting the policy process,
- 3. the acknowledgement that Socialist goals for the agricultural sector would not be immediately realized (Keeler, 1987: 238).

Therefore the state's need for a client within the agricultural policy community was maintained in order to facilitate the achievement of its policy goals. Also, the capacity of the FNSEA to mobilize and discipline its rank and file was illustrated by its capacity to organize mass demonstrations. The FNSEA was also able to place itself in a position of being indispensable to the government by its past experience on agricultural issues, and by limiting its opposition to the government. Wilson (1983) in reviewing interest group politics in France argues that the predominant

pattern of interest intermediation is pluralistic. The exception according to Wilson was agriculture prior to the 1981 election (Wilson, 1983: 907). Keeler (1987) has demonstrated quite clearly however, that corporatism continues to be the framework for interest intermediation in agriculture.

#### Corporatism post-1981:

Consequently, the FNSEA continues to play a very strong representational role in French agriculture. Unlike the NFU in Britain which clearly has the support of the vast majority of farmers in Britain, the FNSEA represents only 44 per cent of the farming population (Keeler, 1987: 109). In spite of this low representational figure, it can be argued that this lack of representational dominance is balanced by its dominance of the structural factors required for effective representation. The fact that it is the only agricultural union represented in all areas of the country and that it occupies virtually all the seats on relevant committees, commissions, as well as enjoying daily contact with the government; is sufficient to meet the representational role required by our criteria. The FNSEA prior to the 1981 election had been the officially recognized representative of the agricultural sector. The fact that no rival unions are currently involved in any decision making capacity and the FNSEA is required to "co-manage" the agricultural sector certainly meets the criteria for both a representational and

regulatory role. Consequently, the FNSEA enjoys defacto official recognition.

### Conclusion:

The agricultural policy network in France then, meets the criteria outlined earlier in the Chapter. It does represent however, two distinct periods of corporatism.

Certainly France pre-1981 would meet the classification of a strong corporatist network. This would be due to its monopoly of the representational structures and dominance of informal contacts between the government and FNSEA. It clearly had a monopoly concerning a regulatory role. The FNSEA was the only union involved in the formulation and implementation of policy. Furthermore, its technical expertise was enhanced by the level of subsidies it enjoyed due to its predominant position. It was able to develop and build upon its resources.

France post-1981, represents a slight modification of the level of corporatism. No longer does the FNSEA represent the only officially recognized union. Nor does the FNSEA dominate the density of representation. Instead, what has developed is a continuation of the relationship which existed between the FNSEA and the relevant government and state bodies prior to 1981, but on a more informal basis. Hence, the agricultural policy network in France could be classified as a moderate form of corporatism.

In summary, the type of interest intermediation in the agricultural sector in France continues to be corporatist.

Certainly it appears to be of a slightly stronger variety then in the case of the United Kingdom. There is a strong societal outlook in France which supports the need for agriculture to be protected. The shift in the locus of power from Paris to Brussels has introduced however, an additional element of unpredictability and lack of control. Furthermore, the fact that rival unions in France have an official voice (albeit a muted one), serves as a reminder to the FNSEA that the pillars of corporatism may no longer be on the firmest of grounds.

#### Germany

# The state of German agriculture:

The agricultural sector in Germany like that of France and the United Kingdom has been in steady decline. In the period 1949 to 1982 for example, the total number of farms diminished from 1,650,000 to 764,000, a drop of 54 per cent (DBV information booklet, 1983: 3). The percentage of the total labour force engaged in agriculture has decreased steadily from 17.8 per cent in 1955 to 10.8 per cent in 1965 (DEAO, 1984: 101). It decreased further from 7.2 per cent (1,940,000) in 1972 to 5 per cent (1,346,000) in 1982 (DBV information booklet, 1983: 5). Currently the percentage of the labour force engaged in agriculture is 3.7 per cent (1,081,000) as of 1990 (Agra Europe, August 14th, 1992: E/4). In addition, the percentage of the Federal budget designated for agriculture decreased from 4.5 in 1973 to 2.3 in 1983 (DBV Information booklet). Furthermore, the decline in the number

of farmers has witnessed a shift to a greater percentage of medium sized farms (20 - 50 ha) than small farms (1-20 ha). In 1972, 80.7 per cent of all farms in West Germany were between 1-20 hectares. By 1982, this figure had declined to 72.8 per cent. Medium sized farms which represented 17.1 per cent of all farms, has increased to 22.8 per cent (DBV Information Booklet, 1983: 5). What these figures indicate is that the agricultural sector has been steadily declining both in the number of farmers as well as the number of farms.

Political scientists generally agree that the agricultural community continues to enjoy a corporatist mode of interest intermediation with the state. The Deutscher Bauernverband (DBV) is the principal farmer's organization. Hendriks (1987) has argued that the power of the DBV should in reality not be so significant. It has remained one of the most powerful interest groups in Germany, despite representing a declining agricultural population and a sector which occupies a shrinking piece of the economic pie.

Why then would a sector in such obvious decline continue to exert significant influence? A crucial factor in explaining the prominent role of the DBV concerns the overall societal influence of the traditional agro-political ideological outlook. This has entailed two main objectives:

- i.) ensuring a fair income for farmers compared to those of other professions by maintaining a high price policy.
- ii.) maintaining security of supply

(Hendrik, 1991: 56).

## Representational role:

What is so impressive concerning the DBV is the extent to which it represented the farming community in West Germany prior to reunification. Andrlik states that it represented 90 per cent of the full-time farming population in West Germany by the early 1980s (Andrlik, 1981: 105). Certainly, this figure is confirmed by the DBV's literature. In describing its own structure the DBV states, "Today 90 per cent of all farmers are voluntary members in 297 district associations and 15 state associations..." (DBV information booklet, 1983: 8). The booklet provided by the DBV though distributed in 1993 was published in English in 1983. A letter dated March 19th, 1993 from a representative of the DBV confirms that 90 per cent of all German farmers continue to be members of the agricultural union. Also, the representative pointed out that the DBV "covers producers of all farm products in Germany" (letter from DBV, March 19th, 1993).

### Regulatory role:

The German government has a social obligation to ensure that the income level of the German farmer is comparable to the other sectors of the economy. This commitment has been enshrined in law. The Agricultural Law of 1955 stipulates the allocation of subsidies for the agricultural sector in order to achieve "parity between farm and non-farm incomes" (Andrlik, 1981: 109-110). The

Agricultural Law "obliges the Federal Government to compile an annual report on the state of agriculture" (DEAO, 1984: 104). The Agricultural Law of 1955 had the full support of the DBV, as well as the backing of the major political parties. The Act "institutionalized the recognition that the farm sector required special support from the state to compensate for its natural and economic disadvantages" (Hendriks, 1989: 76).

Hendriks argues that the relationship between the DBV and the Ministry of Agriculture is close due to a shared ideology which has sought to maintain small and medium sized farms, and to protect the income level of farmers (Hendriks, 1989: 76). Though the direct role of the German government (formerly West Germany) in affecting agricultural decisions may have been diminished with the growth of the EC, it is important to highlight the fact that there is an institutionalized formal link between the German government and the DBV similar to that found in the United Kingdom. There remains in place a statutory obligation on the part of the government and the state to consult with the agricultural sector. The fact that the agricultural sector is represented by one prominent union (DBV) ensured that a special relationship was cultivated. This formed the basis for a corporatist style level of interest intermediation.

In describing the level of interest intermediation in the West German agricultural sector, Keeler categorizes it as "strong corporatism" (Keeler, 1987: 269). He describes the

strong level of influence which the DBV exerts in the agricultural committees of the Bundestag (Keeler, 1987: 269). Furthermore, the DBV utilizes its considerable contacts with the Ministry of Agriculture and the various levels of government (federal, Lander) in order to pursue its policy goals. Keeler also indicates a similarity to France whereby the DBV controls the Chambers of Agriculture in Germany, a comanagement institution (Keeler, 1987: 269). It is noteworthy that the Chambers of Agriculture are legislated by the respective Lander for the "task of promoting to the full extent the whole sphere of agriculture...within the different regions" (DEAO, 1984: 103). The Chambers of Agriculture are responsible for a number of areas of activity. These include farm management, improvement of the rural structure, environmental protection, the improvement of working conditions in agriculture, and preparing opinions concerning new legislation. There are no Chambers of Agriculture in Bavaria, Baden-Wurttemburg, and Hessen. The responsibilities for these areas are carried out by the Offices for Agriculture and Soil Cultivation (DEAO, 1984: 103).

# The benefits of coalition government:

The DBV's prominent status in West Germany can also be attributed to the unique political balance which existed prior to reunification. The party and electoral system has helped to ensure that the agricultural voice would be heard in the upper echelons of government and the state. Coalition governments

between the Christian Democrats/Christian Socialists Union (CDU/CSU) and the Free Democratic Party (FDP), as well as between the Social Democrats (SDP) and the Free Democratic Party for most of the post-war period has been a major factor in maintaining the DBV's authority.

Hendriks (1987) has indicated that the relationship between the DBV and the CDU/CSU has always been a very close one. The CDU/CSU has always emphasized the special economic and social status of the farming community (Hendriks, 1987: 40-41). A CDU/CSU electoral slogan during the 1950s and 1960s for example, illustrates quite clearly the shared ideology which existed between the CDU/CSU and the DBV. The CDU/CSU maintained that "a nation without farmers is no nation" and that the rural sector was to become a "treasure trove of Christian attitudes and way of life" (Hendriks, 1991: 92). The DBV on the other hand continues to stand for the principle that "the family farm is the mainstay of our agriculture" (DBV information booklet, 1983: 4). The common moral themes such as the importance of the family farm, Christian values, and agriculture as an idyllic way of life ensured that agricultural interests would be supported by both the government and the state.

Furthermore, the FDP has traditionally relied on a significant percentage of its' popularity on the rural vote (primarily German Protestant farmers in the Northeastern section of West Germany). The FDP has sought to avoid

alienating the farming community, due to its precarious electoral record (i.e. meeting the 5 per cent rule). The role of the FDP as the coalition party in Germany ensured the DBV an avenue in which to express its' views directly to government officials, regardless of whether there was a CDU/CSU-FDP coalition or a SPD-FDP coalition government in power.

An example of the West German government's commitment to a fair income for farmers concerns the cereals issue in 1985-1986. The Commission had proposed that the intervention price for cereals be reduced by 3.6 per cent per fiscal year (Hendriks, 1991: 101). The German Minister of Agriculture, Kiechle, had already provided assurance to German farmers that any reduction would be rejected by the German government. The series of negotiations and top level meetings of the Agricultural Council highlighted the stalemate which existed between the German government and the other members of the Council. After six meetings the Council agreed on new prices for all items that were under discussion except for cereals. It must be noted that all parties agreed to a further time frame to obtain an agreement. The difference between the Commission's final proposal (1.8 per cent) and the German's government's proposal (0.9 per cent) was virtually negligible (Hendriks, 1991: 104). The Council was unable to obtain agreement in these negotiations. Therefore, the Commission unilaterally imposed the reduction of 1.8 per cent on a

temporary basis until the Council could resolve the dilemma.

The main point here is that the German government, which had been pursuing a highly publicized pro-European policy, became highly defensive when it concerned agricultural interests. Certainly, the fact that the CDU/CSU, a party which always has been very supportive of agriculture, was in office explains this level of support. Also, the fact that there was an upcoming Land election, and federal elections in 1987 indicates that there was a possible motive for the German government's intransigence. What is striking however, is the level of emotion and rigidity which had developed in the German position. Kiechle, for example in addressing the sixth meeting of the Agricultural Council states,

I get the impression that the Commission is using a strategy which is clearly directed against Germany...this confrontation strategy will not pay: it serves neither the Commission's reputation nor authority. One must not go against a big member state which has always been cooperative. (Hendriks, 1991: 103).

It can be argued that the Germans simply felt that they deserved the support which they themselves had always given. There appears however, to be more to it than simply electoral considerations or paybacks. It was an uncompromising stance by the German government to protect their farmers from any reduction in the price of cereals. What it indicates is the level of commitment that the DBV enjoys from the German government, especially while the CDU/CSU is in power. This is not to state that an SPD government would not support

agriculture, but rather that the level of commitment would not be at the same level.

### Conclusion:

Accordingly, the DBV has a strong representative role in the German agricultural sector. It has developed strong ties to both government and the relevant bureaucracy and enjoys daily contact with the government and the state institutions similar to the NFU, and the FNSEA. It is also evident that the DBV does play a strong regulatory role in that it is involved with structural questions associated with the rural sector. The DBV is also able to ensure discipline among its rank and file concerning unpopular decisions or developments. This was evident during the GATT negotiations in 1992-1993 when the DBV was able to defuse any potential demonstrations on the scale of what occurred in France.

When we apply our five criteria of corporatism, it becomes evident that Keeler's assessment concerning the existence of a strong corporatist policy network is correct. The DBV up until reunification has exerted a virtual monopoly of membership density. It has also been provided with a strong formal monopoly of representation. Furthermore, the DBV clearly has exerted a strong voice in the formulation and implementation of policy. This can be attributed to the formal recognition accorded to the DBV through the Agricultural Law of 1955. Also, the DBV has also benefitted from the unique political landscape associated with coalition governments in

West Germany. This has ensured that its voice is heard through both formal and informal channels. The point here is that the DBV plays both a strong representational and regulatory role. This representational role has been clearly demonstrated. The DBV's regulatory role is also impressive. It is fair to state that the DBV and the Ministry of Agriculture have established the basis for a strong corporatist policy network.

What the agricultural sector in Germany does face however, is a greater degree of uncertainty then its counterparts in either France or the United Kingdom. Not only must the DBV deal with a second level of authority (European Community) regarding agricultural matters, but since 1989, it has had to deal with a reunified Germany. The fact that most of the membership tended to be in the southern part of Germany and were Roman Catholic gave the organization a certain degree of stability and cohesion. It may now however, face the prospects of a more diversified membership from both east and the northeastern areas of Germany. This is not to state that religion will be divisive, but rather the potential new membership could contribute to new organizational strains and pressures. Furthermore, the opening up of Eastern Europe with its underdeveloped agricultural areas could also raise new issues for not only the agricultural sector in Germany but also the European Community as a whole.

Though corporatism in the United Kingdom, France and Germany continues to operate at the national level, it faces

greater uncertainty as the global market and transnational institutions continue to develop.

#### Chapter III

# Corporatism at the transnational level

When we examined agricultural policy making at the national level in Chapter 2, it became evident that corporatism continues to exist to varying degrees in each of our chosen countries. What is important to note however, is that agriculture represents the most unified policy area in the European Community (EC). The Common Agricultural Policy (CAP) symbolizes the EC's most successful attempt to coordinate a policy sector among the member states. The EC has been transformed from a major importer of food to a position where it now challenges the United States as the major food exporter on the global market. There has occurred a dramatic increase in production in a very short time frame of approximately 25 years. The EC not only served as a mechanism whereby the collective strength of the agricultural sector was provided with the ability to compete directly with the United States, but also, psychologically, it was perceived increasingly as a unified trading bloc.

Therefore, what we witness in the EC is the emergence of a transnational policy process which has successfully improved the overall production of agricultural commodities. In spite of this success, the CAP has come under a great deal of criticism for its drain on the EC budget. Moyer and Josling

(1990: 23) estimate that the CAP accounts for 60 - 70 per cent of the EC budget. Grant (1992: 53) has placed the figure at two-thirds of the EC budget. Libby (1992: 84) confirms this by stating that the CAP represented the single largest expenditure of the European Agricultural Guidance and Guarantee Fund (EAGGF) in 1988 at 67 per cent of the budget. Thus there has been a considerable cost in pursuing the policies of the CAP, despite the CAP's success at improving overall production.

This situation raises a number of guestions concerning the policy making process at the transnational level. Who are the key political actors at the transnational level? How does decision-making at the transnational level actually occur? Once we have established the nature of the policy making process in the EC, we will then compare that process to the national level of decision making. It will be demonstrated that Streeck and Schmitter's (1991) argument concerning the prevalence of a pluralist organization of interests at the EC level is generally correct. When applied to the agricultural sector however, Streeck and Schmitter's (1991) argument must be qualified. That is, corporatism does exist at the Community level in agriculture, but it represents a weaker form of corporatism. The main focus of our argument concerns the nature of decision making within the Community. It also involves the relationship of the agricultural organization COPA with the structures of the European Commission.

Consequently, the structures of power at the Community level, serve to ensure that the corporatist relationships which exist at the national level have not been replicated to the full extent at the transnational level. This chapter will explain why the transnational policy process encourages a pluralistic organization of interests and hence places limits on the development of a corporatist framework in the agricultural sector. It must also be pointed out that a weakened corporatist policy network at the transnational level is further hindered when a policy issue arises which is particularly divisive. National interests and more importantly national corporatism create additional obstacles for the further development of corporatism.

First, our discussion will review the power structures within the EC (i.e. the actors and their responsibilities). Second it will review the CAP and how that policy has affected decision making within the EC. Finally, the chapter will conclude by linking the EC power structure and the CAP, to the recent GATT talks of 1992.

### Decision making within the EC

What are the factors which prohibit the development of a corporatist style framework within the agricultural sector at the EC level? First, decision-making structures at the EC level are hardly conducive to corporatism. The absence of a central government at the EC level which could engage in dialogue with the agricultural sector, represents a major factor in explaining the limited development of a corporatist policy network. There is no one central institution which serves to foster a climate of cooperation with the agricultural sector. Streeck and Schmitter (1991: 143) argue that the absence of a central European government has led to a lack of "interest organization centralization" at the transnational level. This absence of a European government contributes to the centrifugal forces of national self interest and national governments remain the most powerful actors within the EC. The absence of a European government means that there is no voice at the pinnacle of the decision making process which speaks solely for Community wide goals.

This structural dimension can best be demonstrated by examining a number of the EC's structures and procedures: the Council of Ministers, the European Commission, the unanimity rule, the summit meetings of the heads of government of each member state, as well as the role of COPA (Committee of Professional Agricultural Organizations in the European Communities).

## The Council of Ministers:

The Council of Ministers is an institution which ensures the dominance of national interests and national governments at the EC level. The composition of the Council changes depending on the policy area. If the subject concerns agriculture, then the Ministers of Agriculture of each respective member state will meet for consultation as the

Council. If the matter concerns foreign affairs, then the Ministers of foreign affairs will gather to discuss foreign policy issues (Gardner, 1991: 17). The Council of Agricultural Ministers is composed of Ministers from each member state who are responsible for their respective agricultural sector.

What is important for our purpose is that the Council of Ministers represents "the formal apex of the EC's decisionmaking process and is the only EC institution which has the power to actually enact legislation" (Gardner, 1991: 17). Moyer and Josling (1990: 34) describe the Council as the decision making structure which "controls the direction and the pace of the Community". Moyer and Josling (1990: 35) argue further that the emphasis on a different Council for each subject area represents a centrifugal force as it breaks down the opportunity for effective coordination and negotiation of policy. It serves to further fragment the decision making structures and "creates an unrealistic separation between policy actions and their domestic (or overseas) costs" (Moyer and Josling, 1990: 35). Avery (1984: 645) concurs that the decisions on agriculture are made by the Council of Agricultural Ministers and that they are acting with the full authority and representing the interests of their respective governments. Gardner (1991: 17) states that "the Council...is expected to represent the interests of the EC member states rather than the interests of the Community as a whole".

The point here is that the primary representational

focus of the Agricultural Ministers is their national constituency in their respective member state and not Community wide interests. Furthermore, their constituency is not the European farmer, but rather their own national farming community. Consequently, the ultimate loyalty of Ministers will not lie to the Community, but with those who directly elect them into office.

## The European Commission:

Of course, there are institutions within the European Community with a Community wide agenda. The European Commission, for example, is the major transnational institution and seeks to reconcile these national orientations towards a higher ideal: European Unity. The Commission in relation to the CAP however, is curtailed by the limitations placed upon its authority. The Commission is responsible for two functions. First, it may initiate proposals, and second it acts as the administrator of decisions (Moyer and Josling, 1991: 31). Gardner identifies three essential functions of the Commission. These include the Commission's guaranteed four year tenure, its role as the "sole authority to initiate EC legislation", and "its role as guardian of the treaties which create and define the European Communities" (Gardner, 1991: 16).

What is crucial for our purpose is that the Commission represents the only EC institution which can actually initiate legislation. Thus as Gardner (1991: 30) points out, "it is

crucially important for a lobbyist to begin providing input to the Commission long before potential legislation surfaces as a formal Commission proposal". In addition, it has the responsibility for day to day administration of the EC.

Accordingly, the Commission is by no means powerless. It certainly possesses a great deal of authority by the very position it occupies in the policy making process. Despite this initiating role, however, the Commission cannot make decisions. This role is reserved for the Council of Ministers. Hence, national interests which may be subdued at the initiation stage of proposed legislation have an opportunity to exert their influence on their respective national governments, when it comes time to debate and finalize a proposal.

Gardner (1991) adds that the Commission's role as the sole initiator of legislation is not as clearly defined when the process is put into practice. The Council is supposed to wait until the European Parliament (EP) has an opportunity to provide an opinion before it [the Council] takes any action on a Commission proposal. Instead, what often happens is that a "working group" of national ministry experts will analyze the proposals and recommend amendments to the Commission prior to the European Parliament reviewing the legislation.

Consequently, the Commission and the Council will actually be in negotiation concerning legislation prior to the European Parliament having the opportunity to examine the proposal

(Gardner, 1991: 33-34). This obviously affords national interests an opportunity not only to influence the normal channels associated with the initiation of legislation, but also the unofficial channel which exists between the Council and the Commission. The role of the Council is further enhanced, as is the opportunity for national interests to influence Commission legislation at the outset.

Before it formally prepares a proposal to be reviewed by the European Parliament and the Council, the Commission will debate the proposal. All seventeen members of the College of the Commission discuss the merits of the legislation. The membership of the College represents the various backgrounds of the Community. The result is often a lengthy and complex series of discussions over technical issues pertaining to the subject matter in question (Moyer and Josling, 1990: 33). The Commission is primarily concerned with achieving an end result, that is, ratification by the Council. Therefore, the Commission will seek to avoid alienating or penalizing a member state by its legislation. The Commission will attempt to minimize the negative impact on the domestic agricultural communities while at the same time strive to pursue Community goals. The member states on the other hand will seek to ensure that the benefits to the national sector are maximized under a Commission proposal, while at the same time minimizing the negative impact to their domestic agricultural communities.

One should not conclude that the Council of

Agricultural Ministers is an authority devoid of any responsibility. After all, each individual Minister does have a constituency at home. In addition the minister represents the interests of an individual member state. But, the Council does have a time constraint regarding budgetary questions concerning the CAP. The Council of Agriculture Ministers is responsible for acting upon Commission proposals concerning budgetary measures related to the CAP. The Council must reach a decision regarding the Commission's proposals on an annual basis. Thus for example, the prices for milk and beef must be made prior to April 1st of any given budget year, whereas cereal prices must be determined by the beginning of August (Avery, 1984: 645). What is so significant regarding this annual time frame is that the prospect of 12 member states negotiating budgetary restraint and cutbacks, represents an unwieldy and lengthy process simply due to the involvement of so many political actors. The difficulties in this process were compounded in the past by the structural development of a unanimity rule.

#### Voting Rules:

The Treaty of Rome (1957) which established the framework for the European Community enshrined the concept of majority voting among the member states. Major policy decisions would in theory be decided by the majority of the member states at the Council level, including agricultural pricing policy. There was a provision for an unanimity rule to

be applied but only in situations where member states' national interests were considered paramount. This situation changed with the Luxembourg Compromise when France withdrew from the Council of Ministers for a period of six months in 1965, over an issue of national importance (Von Witzke and Runge, 1989: 228-229). This action resulted in the adoption of an unofficial rule whereby decisions made by the Council would be unanimous. The initial intent of the Treaty was obviously to ease the decision making process with the requirement that Council decisions be decided by simple majority. What developed in practice however, was the requirement that any decision taken by the respective Council would have the unanimous support of all the member states.

Von Witzke and Runge (1989: 229) argue that this structural requirement meant that the policy process became both time consuming and highly complex as all the member states had to be satisfied with the final outcome. That is, the policy process degenerated into the adoption by Council of "package deals" which would have the unanimous support of all the member states.

Von Witzke and Runge (1989: 230) also argue that the majority rule outlined in the Treaty of Rome risked the possibility that there could develop permanent coalitions of both winners and losers. The unanimity rule essentially prevented this situation from occurring within the Council. What this ultimately led to were highly complex decisions

which were time consuming and quite costly. The fact that there were also time constraints involved meant that there was a greater degree of pressure in which to ensure an agreement was reached and satisfied each member state. Von Witzke and Runge (1989: 232) point out that the unanimity rule enabled individual agricultural ministers to "block price decisions" which were unacceptable to the minister's national constituency. Furthermore, the fact that unanimous support was required led to benefits of package deals being more evenly distributed, but, this was accomplished at a higher overall cost to the Community (Von Witzke and Runge, 1989: 231-232).

It must be noted that the Single European Act adopted in 1987 has attempted to rectify this situation. The concept of "qualified majority voting" has been introduced regarding issues concerning the completion of the common market. The qualified majority will represent fifty-four votes out of a total of seventy-six votes (Gardner, 1991: 12-13). Countries with larger populations such as Germany, France, Italy, and Britain will each have ten votes. What this change implies is that no longer can a single state or two large states prevent the adoption of legislation (Gardner, 1991: 13).

It is important to note that the unanimity rule which has been so dominant for so long served to ensure the limited development of a corporatist policy network in the agricultural sector from developing at the EC level. The need to obtain a general consensus at the Council level in the form

of package deals, has meant that national interests remained at the forefront of Council decision making rather than Community oriented goals. There existed a requirement to satisfy or at the very least refrain from alienating a particular member state's constituency. Thus the decisions concerning agricultural pricing policy have sought to benefit all members by either rewarding a particular agricultural community or at the very least maintaining the status quo. This meant that policy change in the agricultural policy community would be incremental at best. The rule essentially forced the EC "to move at the speed of the slowest ship; and if the slowest ship proposes not to move at all, the whole fleet is usually stalled" (Duchene, Szczepanik, and Legg, 1985: 9). Fennell (1987: 73) argues that the unanimity rule succeeded in preventing the "acceptance of new ideas". Thus the prominence of sectional or national short-term interests was ensured at the expense of the EC's agenda.

Despite the recent modification concerning the manner of decision making at the Council level, there remains a great deal of scepticism over whether this structural change will limit the dominance of national interests. Several reservations about its effectiveness in promoting Community wide goals might be noted. First, it does not prevent coalitions from forming in either opposition or in support of policies. That is, it represents a significant modification in that one or two large member states can no longer block key

policy decisions. This structural change however, may take quite some time before Community goals begin to dominate national interests.

Second, a possible countervailing factor could involve Von Witzke and Runge's (1990) argument concerning the growth in membership of the EC. The prospect of EC enlargement, especially in light of the Soviet collapse in Eastern Europe, will continue to make decisions more costly and time consuming. It will involve accommodating increasingly more divergent interests. Certainly the prospect of qualified majority voting will improve the speed in which decisions will be made, and will alter the actions of the individual member state when it comes to negotiations. The prospect of a growth in the number of member states would appear to negate these benefits.

Third, the Community will strive to avoid creating the scenario whereby there are permanent winners and losers. The Council in all likelihood will continue to seek consensus from all member states and will only invoke qualified majority voting when policy decisions must meet the required time frames as well as budgetary considerations.

Finally, what is also significant regarding the prospect of EC enlargement and its potential ramifications on EC policy making, is the shift in the composition of the membership. The EC which had primarily been a Community of northern European states has witnessed over time the inclusion

of a number of southern European states (e.g. Spain, Portugal, Greece). This is important from the standpoint of potential coalition building when it comes to EC policy making and specifically agricultural policy making. Von Witzke and Runge (1989: 230) point out that the Mediterranean countries are primarily concerned with agricultural commodities such as fruits, oils and vegetables. In contrast, the northern European countries concentrate on grains and dairy products (Von Witzke and Runge, 1989: 231). The intent here is not to generalize as to the commodities pursued by the various member states but rather to draw attention to the potential conflict which may occur in periods of greater budgetary restraint and the imposition of quotas.

Thus, the EC faces the prospect of coalitions developing between member states based on regional considerations. Hence, the qualified majority voting rule could potentially be ineffective if there is a perception that one group of member states continues to benefit at the expense of others. This potential hazard can only increase with further enlargement of the EC.

The number of countries lining up to apply for membership has increased in recent years. Furthermore, the prospect of freer trade in agricultural commodities on the global market could exacerbate these regional differences to the detriment of the Community decision making process.

Therefore, the qualified majority voting rule does not

guarantee that the influence of national interests on EC policy making will be weakened. What this means for the agricultural policy community is the continued dominance of national interests in determining the direction of the CAP, as long as there remains an absence of any real central authority with an EC agenda. The structural factors cited illustrate quite clearly the centrifugal forces which continue to operate within the EC, and hence serve to promote the predominance of national interests.

#### Heads of State Summit Meetings:

This situation has been further compounded by the increase in the number of periodic summits attended by the heads of government of all the member states. These meetings of the European Council are well publicized and generally have concerned highly contentious issues. This development has occurred despite the fact that the European Council has no formal role in the governance of the Community (Moyer and Josling, 1990: 31). The convening of the European Council however, simply confirms the reality of decision making within the Community. Leaders such as then Prime Minister Margaret Thatcher of the United Kingdom, or Chancellor Helmut Kohl of Germany, appear to personify the real authority within the EC. The European Council represents a highly public platform where Community issues are argued from differing national viewpoints. Gardner (1991: 17) notes that the European Council provides "broad policy guidelines" concerning the direction of the Community. Furthermore, the European Council has on occasion initiated legislative proposals, which remain "the exclusive prerogative of the Commission" (Gardner, 1991: 17). Thus national interests can also play a role at the initiation stages of policy making. Examples of initiatives taken by the European Council include the introduction of elections to the European Parliament, the establishment of the European Monetary System, and the expansion of the Community (Gardner, 1991: 17). In short, this highly public forum merely serves to strengthen the perception among agricultural interest organizations that the real locus of power and authority in the Community rests with the respective national capitals. COPA:

The representational and regulatory roles of the transnational agricultural interest organization COPA, is also an important factor in explaining the weak development of a corporatist framework at the Community level. COPA is an umbrella organization composed of the individual national agricultural organizations of all twelve member states. The organization is primarily concerned with general agricultural policy. It seeks to represent and defend the interests of professional agriculturists in the EC (DEAO, 1984: 45). In order to accomplish these tasks, it attempts to establish contact with relevant professional organizations and Community institutions. Furthermore, "COPA...attempts to prevent any dispersion of efforts and organization which would be against

the general interest of farmers in the community" (DEAO, 1984: 46). Thus COPA attempts to play a centripetal role in unifying the diverse agricultural sector within the Community.

The centrifugal power structure within the Community, as well as COPA's limited role in the policy process however, hinders the development of a strong transnational organization. What will be demonstrated is that COPA plays a role in the formulation stages of a policy, but that it can easily become another interest group lobbying for the attention of the Commission and the Council at the decision making and/or implementation phase of a policy.

### COPA's Regulatory role:

What is significant concerning COPA, is the consultative role it enjoys with the Commission. COPA has the constitutional right of consultation with the Commission concerning the formulation of agricultural policy (Gardner, 1987: 170). Accordingly, COPA has a voice in the initial stages of policy making within the Community. Gardner (1987: 170) points out that COPA played a critical role in convincing the Commission in the early 1980s that future productivity increases would not be as great as previously forewarned. COPA also argued that international demand for Europe's agricultural produce would reduce the budgetary pressure on the CAP (Gardner, 1987: 170). Moyer and Josling (1990: 43) describe COPA as "the most important source of outside inputs to the EC agricultural policy process..." and note that it has

been very successful in mobilizing the European farmer. Moyer and Josling (1990: 42-43) also indicate that COPA provides a necessary service in that it ensures the flow of information to its membership.

COPA is provided with the opportunity to review the Commission's proposals on agricultural prices. This occurs in a number of stages. A brief outline as to COPA's role in the policy process will enable us to demonstrate that the organization is engaged in a weaker corporatist policy network then found at the national level.

At the initial stages of pricing policies, COPA is involved in discussions with the Commission's Directorate-General VI: Agriculture (DGVI). DGVI writes a proposal concerning the pricing policy on various agricultural commodities during the preparation stage (September - October). The proposal is submitted by DGVI to the Council of Agricultural Ministers, the European Parliament, the Economic and Social Council (ESC), and COPA. A working group within COPA then reviews the pricing policy of agricultural products and prepares a document concerning average price increases and individual agricultural product price increases. This document is then submitted to the Commission for review (DEAO, 1984: 48). What is noteworthy regarding this phase is that the contacts are informal in nature between COPA and DGVI, as well as COPA and ESC.

The second stage of the policy process is the

consultation phase which takes place between December to February. The Commission issues its proposals concerning agricultural pricing policy. COPA reviews the Commission's proposal. COPA then issues its official position concerning agricultural prices. The Commission and COPA at the same time are engaged in informal discussions throughout this phase. The members of COPA's presidium meet the Commissioner for Agriculture and the DGVI officials approximately every four to six weeks (DEAO, 1984: 49). More importantly, COPA commences to lobby the relevant actors in order to gain support for its position. Thus COPA will have contact with the various political groupings in the European Parliament, and will provide its position to the Plenary Session of the European Parliament. It will also have representational contact in the formulation of ESC's position on agricultural prices.

The third and final phase of the pricing policy process occurs during the months of March and April. This stage involves the policy being deliberated and decided by the Council of Agricultural Ministers. What is noteworthy in this phase is that COPA approaches the Council from two distinct directions. The first entails the Presidium of COPA attempting to exert its' influence directly upon the Chairman of the Agricultural Council of Ministers. The second aspect of COPA's influence is indirect. It involves the national agricultural organizations meeting with the national Minister and/or Ministries as well as the national permanent representatives

in Brussels (DEAO, 1984: 50). In addition, COPA will attempt to maintain its influence with the Commission throughout this process. Despite the Commission not being the ultimate decision maker, it continues to play a significant role in its relation to the Council. COPA will continue to present its views to the Commission until the Council has made its decision. The national organizations within COPA will also continue to express their respective viewpoints to the Commission, concerning COPA's position as well as their own national concerns pertaining to the pricing policies.

Thus COPA's views do have the potential to be heard throughout the process. We witness however, the continued inclusion of national agricultural organizations provided with the opportunity to lobby directly the Commission and the Council. The attempt to influence the pricing policies is conducted in conjunction with COPA. While COPA presents a Community wide perspective for the agricultural sector, each national organization is able to express their national concerns. The attempt to influence the policy process from both levels essentially detracts from the unified, coordinated position on the part of COPA. Thus the structures of decision making, and the absence of a single voice speaking for COPA enables the influence of national interests to be exerted during the final phase of the pricing policy.

The fact that COPA does not play a role in the implementation of policy is significant. It reduces COPA's

participation from one of official consultation to a situation where it must lobby the more powerful actors and institutions within the Community during the critical decision making phase. Furthermore, the application of the Council's decisions are applied on the domestic front by the national agricultural ministries in conjunction with the national agricultural organizations. Though the national agricultural unions are members of COPA, the implementation and adherence of Commission policy is carried out at the national level. This removes COPA from any direct role in the application of policy. Thus what emerges is a transnational organization which can be potentially removed from the policy process and be reduced to the role of a large but significant pressure group.

#### COPA's Representational Role:

COPA's consultative role in the agricultural pricing policy assures that it fulfils a strong representational role. The fact that it speaks for the vast majority of farmers within the Community allows us to argue that it does meet a crucial criterion of a corporatist framework.

The fact that COPA exerts influence on both the Council and Commission's agenda, enhances the value of membership for the national constituents. It serves as an alternative route through which the individual farm groups may lobby EC institutions. Thus COPA represents another avenue through which agricultural organizations can influence not

only the Commission, but also their individual national governments (Moyer and Josling, 1990: 43). Furthermore, COPA represents a valuable source of information to the membership regarding Community issues.

What detracts from COPA's potential as a power base for transnational authority is the fact that COPA's constituents are comprised of the national organizations of each respective member state. Also, the national "sub-unit" provides the basis for organizing the rank and file membership. That is, an individual must be a member of their particular national agricultural organization in order to be a member of COPA. It can be argued that an individual will in all likelihood identify with his national agricultural organization as his/her representative rather than COPA.

It must be pointed out that COPA does not directly lobby the Council of Agricultural Ministers. This responsibility is placed on the national organizations within COPA. It is the executive membership of each national organization which is in contact with their respective Minister and/or Ministry of Agriculture. Their purpose is "to explain, defend or promote COPA's position on agricultural prices" (DEAO, 1984: 49). This division of responsibility between COPA and its national constituents serves to reintroduce" national concerns into the policy process. This is not to state that national interests have been subjugated by Community wide goals prior to this point. The fact is

however, COPA is not approaching the national ministers and/or ministries as an independent actor. This ensures that national concerns on the part of the respective national constituent of COPA, will be expressed to their national counterpart in the government. It is quite plausible to surmise that at the very least, a community wide agenda will be presented with a distinctly national twist. Hence, COPA's responsibility as standard bearer for the Community's agricultural sector is weakened as it does not directly approach the various national capitals.

Moyer and Josling (1990) indicate that COPA has been highly successful in mobilizing support among European farmers. This has resulted in considerable financial and organizational resources (Moyer and Josling, 1990: 43). They point out however, that COPA thrived during the period when agricultural production was virtually unlimited and therefore benefits increased for all constituents in the 1980s (Moyer and Josling, 1990: 43-44). This raises a number of questions as to what effect quotas, set-a-side policies, reduced subsidization would have on the level of support for COPA from its national constituents. That is, it can be argued that COPA simply represents a means to an end for the individual national agricultural organizations. Once the goals of COPA and an individual agricultural organization no longer coincide, then national interests once again become predominant.

## Corporatist?:

COPA does play both a representational and regulatory role in the policy process. What must be pointed out however, is that its participation is much more limited that of its national counterparts. It is significant that COPA is involved in the formulation stage of European agricultural policy. The fact that it has an official consultative role fulfils our criteria as to a regulatory role in the formulation of policy. This official status however, is not carried over to the implementation phase, and hence COPA has a more restricted regulatory role than the national agricultural unions.

COPA's representational role appears to be quite impressive. It can be argued that it represents the vast majority of Community farmers in that virtually all national agricultural unions are members. COPA has no serious competitor to represent farmers in the Community and as such it has a monopoly of representation. Its high density of membership fulfils a key criterion of a corporatist policy network. COPA unlike the national agricultural unions however, represents the European farmer in a much more limited and indirect manner. The fact that COPA has no serious competitor at the transnational level does not detract from COPA's weaker representative role. It is seen by the membership as a means to an end. It serves a useful purpose as it represents the voice of agriculture within the institutions of the European Community. Furthermore, membership within COPA also enables

access to much needed technical expertise and information concerning Community issues.

The weaker development of corporatism at the Community level is compounded by the structural and institutional factors which contribute to the centrifugal nature of decision making within the Community. National interests on the part of the member state, the agricultural organization, the agricultural ministry, are provided with a number of opportunities to exert influence at the transnational level. This is obviously to the detriment of Community wide goals. The Commission's lack of power relative to the Council of Agricultural Ministers, the European Council, the prolonged persistence of the unanimity rule, and COPA's limited regulatory (and indirect representational role), ensure the importance of national interests within the policy process and at the forefront of Community decision making.

Indeed, it can be argued that these same factors have simply reinforced the corporatist relationships which have developed between the individual agricultural organization and their respective member state. This is especially true where a policy issue arises which is particularly divisive. National corporatism serves to create an additional obstacle to the resolution of a conflict.

## The Common Agricultural Policy

The Common Agricultural Policy (CAP) has come under a great deal of criticism in recent years, primarily due to the sheer cost of maintaining the program. It has been described as the most unified and coordinated aspect of Community policy making. A review of the CAP is in order because it will illustrate the decision making process within the EC. It will also enable us to demonstrate the wide variety of interests and the predominance of national interests at the transnational level.

The CAP was created in order to achieve two distinct goals. The first goal was to make the European Community self sufficient in food products. The second goal was to ensure that the incomes of farmers would be on par with the income levels of other economic sectors. The CAP has had limited success in maintaining farmer's incomes but it has been very successful in enabling the Community to become self-sufficient in food. There has been a steady growth in the production of such major commodities as butter, milk, wheat and beef. By the late 1970s, production was exceeding domestic consumption (Gardner, 1987: 167). The Community began to overspend through increased export subsidization in order that Community products would be competitive on the world market (Gardner, 1987: 167).

Bowler (1986) examines the increased intensification, concentration and specialization of key agricultural products.

He indicates that the role of new technology in terms of chemical fertilizers, pesticides, fungicides, and new and improved farming machinery, led to more intense cultivation of these crops. In the 1950s for example, France produced 1.8 tonnes of wheat per hectare. This yield had increased by 1980-81 to 4.8 tonnes of wheat per hectare (Bowler, 1986: 14). In 1986, agricultural exports from the EC exceeded those of the United States for the first time (Moyer and Josling, 1990: 196). The EC was a net importer of grain in 1968 (15.1 million metric tons) and had become a major exporter of grain by 1982 (12 million metric tons) (Libby, 1992: 32). Bowler (1986) further states that the specialization in particular crops not only occurred on the part of individual member states but also involved particular regions. This opened up the prospect of alliances forming concerning specific commodities not only on a state-by-state basis, but also on a regional basis.

The increase in exports led to increased subsidization and therefore higher costs. These increased costs continued to escalate due to a policy of unlimited production. This resulted in unbridled growth until the mid-1980s when agricultural expenditures overwhelmingly dominated the EC budget. The steady growth in the production and export of major commodities has led expenditures to account for approximately 60 per cent - 70 per cent of the Community budget (Moyer and Josling, 1990: 23). This increased growth in production when coupled with a stagnant consumption within the

EC, resulted in the rapid accumulation of surplus food supplies which forced the Community to seek out new external markets for the excess produce.

Herein lies the problem as the price levels for various food products within the Community far exceed the price levels on the world market. Gardner (1987: 169) estimates that average prices on agricultural produce in the EC are between 40 per cent - 45 per cent above world prices. Therefore, the EC must sell its export produce at world prices in order to be competitive. This entails compensating the European farmer. Bowler (1986: 20) has indicated that intervention agencies are responsible for "purchasing unlimited volumes of production at fixed prices so as to maintain a market for otherwise surplus production in the EC".

This unlimited growth in production and the level of subsidization created a constant state of financial crisis within the EC. The amount spent on the CAP for example, doubled between 1980 and 1986. This increase was attributed to the cost for market intervention, storage, and surplus disposal as well as EC enlargement (Moyer and Josling, 1990: 25).

By the mid 1980s there were increasing calls for quotas on production levels, the greater use of set aside programs, and the implementation of price cuts. The clarion call was the growing need for budgetary restraint. This position was countered by concerns pertaining to the income

levels of farmers. Thus, what developed by the mid 1980s was a growing conflict between the two broad goals of CAP. There was increasing dissension among the member states concerning "the desire to support incomes and the need to control production" (Fennell, 1987: 75). The various positions of the individual member states concerning budget restraint was based primarily on how the CAP had been of benefit to the particular member state. Therefore, a major recipient of the CAP such as France continues to oppose the imposition of quotas, and/or price cuts. The United Kingdom on the other hand has supported budgetary constraints as it is a major net contributor to the CAP. Germany despite the fact that it is also a net contributor to the CAP, seeks to limit any change which could be detrimental to the income of German farmers.

What is important to note here is that we are no longer speaking solely of the national agricultural organizations as players in the CAP, but also the important role of member states as key actors in the EC decision making process. The debate concerning whether budgetary restraints were to be imposed and to what extent, encapsulates the centrifugal nature of the decision making structures within the EC. That is, how the CAP became such a problematic issue, and the manner in which reform of the CAP was approached by the member states and the Commission, illustrates the dominance of national interests.

The reform of the CAP has proved very difficult as the

individual governments are able to "block even modest progress where it conflicts with domestic self-interest" (Moyer and Josling, 1990: 24). The ability of individual member states to slow down the reform of the CAP was based on the fact that there is simply no central authority within the EC which is strong enough to impose the Commission's goals. Moyer and Josling (1990: 205) point out that "there is no unitary actor to make decisions...responsibility is essentially divided between the Commission and Council of Ministers...with power in each organization further divided among component groups ...". Von Witzke and Runge (1989: 232) argue that the unanimity rule for example, allowed individual Council ministers the option to "block price decisions" which were perceived by the member state as detrimental to its' agricultural sector. This increased the amount of time required to make the decisions concerning agricultural pricing policy. Furthermore, the threat of a member state citing the Luxembourg Compromise ensured that benefits were evenly distributed but at a higher overall cost to the Community (Von Witzke and Runge, 1989: 231).

An additional problem area has developed concerning member state(s) which threaten to veto the agricultural pricing policy for the given year. These member states were offered ad hoc deals providing compensation so that a Community wide package deal could be finalized (Von Witzke and Runge, 1989: 259). Tanner and Swinbank (1987) argue that

continued reform of the CAP will occur due to budgetary pressures, but that the changes will not be major in extent, because of the ability of the EC to defer its expenditures. In addition the increased ability of national governments to pay their agricultural sector compensation payments "transfer[s] responsibility for funding back to the national governments" (Tanner and Swinbank, 1987: 292). Von Witzke and Runge (1987: 218) also argue that "the pressure for internal national subsidies paid directly to farmers....undermine the common purpose of the CAP by 'renationalizing' agricultural subsidization". Thus, national interests and input have not been weakened despite the CAP representing the most coordinated and united policy within the EC.

Gardner (1987) points out that the EC budgetary process is remote from the national realm. That is, the national level ministers and ministries do not have the same constraints or pressure imposed on them at the transnational level as they do at the national level. Thus the decisions concerning the CAP are perceived as being incurred with "someone else's taxpayers", and enacted by the joint council of agriculture ministers. Therefore, no individual minister can be held responsible for the increased cost either to the Community or to the member state (Gardner, 1987: 174). The CAP has "obscured the domestic political cost of budget overruns" and contributed to a situation where the national government and the national agricultural organizations see it in their best

interest to secure the best deal for their members (Moyer and Josling, 1990: 45). The individual agricultural ministers attempt "to minimize their own country's sacrifices while maximizing those of others" (Moyer and Josling, 1990: 210). The result is that a "minimalist approach" to change has been adopted (Gardner, 1987; 174).

The incrementalist decision making which has occurred with the CAP has primarily been due to the Council of Agricultural Ministers as ultimate authority. The fact that the Council is divided according to its subject area has encouraged "parochialism" (Moyer and Josling, 1990: 201). Agriculture is the constituency of the Council and therefore the national agricultural organizations can exert considerable influence due to their close ties to their national agricultural minister and/or ministries. Furthermore, the fact that the unanimity rule has been replaced by qualified majority voting has not detracted from the attempt to develop consensus building agreements (Moyer and Josling, 1990: 202).

The increasing costs to the CAP throughout the 1980s were primarily due to export subsidization based on increasing EC production. The EC's venture onto the global market however, placed it on a collision course with the United States as both competed for foreign markets (Libby, 1992: 38).

The United States introduced the Export Enhancement Program (EEP) in 1985 in order to counteract the growth in EC exports. The EEP represented a subsidy provided by the US

government to its farmers. Its main purpose was to make the price of US cereal grains more competitive. The overriding objective was to increase the cost of subsidization to the EC of cereal grain exports. The goal was to "make it prohibitively expensive for them [EC] to engage in a subsidy war with the US" and "to restore US grain markets lost to EC countries through 'unfair' subsidized competition" (Libby, 1992: 75-77). A key aspect of this policy was to bring pressure to bear on the level of EC subsidization and therefore to exacerbate political tension within the Community (Libby, 1992: 86).

What is important for our discussion is that the EEP served to heighten the tension within the EC. It contributed to dividing member state versus member state at a time of tremendous pressure to control the CAP budget. The perceived success of the EEP by the US, and continued subsidization of EC export products, prompted the US to introduce a farm bill in 1990. This threatened to expand the number of agricultural commodities which would come under subsidization by the US government (Libby, 1992: 116). The prospect of an increase and expansion of US subsidies prompted the EC to place its agricultural export subsidy program on the agenda of the General Agreement on Tariffs and Trade (GATT).

#### Conclusion:

excellent opportunity in which to explore the decision making process in the European Community. The negotiations and subsequent agreement in November 1992 concerning agricultural produce will be explored in Chapter Four. The emphasis will be on the cereals and oilseeds issues which were the final elements in concluding the Blair House Agreement. What we have established in this chapter is that corporatism has been replicated at the Community level but in a much weaker manner. This has been due to structural and institutional factors, and COPA's role in the policy process. Centrifugal forces dominate and therefore prevent the development of any centralized institution with significant authority which would enable transnational allegiances to override national interests.

The GATT talks constitute our case study in Chapter 4 and will illustrate the decision making process prevalent at the Community level. It will confirm that centrifugal forces in the guise of national interests are alive and well in the Community. Corporatism while representing the framework for the organization of agricultural interests, does so in a more limited fashion. Indeed, national interests serve to weaken the corporatist policy network at the Community level, as well as dividing the various corporatist policy networks at the national level.

# Chapter IV

# Case Study - The Blair House Agreement

The recent Blair House Agreement\*\* concerning oilseeds and the reduction in levels of export subsidization (specifically cereals) represents an excellent opportunity to test our hypothesis concerning the validity of Streeck and Schmitter's (1991) argument. The negotiations which led to the agreement and the ongoing controversy pertaining to its merits, illustrate quite clearly the weak transnational link which continues to exist at the Community level, and hence the resurgence and predominance of national interests. The GATT talks concerning agriculture have been fraught with controversy and have served to highlight divisions among the European member states.

The main area of concern is whether the Blair House Agreement complies with the agreement negotiated in the Common Agricultural Policy (CAP) reform of May 1992. Member states where agriculture represents a major aspect of the economy and the agricultural constituency has significant political clout (e.g. France, Spain, Belgium, and Ireland), have been more vocal in their opposition to the accord. The most ardent \*\* details of the Agreement will be discussed later in the Chapter.

opposition to the agreement has been found in France. The graphic scenes from France whereby the farmers attacked offices and retail outlets, symbolic of both American commerce and free market enterprise, point to the highly emotional nature of the feelings about the agreement. This opposition stands in contrast to the much more subdued nature of opposition from farmers in the United Kingdom, and Germany.

Though the agricultural unions within the Community as well as COPA have been unanimous in voicing their opposition to the Blair House Agreement, the level of opposition varies depending on a number of factors: the type of farming conducted in the member state, the political influence and size of the national agricultural union, and the traditional societal outlook towards farming. An additional factor is the position taken by other sectors on the agreement and their positions on the rest of the GATT negotiations. The Blair House Agreement highlights not only the divisions at the Community level between the member states, but also between the various farming communities within the EC. The GATT talks on agricultural issues have brought into clear focus the perceived need of individual member states to defend their respective national interests. This defence of national interests has detracted from the Community's attempt to participate in a successful GATT agreement with the expressed purpose of liberalizing global world trade.

This chapter examines the final stage of negotiations on agricultural issues between the US and the EC. The period of analysis extends from the CAP reform of May 1992 through the aftermath of the Blair House Agreement of November 1992 and up to the French parliamentary elections in March 1993. The Chapter will not examine the negotiations leading up to the CAP reform. Rather, it uses this agreement as a framework for measuring why the apparent initial unity of purpose granted to the EC in pursuing a GATT agreement on agriculture proceeded to unravel.

We will assume that the Commission was responsible for representing the Community as a whole and had the Community's full support when it embarked on the negotiations. Furthermore, it is fitting to utilize the French parliamentary elections as the end period for our analysis. The GATT talks and its impact on the role of agriculture in France, represented a major electoral issue. The GATT talks concerning agricultural issues thus illustrate precisely the disintegration of authority within the EC once the Blair House Agreement was negotiated by Commission representatives. The aftermath of the Agreement witnessed the public resurgence of national interests as the agreement came under greater scrutiny by the individual member states. The controversy pertaining to the Agreement highlights the continued dominance of national interests. The GATT negotiations represent an excellent opportunity to examine the impact a policy area has, when national interests collide. It highlights the weak development of corporatism in agriculture at the transnational level.

In conducting the analysis, we will examine the reaction of the individual member states, COPA, the agricultural unions, and the Commission both prior to and in the aftermath of the agreement leading up to the French parliamentary elections. Accordingly the chapter is divided into the following parts. The first section will focus on the issues involved in the Blair House Agreement, particularly the cereals issue and the oilseeds negotiations and the Commission's policy stance prior to the agreement. The second section reviews the agreement reached between the United States and the European Community. The third section examines the major actors within the Community (the individual member states, the agricultural unions, COPA, the Commission) and their positions during the negotiations and the subsequent agreement. This assessment points to the most influential political actors on agriculture at the Community level. The fourth and final sub-section is how the case study reflects the predominance of pluralist interests and hence a weaker corporatist policy network at the Community level.

The analysis will be based on a review of articles during the period of our analysis from Agra-Europe, the Financial Times of London, the Economist, and the various literature provided by the individual agricultural unions in

the United Kingdom, France, and Germany.

## The issues:

The Uruguay Round of the GATT talks have been ongoing since 1986 and cover a number of multilateral negotiations pertaining to economic sectors apart from agriculture. The talks were to end in 1990, and were finally concluded as of December 15th, 1993. The talks cover a diverse range of issues including textiles, services, disputes settlement mechanisms, and intellectual property (The Economist, April 11th, 1992: 65). Negotiations sought to introduce uniformity in applying rules regarding technical standards, government procurement, import licences, the origin of goods, inward investment, and anti-dumping actions (The Economist, June 27th, 1992: 77).

Agriculture was perceived to be a crucial component in unlocking the doors to other agreements. In fact, the negotiations on agriculture had at the outset widespread ramifications for global trade. They involved a wide variety of agreements considered necessary for the harmonization of global trade. Accordingly, member nations were not concerned only with agricultural issues when the negotiations between the US and EC were in the final stages of conclusion. In order to achieve a wider breakthrough on the GATT talks, an agreement between the United States and the European Community was seen as critical if movement on other issues was to be achieved.

The European Community had reformed the CAP as of May 1992, in anticipation of successfully negotiating a trade agreement with the United States. The Community had attempted to put its own house in order so that the EC could bargain from a position of strength. In this respect, the CAP Reform marked a crucial step in the process and allows us to focus upon the period that followed. The final hurdles to an overall agreement could be cleared only after the CAP had been reformed.

The GATT agricultural negotiations revolved primarily around the issue of export subsidies. The Economist points out that "almost every rich-country government generously protects and subsidises farm production; the resulting surpluses of output then have to be sold at artificial prices, making a mockery of the international market...Europe's underpriced surpluses hit America's farm exporters badly. America's farmers are themselves subsidised and protected, though for most products less so than Europe's" (April 11th, 1992: 65).

The reform of the CAP in May 1992 sought to address these concerns. The price of cereals which represents the "most widely traded farm commodity" on behalf of the Community was reduced by 29 per cent over three years. This change was countered by the introduction of a new subsidy "involving direct payments to cereal farmers from the EC budget, [which] will be paid provided the farmers take a least 15 per cent of their land out of production" (The Economist, 23.05.92: 55).

The heads of Government within the Community collectively issued a statement as to the impact of the CAP reform:

In the context of the Uruguay Round, the Community has submitted substantial contributions and offers in key areas of the negotiations. In taking the initiative of reforming its common agricultural policy, the Community is basing its agricultural future on a better match between supply and demand thus contributing to the stabilisation of world markets while ensuring that the incomes of Community farmers are legitimately maintained. The European Council calls on all parties to the negotiation to show similar flexibility... (Agra Europe, July 3rd, 1992: P/1).

The Commission then outlined its negotiating position in relation to the GATT talks when it stated:

The Commission confirms that the compensatory aids now agreed form an integral part of the reform of the Common Agricultural Policy. They cannot fulfil that essential role unless they are free from any disciplines associated with the reduction of internal support agreed as part of multilateral trade negotiations. To that end the Commission will continue to press in the course of negotiations on the Uruguay Round, for their inclusion in a special category of the green box, i.e. aids not subject to reduction (Agra Europe, July 3rd, 1992: P/2).

Accordingly, the CAP reform represented the reference point from which the Commission would negotiate with the United States. The United States was demanding a 24 per cent reduction in the volume of subsidised exports in the 1993-1999 period, a 36 per cent reduction in budget expenditures on export subsidies and a 20 per cent reduction in domestic support. These represented the initial minimum bases upon which the United States was willing to negotiate a farm deal with the European Community (Agra Europe, July 10th, 1992:

P/1, E/1). The Community, in contrast, was determined not to reduce the volume of subsidised exports by greater than 18 per cent in the first 5-6 years of a GATT agreement (Agra Europe, July 17th, 1992: P/1).

Ray MacSharry, the agriculture commissioner for the EC stated the Commission would insist on the following guarantees which could result in an agreement. He outlined the Commission's policy that compensatory payments to farmers agreed in the CAP reform would not be reduced, and indicated that a compromise would have to be found between the suggested 18 per cent - 24 per cent reduction in the volume of subsidized exports. This position represented a slight softening on the part of the EC in its approach to the GATT talks. The EC also would insist on a peace clause so as to prevent the US from taking "unilateral retaliatory action" against perceived trade injustices (Agra Europe, July 31st, 1992: P/1).

If there was to be a GATT agreement, an additional issue which needed to be resolved concerned oilseeds. EC farmers were heavily subsidized to produce oilseeds, a practice which had led to a tremendous increase in EC production of oilseeds in a relatively short time span. Whereas in the late 1960s, the EC produced 1 million tonnes of oilseeds annually, EC production had grown to 13 million tonnes per year by 1991. The United States accordingly, saw its exports to the EC decrease from a high of 11.9 million

tonnes in 1982 to 6.4 million tonnes in 1990 (The Economist, May 30th,1992: 66). Adding fuel to the fire was the fact that the EC had lost two judgements to the US from a GATT panel concerning unfair trade practices in oilseeds.

The oilseeds issue illustrates quite clearly how bargaining positions hardened and served to promote the resurgence of national interests. Though the crucial issue remained the level of export subsidization, a wider agreement was not possible in the GATT talks without an agreement on oilseeds. The linking of the oilseeds issue to the GATT talks is evident in Mr. MacSharry's statement:

I very much hope that the United States will refrain from taking unilateral action against Community imports in the context of their disagreement with the Community as regards the impact of the EC oilseeds regime on US exports of these products... clearly if the US proceed to take action against Community imports, which it is threatening to do for one billion dollars worth of trade, the Community would have to consider retaliation against such action. Clearly such a train of events would have very serious implications for trade on both sides of the Atlantic and for a successful outcome to the Uruguay Round... (Agra Europe, July 31st, 1992: E/1-E/2).

The need for an agricultural agreement was considered a prerequisite before other agreements under GATT could be resolved. Arthur Dunkel (then Director-General of GATT) stated that "the keys to a final conclusion are held in a very few hands. It is now up to them to provide the momentum for us to finalise the multilateral negotiations" (Agra Europe, August 28th, 1992: P/3). Dunkel further pointed out that an agreement was needed in order to bring the world out of recession.

President Mitterrand of France also referred to the gravity of the negotiations when he referred to a GATT agreement as "vital to cure the 'global psychological malady' in public opinion which the economic recession had caused..." (Agra Europe, July 10th, 1992: E/2). Thus the agricultural issues in the GATT talks were not simply confined to an agricultural constituency within the Community but involved the wider interests of other economic sectors and member states.

# The Agreement:

The Blair House Agreement, the culmination of agricultural negotiations between the United States and the European Community was concluded on November 20th, 1992. Several aspects of this agreement are pertinent to our discussion. The main thrust of the agreement was that subsidized export volumes would be reduced by 21 per cent between 1993-1999. This figure would be based on average yearly production totals for 1986-1990 and the reduction would be on a product by product basis. Direct export subsidies would also be reduced on a product by product basis by 36 per cent over the period 1993-1999 also based on average production totals for 1986-1990. Furthermore, the United States and the European Community agreed to a "rebalancing" clause which sought to ensure relevance of the CAP reform for EC imports of non-grain feed ingredients. A third aspect of the agreement concerned the "peace clause" whereby internal support measures and export subsidies were now exempted from

retaliation. A fourth major feature of the agreement concerned oilseeds. The total number of hectares within the Community assigned to the oilseeds crop would be 5,128,000. This figure represented the average amount under cultivation for the period 1989-1991. The accord also stipulated that the area to be set aside from growing oilseeds would be a minimum of 10 per cent per year (Agra Europe, November 27th, 1992: E/1-E/4).

Ray MacSharry referred to the deal as "not a disadvantage for EC farming, but an advantage because it consolidates the reform of the CAP internationally" (Agra Europe, November 27th, 1992: E/1). This stance was reiterated by the Commission's study pertaining to the compatibility between the Uruguay Round Agreement and the May 1992 CAP reform. The Commission's findings were issued the day before the agreement was announced and stated:

The CAP is now compatible with GATT and recognised as such...The draft GATT agreement and the reform of the CAP form a coherent whole. The first confers on the second indispensable international security (Agra Europe, November 27th, 1992: P/1).

The Commission and its agricultural representative, MacSharry, were now faced with the prospect of having to "sell" the agreement to the individual member states and their respective agricultural constituencies. Though the Commission was provided with the mandate to negotiate an agreement on the Community's behalf, its claim during the negotiations that it acted as the sole representative of European agriculture was

severely tested. The reaction prior to the agreement and in its aftermath from elements within the Community, was indicative of the centrifugal factors present at the transnational level. The Commission may have negotiated the agreement, but it was ultimately the decision of the Council of Ministers which would determine if the agreement was to be ratified.

#### The Actors:

### France:

What is evident when reviewing the Blair House Agreement is the highly vocal nature of the opposition to the negotiations and subsequent agreement from France. The French government made it quite clear during the negotiations that it would resist any agreement which it perceived as not staying within the parameters of the CAP reform. The French had also opposed the CAP reform of May 1992. The two main French agricultural unions FNSEA (National Federation of Farmers' Unions) and CNJA (National Centre of Young Farmers) had highly publicized demonstrations against the CAP reform on June 30th, 1992 (Agra Europe, July 10th, 1992: N/1). This opposition to the CAP reform was alleviated to a certain extent by promised national aid "to offset the effect of the reform of the CAP" and was accepted by President Luc Guyau of FNSEA who stated, "we demanded compensation for the damage caused by the CAP reforms and we have been heard...". Mr. Guyau also promised to struggle to "reform the reforms" (Agra Europe, July 24th,

1992: N/1-N/2).

The French hesitancy to restart the GATT talks after the CAP reform was fuelled by the prospects of the referendum on the Maastricht Treaty. There was a real fear that a vote in the referendum would be seen by many sectors of the French population as a vote on CAP reform and not European unity (Agra Europe, September 4th, 1992: P/2). Thus a conclusion to the GATT talks prior to the referendum was considered politically unfeasible in light of the interests at stake. President Mitterand, as a great proponent of European unity, did not wish the GATT talks to be resolved prior to the referendum as it would also be perceived as a vote concerning his presidency. Thus it was not in the French interest to conclude the agricultural agreement at that time nor was it in the Community's political interests.

What is evident is that the French made known their opposition to any agreement prior to November 20th, 1992. The French government forced a debate at the Council level and made clear that despite their desire for "a global and balanced deal", the Commission should negotiate from a position of strength. The French government stated that it had the support of Germany, Ireland, Denmark, Italy, Spain, and Greece in voicing its concerns (Agra Europe, October 30th, 1992: E/1). The implication was that France would oppose any agreement which it perceived as transgressing the CAP reform of May 1992 and that it had the necessary support to carry out

its oblique threat. On one of the occasions when the GATT negotiations broke down, the French agricultural minister Jean Pierre Soisson stated, "the firmness France has shown since 1985 has finally avoided an agreement which would have been very bad for our agriculture and our economy" (Financial Times, November 5th, 1992: 3). French opposition became even more evident with the leaking of a French paper which questioned the GATT negotiations and whether a conclusion would be compatible with the CAP reform (Agra Europe, November 20th, 1992: E/2).

When the Blair House Agreement was announced, it was greeted with considerable opposition from all segments of the agricultural constituency in France. The agricultural unions "accused the Commission of selling out the interests of European agriculture under US pressure" (Agra Europe, November 27th, 1992: E/1). Immediately, the then Prime Minister of France, Pierre Bérégovoy, in an address to the National Assembly announced that France would veto the agricultural agreement at the Council level. The Prime Minister argued that the deal was exceeding the mandate provided to the Commission and that "France will place its veto against agreement contrary to its fundamental interests...[and] will use its power of veto under the Luxembourg compromise if the French position is not heard and respected" (Agra Europe, November 27th, 1992: E/4-E/5).

This opposition was echoed by all members of the

political spectrum. Valéry Giscard d'Estaing of the UDF stated that his party would "support the defence of French agriculture", while Jean-Claude Pasty of the RPR called on the government to exercise its veto under the Luxembourg compromise and therefore create a "salutary crisis at both European and international level[s]" (Agra Europe, November 27th, 1992: E/5).

What is evident is the high degree of unanimity which existed in France not only during the negotiations, but also once an agreement was concluded. The agricultural constituencies in both the United Kingdom and Germany did not exhibit the same degree of cohesion as that of France. One explanation for this difference maybe the fact that France is the second major exporter of agricultural goods on the global market (ranked behind the United States) and therefore a greater proportion of its economy depends on agriculture than that of the United Kingdom or Germany (The Economist, November 28th, 1992: 56). As of 1990, 6.4 per cent of the total workforce were employed in agriculture (Agra Europe, August 14th, 1992: E/4). Furthermore, France is the major cereal producer within the Community. Thus France is much more vulnerable to the potential negative effects of any negotiated agreement.

#### The United Kingdom:

The British government made it quite clear that its goal was to obtain an agricultural agreement so that the GATT

talks could proceed. Though the British government attempted not to isolate France while the negotiations were ongoing, the public utterances of British officials indicate that they wished to adopt a far more conciliatory approach in dealing with the US, and that a GATT agreement was the ultimate goal. To illustrate this point, we can look at the GATT talks as they stalled just prior to the US election. The French foreign minister, Roland Dumas, expressed the opinion that the GATT talks would in all likelihood remain dormant until after the US and French elections. In contrast, Prime Minister John Major disagreed saying it "was not shared by the British government in its presidency of the Community...What is needed is for both sides to remain at the negotiating table, and I will do all I can to bring that about" (Agra Europe, October 23rd, 1992: P/3). The agricultural minister for the UK also made it unequivocally clear that "Britain's 'over-arching priority'...was the completion of the GATT negotiations" (Agra Europe, October 30th, 1992: E/5).

The public stance taken by the United Kingdom resulted in a certain degree of testiness on the part of the French government. The agricultural minister for France Jean Pierre Soisson gave a rather scathing assessment of the UK's position. Mr. Soisson stated that the United Kingdom was willing to sacrifice EC agriculture in order to obtain a deal on the GATT and to add a shine to the UK's lacklustre EC presidency. Mr. Soisson further pointed out that the UK was

the only member state not willing to put the question of the GATT's compatibility in relation to the CAP to a debate (Agra Europe, November 20th, 1992: P/1).

A further indication of the diametrically opposed positions of the French and UK governments concerns the reaction of Prime Minister John Major when the agreement was reached. Prime Minister Major welcomed the agreement as "the best possible news" for the world economy and a triumph for the British presidency of the EC". Mr. Soisson in contrast stated "at first sight, I cannot accept it" (Financial Times, November 21st-22nd, 1992: 1). What is evident is that the government of the UK was interested in pursuing an agreement so that discussions could proceed on the wider aspects of the GATT talks. It is noteworthy that Prime Minister Major and his agricultural minister (John Gummer) had expressed similar outlooks.

The National Farmers' Union (NFU) in the United Kingdom adopted a much more moderate position than the FNSEA concerning the GATT negotiations. The NFU formulated a list of priorities for the United Kingdom's period of EC presidency. It is noteworthy that along with it s call for a "rapid completion of CAP reform", the NFU also called for a "completion of [the] GATT Round on terms which are balanced and equitable to all parties. A satisfactory resolution of the oilseeds dispute is essential" (Agra Europe, July 3rd, 1992: N/4). Thus the NFU's position at the outset was much more

compromising than that of the FNSEA. This is not to state that the NFU did not have reservations concerning the conclusion of an agreement, but rather to point out that its tone was much more positive. That is, there is a greater acceptance that change within the agricultural field is inevitable. This becomes even more evident after the agreement was concluded. The ensuing demonstrations and violence which occurred in France were denounced by the leader of the National Farmers' Union David Naish. Mr. Naish stated, "We can understand the concern of French farmers and others but taking to the streets in a violent manner is not the best way to make progress..."

(Agra Europe, December 4th, 1992: N/3).

The NFU's pragmatic approach can also be seen in its Annual Report & Accounts 1992 when it addressed the GATT issue:

The GATT negotiations cover far more than agriculture and any breakdown could trigger economic consequences, including a US-EC trade war, which would hurt the whole EC economy and be far more damaging to agriculture than the proposed agreement. Hence the NFU did not oppose the agreement. Instead it concentrated on obtaining assurances from the EC authorities and the British Government about its implementation (Annual Report & Accounts, 1992: 4).

What is evident in reviewing the statements by the NFU is the desire not to jeopardize its relationship with the British government. The NFU stressed the need to maintain its links and "to keep on good terms with its 'allies' in government" so as "to ensure that agriculture could adapt to

the new circumstances" (Agra Europe, December 4th, 1992: N/4). Absent from these statements is the anti-Americanism, the accusations of Commission sellout, and emotional defence of national interests so prevalent in the public statements issued by the FNSEA and French politicians.

It is fair to state that the NFU occupied a purely lobbying role in relation to its own government concerning the Blair House Agreement. The agricultural constituency in the UK did not exhibit the same degree of concern on this issue as its French counterpart. This difference can be attributed in part to the lower percentage of the population engaged in farming (2.2 per cent in 1990) in the United Kingdom and its smaller political clout (Agra Europe, August 14th, 1992: E/4). It can also be ascribed to the prevalence of larger farms in the UK and thus a greater propensity to participate in a free market economy. Furthermore, the impact of other economic sectors in relation to agriculture, and their desire for a freer trade far outweighed the concerns of the NFU. Therefore, in the case of the United Kingdom there is a lower level of congruency between the agricultural constituency and the government. What is evident is the NFU's pragmatic opposition to the GATT agreement and the lack of policy cohesion between the UK government and the NFU.

## Germany:

The German government initially adopted a much more vague stance concerning the GATT agreement because it did not

wish to alienate its own farmers or its relationship with France. The German government however, made it abundantly clear that the overriding goal of a successful conclusion to the GATT talks was paramount. This policy stance was criticized by the president of the DBV, Constantin Heereman who along with the associations representing cooperatives (Deutsche Raiffeisenverband) "called for no further concessions to be made in the GATT negotiations" (Agra Europe, October 16th, 1992: P/4).

Important in Germany is the role of groups outside the agricultural constituency. The German Federation of Wholesale and Foreign Trade accused both France and the President of the Commission (Jacques Delors) of being against market forces in the agricultural sector (Agra Europe, August 14th, 1992: E/2). The Federation of German Industry (BDI) called on Mr. Delors to ensure that the "EC must not take the position of putting the brakes on the world economy" while the German Chamber of Commerce called for a GATT breakthrough (Agra Europe, October 16th, 1992: P/4).

What further complicated matters in the German example was the vacillating public utterances by German leaders.

Chancellor Helmut Kohl strove to avoid isolating President Mitterand and the French government. Accordingly, German policy sometimes looked quite schizophrenic. For example, when the talks stalled, the economic minister Molleman stated, "we expect the Commission to do everything to achieve a result in

the negotiations. In view of the very substantial progress achieved in recent days, the German government would consider it irresponsible if the negotiations broke down". This stance was contradicted by Chancellor Helmut Kohl who indicated his support for the French president "in his efforts to prevent further GATT concessions on agriculture" (Agra Europe, October 23rd, 1992: P/4). The German agricultural minister Ignaz Kiechle also indicated his support for France's hardline on the GATT (Agra Europe, October 23rd, 1992: P/5). Kiechle's hardline approach was reiterated two weeks later (Agra Europe, November 6th, 1992: P/5).

As the negotiations came closer to a deal, the divisions within the German government became less pronounced. The German support for France's position weakened even further. The German agriculture minister Ignaz Kiechle in the aftermath of the agreement stated:

that the French were trying to engineer a free-for-all in world cereals markets, thus ending EC subsidies and production limits. Efficient French and British farmers would then drive German cereals off the world market and German farmers, who are highly dependent on subsidies, out of business (Agra Europe, November 27th, 1992:P/4).

Thus there occurred a complete reversal of Kiechle's public position. It is noteworthy that this new position was supported by the minister of trade Mollemann. The expression of support for the deal was reiterated by the agriculture minister a few weeks later at a Council meeting of the farm, foreign, and trade ministers in Brussels (Agra Europe,

December 11th, 1992: E/1).

Thus what we witness in Germany is a much more fragmented array of positions. The government in its initial hesitancy appeared either to be in support of or opposed to an agreement depending on the particular constituency. Therefore, the agricultural minister's position was highly congruent with that of the DBV at the outset of the negotiations. However as the agreement was concluded the German government became more unified in its policy towards the GATT. The result is that the DBV and the German government developed diametrically opposed positions based on their immediate interests.

The disintegration of the agricultural constituency on this issue is best exemplified by an address made by the new minister for agriculture, Jochen Borchert, to the DBV. The minister stressed the need for "competitive rural agriculture" and the need to become "more entrepreneurial" and expressed his support for the GATT agreement. These views were in conflict with the traditional outlook of the DBV and its opposition to the Blair House Agreement (Agra Europe, February 12th, 1993: P/3-P/4). Thus the agricultural constituency in Germany has become even more divided in the aftermath of the agreement. The pressures placed on the German government by other economic sectors, as well as the strains of reunification represented higher overriding interests than the goals of the DBV.

#### COPA:

An examination of COPA's position concerning the GATT is useful in relation to the Commission's pursuit of an agreement. It reflects in many ways the Commission's desire to conclude a global trade agreement in the face of opposition from agricultural interests. COPA's opposition to a GATT agreement was clearly expressed in a meeting with John Gummer (UK agriculture minister, Agricultural Council president). COPA expressed its disagreement with any "export restrictions" and stressed Community preference and rebalancing, as well as the maintenance of CAP reform compensation payments (Agra Europe, July 17th, 1992: E/7). This position was reiterated when the US made a decision to increase its export subsidies as a negotiating tactic. COPA issued the following statement:

With recent decisions on the reform which already go beyond the original GATT mandate for agriculture, the Community has made sufficient contribution to close the current Uruguay Round and settle the soya panel dispute... (Agra Europe, September 18th, 1992: E/4).

COPA was critical of the Commission's negotiating mandate. It felt that the Commission had exceeded its responsibilities and called on talks to be concluded without further concessions. This position was further outlined in a letter from COPA president Constantin Heereman to Council President, UK Prime Minister John Major. Heereman called for a "rejection of excessive US demands" and that the Community had already made too many concessions. The main thrust of

COPA's argument was that the proposals which the Commission was considering, would exceed the CAP reform (Agra Europe, October 16th, 1992: E/2).

This criticism of the negotiations did not subside with the Blair House Agreement. COPA has actually become more critical of the agreement negotiated by the Commission. This disagreement became highly publicized when COPA chose to disclose its analysis of the deal. COPA argued that the farming communities in Europe would witness a decrease in income levels by 49 per cent and farming employment would fall by 32 per cent - 34 per cent in the period 1991-1999. The new agricultural commissioner, Rene Steichen, stated that the new agreement would see farm incomes increase by 3 per cent and a set aside figure of 15 per cent would be sufficient for the 1991-1999 period (Agra Europe, April 2nd 1993: E/2).

This in turn prompted a further response from COPA to Mr. Steichen's comments. COPA was predicting production cuts in milk quotas, meat production, the amount of land to be set aside and higher compensation payments through the CAP. The new president of COPA Agosto Bocchini stated:

...to conclude on the basis of such a limited study, as the Commission does, that GATT will have no detrimental impact on farmers' incomes is totally unacceptable...[Steichen's response was] merely a repetition of the unfounded criticisms of a political nature concerning COPA's study despite the fact that COPA has already clearly refuted them during discussions between the [Commission's] services and COPA experts...It is clear from this that a GATT agreement along the lines at present under discussion would not be compatible with CAP reform (Agra Europe,

April 23rd, 1993: P/2).

What is evident is the extent of the disagreement between the Commission's and COPA's policy stance concerning the GATT talks. The Agricultural Commissioners MacSharry, and now Steichen, make it abundantly clear that the GATT agreement is necessary and falls within the CAP reform. COPA consistently argues that the Commission is giving too much away and has negotiated beyond its mandate. Thus the views of COPA and the Commission have never been congruent from the time the final phase of the negotiations began.

# The isolation of the French and the resurgence of national interests:

The fact that an agreement had been negotiated created enough momentum whereby the vast majority of member states expressed support to varying degrees for the agreement. France however, remained the exception. The French government immediately launched a campaign to discredit the negotiated agreement by the Commission. The French minister of agriculture, Jean-Pierre Soisson, presented the French concerns regarding the EC-US GATT deal. These points included whether direct income aids would be questioned by the US once the six year deal had expired. France expressed its disagreement over the peace clause which still enabled the US to embark on unilateral action if trade practices were deemed unfair. Furthermore, France questioned the impact of the 21 per cent reduction in EC exports, and the clearance of old

stock (Agra Europe, December 4th, 1992: E/3).

France's position is that the GATT agreement is not compatible with the CAP reform and that Europe has already made enough concessions for the GATT agreement. Agra-Europe's analysis appears to support the French claims that the changes proposed exceed the CAP when it states:

The reality is, of course, that the Commission and most member states know full well that some further adjustments to the CAP will be inevitable once the Uruguay Round deal is finalised. These will be necessary to meet the new GATT commitment to a 21% reduction in export volumes for each CAP product... The French aim is probably two-fold; to delay the final EC decision on the GATT package until after the French election in Spring 1993, and to provide the maximum possible political leverage for concessions within the CAP once the final deal has been agreed (Agra Europe, December 11th, 1992: P/2-P/3).

What is evident from the French position is that its immediate posturing after the agreement was determined in large part by the prospect of an election in March 1993. Furthermore, the French government was attempting to place the issue of the CAP reform back on the discussion table as a price for its support for the Blair House Agreement. The French government quickly portrayed itself as the defender of agricultural interests in both France and the Community. It also stressed the need not to subjugate Community interests to those of the United States. Prime Minister Bérégovoy of France encapsulated the emotional argument put forward by France when he stated, "there is no question of accepting the agricultural terms which the US wants to impose on Europe. We are not just

defending French agriculture, we are defending European agriculture and we are defending the future of Europe" (Agra Europe, December 18th, 1992: P/5). Thus Bérégovoy was wrapping himself in the tricolour as well as the stars of the Community. As the leader of the socialist party in the French parliament, Bérégovoy was aware that the prospect of a socialist victory in March was slim. Failure to denounce or to appear to be wavering concerning the GATT agreement would be perceived by the agricultural constituency as a sell-out and mean certain electoral doom for the socialist party.

This politicization of the Blair House Agreement in France was rapid as all parties of the political spectrum sought to distance themselves from the accord. Hence Jacques Chirac, stated unequivocally that he opposed the agreement regardless as to whether this created a crisis within the EC. In Chirac's opinion the GATT agreement "does not exist" and that it had been negotiated "...by two totally incompetent technocrats who gave everything away" (Agra Europe, January 29th, 1993: P/2). As the French election drew closer, the posturing became more intense. Chirac indicated that the French government should "go as far as an empty chair policy if necessary" at the Council level to block the GATT agreement (Agra Europe, March 12th, 1993: P/1). During the week of the election Chirac stated:

We will undoubtedly have a showdown with the United States because our interests diverge. We must discuss matters (with the US) and not simply

submit to them. We must not be afraid of a European crisis if our vital interests are at stake. GATT must undergo major reforms because we can no longer negotiate in GATT as it exists (Agra Europe, March 26th, 1993: P/1)

A review of literature prior to the French election indicates that the centre-right parties promised to be more protectionist than their socialist counterparts. The socialist party despite its defence of the agricultural constituency was decimated at the polls. The new parliament dominated by the RPR and UDF had promised a hard-line approach to the agreement.

What is interesting to note is that the post-election comments from representatives of the new government were of a more positive nature and offered a glimmer of hope that the crisis could be resolved. An example concerned the new Foreign Minister Alain Juppé who indicated that France was willing to move "from a diplomacy of blockage to a diplomacy of movement" and that "a form of renegotiation" concerning the Blair House agreement would be necessary (Agra Europe, April 8th, 1993: E/1). What is noteworthy however, is that the tone was less abrasive and more conciliatory in nature. This change in attitude, while subtle, was considered quite significant. Jean Puech, the new French agriculture minister, expressed the opinion that the agricultural issues were only one aspect of the GATT talks. Mr. Puech pledged that the French government would "adopt a far more 'constructive' attitude to the negotiations than the previous government" (Agra Europe, April 30th, 1993: E/3).

The new French government did issue a statement which referred to the GATT and oilseeds agreement as "fundamentally unacceptable" but at the same time called for "modifications" of the CAP reform (Agra Europe, May 14th, 1993: E/1). What is significant however, is that the French government, while disagreeing with the Blair House Agreement, appeared to indicate its willingness to accept the accord if certain concessions were made. This is not to state that renegotiation of the deal was possible as the new Clinton administration in the US showed little or no signs of renegotiating the deal. The point here though is that the French government seemed to be in a slightly more compromising mood now that the election was in the past.

The FNSEA played a significant role in the events leading up to the French parliamentary elections by ensuring that its voice was always heard. It is important to note that there appeared to be a high degree of congruence in the positions of all parties in the political spectrum and the FNSEA. A review of the literature provided by the FNSEA points to a great similarity between the statements put forward by the political leaders and the FNSEA. The FNSEA perceived its goal concerning the GATT agreement as the defense of French agriculture, French culture and the country's rural fabric. The fear expressed by the FNSEA is that eventually an American style of development would occur in France. The FNSEA further

argued that the CAP must be protected if the European Community is to be assured of a significant presence in the agricultural global trade (FNSEA: Argumentaire, 1993: 5).

Thus the FNSEA portrayed itself as not only the defender of French agriculture, but also as the defender of the Community's agricultural interests. The FNSEA made this quite clear at its federal congress in Versailles on April 21st-23rd, 1993 in its report concerning the GATT agreement:

Face à cette 'montée des périls', le temps est venu de proposer des perspectives à l'ensemble des agriculteurs de notre pays, qui soient en phase avec des filières agro-alimentaires et un milieu rural dynamiques, dans une Europe forte et volontaire.

Réaffirmons clairement les valeurs fondamentales qui donnent un sens à notre combat, sur lesquelles sont fondées nos propositions: la responsabilité des personnes, la répartition harmonieuse des productions, la primauté des personnes et du travail sur le capital, l'équilibre du territoire (Rapport Moral: Pour une agriculture dynamique, solidaire et partenariale, 8).

It is interesting to note that the new French government led by Prime Minister Balladur announced concessional aids to the agricultural sector in the amount of FF 1.5 billion on May 7th, 1993. This by itself was significant in that the government was following through on its pledge of support to the agricultural sector. What is equally of interest however, is the response by Luc Guyau, leader of the FNSEA, when he stated that this action would "help return some confidence to the agricultural world" but that he urged the government to push for a reform of the CAP

reform (Agra Europe, May 14th, 1993: N/1). It appears that both the FNSEA and the new government of France continue to display a high degree of congruency concerning the GATT agreement in relation to CAP reform.

This level of congruency is still not evident when we examine the British and German examples. Shortly after the agreement was signed, NFU president David Naish wrote to Prime Minister John Major stating that the GATT agreement was "not compatible with the CAP reform package" and that it specifically disagreed with the Commission's "upbeat forecast of production and consumption patterns" for cereals (Agra Europe, December 11th, 1992: E/2). This stand is in contrast to the UK's minister of agriculture John Gummer who argued that "the EC must not appear to be going back on its deal with the Americans" (Agra Europe, January 22nd, 1993: E/2). It is evident that there was a significant difference of opinion within the agricultural constituency in the UK. The same situation has continued to occur in Germany. Though the German leadership was issuing contradictory statements, it appeared that German support for the agreement solidified. The German-French alliance began to unravel as the interests of both countries diverged on the GATT agreement. Chancellor Kohl in reference to both Germany and France stated, "I believe we are both convinced that in view of the recessionary developments in our two economies, a successful conclusion to GATT is of great importance. We need GATT, the industrial nations and

especially the Third World but an ability to compromise is required." The difference in national interests between Germany and France is made clear by Balladur's statement that "we [France] wish Germany to be aware of the vital interest that certain important economic and social issues have for us. I would like to mention in this connection agriculture in particular and GATT generally" (Agra Europe, April 23rd, 1993: 1).

By far the most telling indication of a disintegration of authority and the resurgence of national interests, can be gleamed from a statement given by former EC Agriculture Commissioner Ray MacSharry concerning the GATT negotiations:

My position (as EC negotiator) was constantly being undermined in the GATT negotiations. I would say something to the Americans or the Japanese and they would ask me if there was support for that in the Community. I would respond by saying yes, if you agree, I'll get it delivered. But then the negotiators would go back and check through their diplomatic sources and find that it would not suit the Dutch or the French....it then became a question of — who does this man (MacSharry) represent? (Agra Europe, February 5th, 1993: E/5)

#### Conclusion

The review of articles from Agra-Europe, the Financial Times of London, the Economist, and the literature provided by the agricultural unions enables us to make a number of observations concerning the organization of agricultural interests at the transnational level. First, the discussions between the Commission and the individual member states were conducted at the highest levels of government. Thus the

opinions of political leaders who represented not only agricultural interests but also the wider interests of their national constituencies were presented. Agricultural interests were forced to compete with other interests for the ears of the political elite. Second, the overriding importance of the Blair House Agreement was a significant factor. The perceived necessity of a breakthrough in the agricultural talks in opening up the rest of the GATT discussions, meant that there were wider concerns at stake. This resulted in a multitude of interests claiming a legitimate right to be part of the process. Therefore, member states cited national interests in explaining their posturing throughout the final stages of the negotiations. Furthermore, agricultural unions defended agricultural interests, whereas agriculture ministries essentially adopted the policy position of the national government. Also, the involvement of other economic sectors in pressuring for a wider GATT agreement represented a significant factor, especially in those states where agriculture was less significant.

Third, the transnational agricultural union COPA and its relationship to the Commission throughout this case study is noteworthy. COPA's role appeared to be severely curtailed. It is required to be consulted by the Commission in assisting in policy formulation. Certainly, in this case study, the Commission clearly had an overriding policy goal. It was singleminded in its desire to achieve an agricultural

agreement with the US so as to open up other areas under discussion within the GATT. COPA in contrast, was adamant in its opposition to an agreement with the US. The public position on the part of COPA was that the Commission had negotiated an agreement which exceeded the CAP reform of May 1992.

The point here is that COPA and the Commission were on opposite sides of the fence on this issue. It is fair to state that COPA was reduced merely to another lobbying group which appeared to constantly nip at the heels of the Commission. Furthermore, the organizational structure of the Community whereby COPA played only a consultative, and not a decision-making role meant that the voice of agricultural interests at the transnational level was muted. This also ensured that individual agricultural unions would concentrate pressure on their national governments.

Fourth, the overriding concern of the French regarding the parliamentary elections served to delay potential ratification of the Blair House Agreement. The French parliamentary elections of March 1993 certainly exemplifies the predominance of national interests to the detriment of Community wide goals. That is, from November 1992 to March 1993, there was little or no possibility of a ratification vote on the agreement, primarily due to the level of opposition from the agricultural constituency and the widespread support for the farming community from the French

public. Therefore, national concerns on the part of the French superseded the aims of the Community.

Fifth, the fact that ratification of the agreement was solely the responsibility of the Council of Ministers and hence the member states, only serves to promote the role of national interests in the final stages of any agreement. Though the Commission may have been provided with the mandate to negotiate an agreement, the ultimate decision maker remained the Council of Ministers. Furthermore, what is significant for our purpose is that the disintegration of authority, was compounded by the fact that the vote on the Blair House Agreement was no longer the responsibility of the Council of Agricultural Ministers, but rather the Council of Foreign Affairs Ministers (Agra-Europe, May 7th, 199: E-1). It was felt that a vote taken by the Agricultural Ministers might exude more sympathy for the French. Surely, this demonstrates clearly the Commission's determination, and the desires of the majority of member states for the agreement to be ratified.

Finally, the choice of this issue though dealing with a broader scope of interest than strictly agriculture, exemplifies the extent to which national interests continue to dominate. This is especially true when there are divergent national interests. The GATT issue when compared to the CAP, appears to challenge the notion of Community wide interests primarily due to the fact that there existed wider interests at stake. The CAP negotiations for example, though fraught

with controversy and divisiveness, is a much more selfcontained process. Though the CAP also witnesses the emergence
of national interests, these divergent national interests can
be accommodated much more easily within CAP reform through
negotiated agricultural packages.

What the GATT negotiations illustrate is the breakdown of corporatist arrangements at the Community level. The national interests are perceived by individual members as too important to compromise their national interests for the attainment of Community wide goals. The organization of agricultural interests may in fact retain its corporatist framework when negotiations concern CAP or the implementation of CAP reform. The GATT negotiations indicate that this policy network may be severely weakened or not hold depending on the stakes at hand.

The GATT negotiations represent a policy area where a perceived unity of purpose degenerated into a free for all on the basis of national interest. What is significant is that national corporatism itself represented a centrifugal force. Hence the moderate corporatist arrangements in France appeared to become strengthened on this issue. The corporatist policy network in Germany and the United Kingdom, and between the Commission and COPA contributed to this diversity. Thus the NFU which opposed the GATT agreement, quickly recognized the need for the negotiations to be concluded. It reluctantly supported the government and relevant state bodies at the

expense of support for France. Germany was divided on this issue but fell in line with the recognition that an agreement was desirable. COPA's opposition to the agreement throughout the negotiations placed it at loggerheads with the Commission.

The main point is that corporatism at the national level also served to exacerbate the divisions both within and among member states. In the case of France, it served to reinforce opposition to the Agreement. Whereas in the United Kingdom and Germany, there were considered to be more overriding goals than strictly the interests of agriculture.

Thus what the Blair House Agreement clearly illustrates is the predominance of national interests at the Community level. It also highlights the weaknesses associated with the organizational structures of the Community. Centrifugal forces dominate, and therefore encourage a pluralistic organization of interests at the transnational level. It further served to focus on a weak and divided corporatist agricultural policy network at the Community level during the final stages of the GATT negotiations.

## Chapter V

#### Conclusion:

Streeck and Schmitter (1991) argued that structural and institutional factors served to promote the development of a pluralistic policy process at the Community level. The centripetal factors considered necessary for a corporatist policy network to develop were either absent or extremely weak. The primary goal of this thesis was to determine whether Streeck and Schmitter's (1991) argument was valid when applied to a specific policy sector. The choice of agriculture represented an interesting area in which to test the Streeck and Schmitter (1991) hypothesis. Agricultural interests were perceived at least on the national level to participate in corporatist policy networks with the relevant government and state institutions. Furthermore, agriculture represented the most unified aspect of policy making at the Community level. The central question then concerned whether structural and institutional factors have "promoted" the development of a pluralistic organization of agricultural interests at the transnational level?

# Methodology:

In order to determine whether the agricultural policy network at the Community level was pluralist or corporatist,

four steps were followed. First, a suitable definition of corporatism was required. The analysis as to whether a policy network was corporatist was based upon five criteria which we identified in Chapter 1 and at the beginning of Chapter 2.

These criteria were as follows:

- 1.)density of representation
- 2.) formal or informal monopoly of representation
- 3.) role in the formulation of policy
- 4.) role in the implementation of policy
- 5.) level of technical expertise

The above criteria enabled us to determine and assess the degree of corporatism prevalent in each country. It must be pointed out that even though they represent a purely qualitative measurement, the five criteria provided us with a useful heuristic tool of analysis. It was a means by which to compare and contrast the agricultural policy networks among our three member-states. Furthermore, the criteria also enabled a "grading" of the level of corporatism within each of the member states. Therefore, if a member-state displayed all elements of our criteria, then we could assess the particular country as exhibiting a strong level of corporatist development. By the same token, a member-state which did not possess all five factors could be described as having a weak level of corporatism. The fact that our criteria do not constitute an exhaustive list of elements of corporatism should not detract from their useful application for our purposes. They represent a "rule of thumb" guideline to determine whether an interest organization enjoys a

corporatist relationship with the government or relevant state bodies. It also enabled a categorization of each country as to its level of corporatism. Furthermore, the same criteria could be applied at the Community level. That is, none of the criteria identified were specific to any member-state, nor were the criteria so restrictive as to prevent a comparison between the national and transnational levels. Hence, the criteria though general in nature, allowed a great deal of flexibility so that a proper analysis could be conducted.

The second step involved establishing the type of interest intermediation prevalent at the national level. This entailed a review of the agricultural policy networks within the three selected case studies, France, Germany, and the United Kingdom, three of the most prominent agricultural producing member states within the Community. After reviewing the policy networks in all three countries in Chapter Two, it was concluded that all three have featured corporatist interest intermediation to varying degrees.

The third step in testing Streeck and Schmitter's (1991) argument involved examining the institutions and structures of the European Community. It must be noted that special attention was paid to the Community wide agricultural organization COPA and its relationship to the institutions and structures of the Community, as well as to its national constituents. COPA's role as the prominent Community wide organization representing agricultural interests provided an

excellent opportunity in which to apply our five criteria.

The fourth step of our analysis concerned establishing whether corporatist arrangements prevalent at the national level had been replicated at the Community level. This question was to be resolved by an examination of COPA's relationship with the Commission, and its relationship with its national constituents.

#### Transnational corporatism?:

What became evident when we examined the role of COPA was its role in the formulation stages of the policy process. The fact that COPA had a right to be consulted by the Commission at the early stages of a policy certainly represented a crucial element of a corporatist policy network. The subsequent classification of COPA as a weak policy network stemmed from COPA's lack of involvement in the latter stages of the policy process within the Community. Certainly, the institutional and structural factors at the Community level cited in Chapter 3 contributed to the exclusion of COPA in altering or shaping the final aspects of policy. Indeed, any influence that COPA exerted would be on an informal basis, or indirectly for the national constituents to perform.

Corporatism is indeed carried over to the transnational level but in a much more indirect and limited fashion. Hence, we can speak of COPA performing a more indirect representational function in that effective representation is one step removed from the national

constituency. Though we may speak of COPA representing the European farmer, the member organization within COPA is the national farmers' association, not the individual farmer. It is the national constituency which is a member of COPA, not the individual farmer. Thus, density of representation is high because national member associations enjoy high density levels.

This indirect and limited role is true of both criteria associated with representation. Afterall, COPA remains an umbrella organization made up of national organizations. The formal and informal role played by COPA at the Community level is further weakened by the role played by the national member groups themselves. The fact that national member groups must sell COPA's position to their respective national governments, in conjunction with the role of national governments participating at the Council level as the ultimate decision maker, points to COPA's influence being constrained. Though COPA may seek to influence its individual national member groups, and may approach the Commission through both its formal and informal channels, its role is severely curtailed. The national members are themselves involved both indirectly and directly in the policy making process. The national member group may directly approach its host government concerning policy. The fact that the national government is involved both in the formulation and implementation of policy, points to a potentially more direct

influence on the part of the national member group in policy making.

Although COPA may participate in the formulation stage of a policy, it is excluded from the implementation of a policy. What we witness is a distinct shift in the formal role of COPA from one where it has a right to be consulted directly to a situation where it must exert its influence indirectly through its national member groups. COPA can influence policy on an informal basis to the Commission, but this represents a much more tenuous and ad hoc arrangement. The fact that the Commission does not make the final decision makes COPA's role in the final stages of the policy process unpredictable at best.

The prevalence of the national agricultural union is a mitigating factor in explaining COPA's limited role. The national member group not only enjoys the luxury of influencing COPA, its host government, and more indirectly the Commission in the formulation stages of policy, but also in the implementation phase. The ability to exert influence between COPA and its national members is not unidirectional. That is, the national members can also exert influence via COPA throughout the policy process.

#### The Role of National Corporatism:

What this points to is the fact that not only are institutional and structural factors responsible for a weaker form of corporatism at the Community level, but also the role

of national corporatism must also be taken into account. Thus the moderate to strong levels of corporatism at the national levels serve to prevent the full development of corporatism at the Community level. The close ties between the national agricultural union and its government and state counterpart ensure that national concerns are first and foremost in the minds of the respective Council members. It is inconceivable that a national member group will present a view which subjugates in any way national concerns.

National corporatism essentially serves to reinforce the ties between the national agricultural union and its national counterpart. What occurs is that national interests already entrenched by corporatism at the national level, are reinforced by corporatism at the domestic level. The weakness of corporatist arrangements at the Community level in turn serves to strengthen corporatist arrangements at the national level.

This thesis demonstrates that there exists real limits to the development of corporatism at the Community level. The fact that there is no central government at the EC level points to the most obvious weakness in establishing a corporatist framework. In short, it places a real constraint on the ability of COPA to have a regulatory role. If there is no central government to enact and enforce legislation, then it is difficult to fathom a transnational interest organization possessing the ability to perform a regulatory

role. Without this regulatory role, where there is significant policy disagreement, corporatism gives way to pluralism as the grains issue illustrated.

The situation becomes all that more clear when we are dealing with an issue which is divisive in nature, or at the very least involves national differences. The corporatist framework at the Community level can easily degenerate into a free-for-all when national interests are perceived to be at stake. National corporatism acts to become an additional centrifugal force in ensuring the weaker development of corporatism at the Community level.

## The Case Study: Heuristic value?:

The case study in Chapter 4 is a perfect example of the fragility of corporatist arrangements within the Community, and the ease which pluralistic interests can gain access to the policy process. The final stages of negotiations concerning an agricultural deal between the United States and the European Community, represented an ideal opportunity in which to explore Streeck and Schmitter's (1991) argument. It enabled us to review the positions and attitudes of various actors within the Community policy process. Thus we were able to examine and analyze positions pertaining to the negotiations, on the part of the national governments, the national agricultural unions, the Commission, and COPA. The fact that our analysis involved approximately one year was also useful, as it was of a long enough duration to witness

whether policy positions had changed or were maintained. It also allowed an assessment as to whether there had been a divergence of interests, and why this divergence had occurred.

The fact that much of our analysis is based on statements by heads of government, ministers of agriculture, agricultural union leaders, members of the Commission, should not detract from our findings. The analysis of these political actors is quite consistent with the disaggregated view of the state earlier described in Chapter 1. The qualitative assessment is not focused nor based on strictly the head of government, or the head of the agricultural union. Though, the opinions expressed were by those at the pinnacles of power, the analysis was not based on strictly one opinion. The analysis was the result of a compilation of all these opinions within the specific political spectrum. Thus, Prime Minister Major's opinion on its own for example, would not be reflective of the agricultural policy network in the United Kingdom. The opinions provided by the Prime Minister in conjunction with the Minister of Agriculture however, provided us with an overall general policy position on the part of the UK government. Furthermore, the position of the agricultural union (NFU) enabled us to draw conclusions as to whether there was agreement or disagreement in the agricultural policy network. This same type of analysis was applied to France, Germany, and COPA.

What must be noted is that the issues at hand in our

case study did not simply entail agricultural interests. Indeed, an agreement between the United States and the European Community was seen as the key to opening up further negotiations on the GATT agenda. Certainly, there was other economic sectors apart from agriculture interested in a successful conclusion to the negotiations, so that other key aspects of the GATT could be pursued. This does not detract however, from the impact which the negotiations had on the agricultural policy networks both on the domestic and Community levels. The fact that the Community had successfully completed CAP reform in May 1992, meant that the Community was perceived as representing one voice as it entered the final stages of negotiations with the United States. Furthermore, the Commission was entrusted with the sole authority to conduct negotiations in the final stages leading up to the Blair House Agreement.

The case study presented in Chapter 4 illustrates quite clearly the rise of national interests and the temporary disintegration of the corporatist policy network at the Community level. What becomes evident is the divergence of interests which existed within the agricultural policy network. The three national governments for example, had differing viewpoints as to the desirability of a GATT agreement. Hence, not only do we witness the clash of opinions on a governmental level, but we also note these differences between the national governments and the respective national

agricultural unions. Furthermore, the differences of opinion existed between the agricultural union and the relevant governmental ministry responsible for agriculture. Therefore, we witness the British government including the MAFF, in complete support of a U.S.-E.C. agricultural agreement, whereas the NFU opposed a number of key elements within the agreement. The governmental level in Germany was torn between those in support of the wider benefits of a GATT agreement, and those who did not wish to abandon the agricultural sector. The FNSEA and the French government displayed a high degree of unanimity in opposing the agreement.

This analysis points to the fact that the agricultural policy network is certainly not monolithic in nature. Indeed, the divergence of opinion was not only restricted to the national level but also at the transnational level between the Commission and COPA, as well as COPA and its national constituents. Hence, there is an array of opinions and interests among the various members of the policy network. The response to the Blair House Agreement elicited a wide spectrum of reaction. The FNSEA for example, virulently and in some cases violently demonstrated opposition to the agreement. The DBV while opposing the agreement, did so in a much more restrained manner. The NFU while dismissing aspects of the agreement, recognized the need for a wider GATT agreement. COPA was opposed to any agreement throughout the negotiations.

desirability of an agreement both during the negotiations and in its aftermath.

### The role of national interests and corporatism:

The Commission's mandate to negotiate policy was seriously undermined by the divergence of opinion expressed by individual member states prior to the agreement. Once the Commission had signed the agreement, national interests threatened the ratification of the policy. The fact that the Commission was not the ultimate decision maker, and the national governments through the Council of Ministers, were part of the decision making process, ensured that national interests would emerge and threaten the ratification of the agreement. Corporatism at the Community level disintegrated once the agreement had been signed and the focus shifted to its ratification. The promulgation of interests argued by Streeck and Schmitter (1991) does occur, but to a more limited degree.

Our discussion concerning whether a member-state's agricultural policy network exhibited strong, moderate, or weak elements of corporatism based purely on the five criteria listed earlier, raised an interesting observation when applied to the case study. France described as exhibiting a moderate level of corporatism, displayed activity which we would expect in a strong corporatist policy network. Britain categorized as displaying a moderate level of corporatism in our analysis, witnessed the relegation of the NFU to the sidelines of the

policy process during the Blair House Agreement. In Germany, after a considerable period of hesitation, it became clear that the interests of the DBV and the relevant government bodies no longer coincided.

The point here is that the level of corporatism did not determine the level of unanimity in each policy network. The overriding concern was the national interests at stake. Hence, Germany faced the task of rebuilding its eastern states. It also faces the prospect of increasing economic competition from former Soviet bloc countries. The prospect of a successfully concluded Blair House Agreement, which would lead to an overall GATT agreement was increasingly perceived as too important to sacrifice. Therefore, the German government became increasingly willing to jeopardize its relationship with the DBV in order to secure an agreement which would serve its wider interests and goals.

The British government and the NFU were both in support of the need for a GATT deal. The British government and society as a whole were much more predisposed to obtain a wider GATT agreement. While agriculture in Germany and the United Kingdom has always been a significant area of the economy and social fabric, there were other wider concerns which made a GATT agreement desirable at the expense of agriculture.

France represented a member-state where agriculture remains a prominent facet of the economy. It is fair to state

that agriculture occupies an almost mythical role in French culture. The negotiations were perceived rightly or wrongly as a threat to the survival of French agriculture. The French opposition to the Blair House Agreement appeared to emanate from all aspects of society and government. The French defence of its agricultural interests remained adamant even after the French parliamentary elections in March 1993. Furthermore, the French reluctance to ratify an agreement prior to the election points to the importance of an individual member state's immediate national interest as opposed to Community wide goals.

Corporatism at the transnational level is too weakly developed to resist the threat posed by national interests. This also applied to our national case studies, where wider national interests were considered. The Blair House Agreement represented an issue which was less self-contained than simply CAP reform. This should not detract however, from our analysis of the Agreement regarding corporatism at the Community level. Overall Findings:

What the Agreement served to highlight were the divisions which existed between the various actors as to the priority granted to agriculture in the respective economies. It also demonstrated the fragility of the Community's agricultural policy network. The Agreement focused our attention on the resurgence of national interests. This is due to the weak and/or complete absence of institutional and

structural factors, which serves to promote a plurality of interests.

Streeck and Schmitter's (1991) argument is essentially correct when applied to the agricultural policy sector at the Community level. This statement however, must be qualified when we speak of the Community agricultural policy sector. Corporatism is replicated at the transnational level but in a weakened form. This is due to the structural and institutional factors cited in Chapter 3, as well as COPA's limited role in the policy process. The agricultural policy network is further weakened by the continued predominance of national interests due to these institutional and structural factors. National corporatism itself also serves to weaken the development of transnational corporatism. What is noteworthy is that these factors mutually reinforce the conditions preventing the development of a stronger corporatist policy network. Corporatism does exist at the transnational level, but it would have to be classified as a weaker form of corporatism according to our five criteria.

# The future of corporatism at the Community level?:

The plurality of interests can only be increased with further enlargement. The establishment of the European Economic Area as of on January 1st, 1994 will see the 12 European Union (formerly European Community) members linked with five Nordic and Alpine states (The European, December 10th - 16th, 1993: 10). This will allow the countries of

Austria, Norway, Sweden, and Finland to attain full membership in 1995 (The European, December 31st, - January 6th, 1994).

This proposed enlargement raises a whole host of questions as to how the Community's agricultural policy network will accommodate more members. These questions are beyond the scope of this paper. It is fair to say however, that enlargement will increase the number of interests involved in the Community policy process. This will make it increasingly more difficult for the corporatist agricultural policy network to develop any further. It can be surmised that the agricultural policy network will remain at a weak corporatist level of interest intermediation. Furthermore, increased globalization of trade means an increasing plurality of interests competing with the Community's agricultural policy network. As the Community enlarges, and global world trade develops, Streeck and Schmitter's (1991) argument can only be strengthened.

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