

## **The exception that proves the rule? The case of the MacSharry reforms of the CAP**

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## Abstract

The EU is often portrayed as a system of multi-level governance in which decision making is an attenuated process hedged by the desire to accommodate national and group interests to proposed new policies. In this context, incrementalism and immobilism are almost guaranteed. As far as agriculture is concerned, most informed commentators and practitioners agree that the strength of national and producer interests has been fundamental in preventing any radical reform of the Common Agricultural Policy (CAP) since its inception.

The so-called MacSharry reforms of 1991-2 appear to be different. Not only were they the single most comprehensive set of changes made to the CAP in its history, but they were also effected relatively swiftly from their first appearance to the draft legislation. Within the theoretical framework of Althusser's model of historical change, this paper reviews the literature on CAP decision making and the MacSharry reforms in particular from the perspective of mobilist and immobilist explanations. Using primary and secondary data, it then suggests that hitherto neglected factors need to be taken into account when analysing the reforms in a composite explanatory model.

## Introduction.

Most informed commentators agree that the so-called MacSharry reforms of 1991-92 were the most far-reaching package of changes made since the inception of the Common Agricultural Policy (CAP) in the early 1960s. Proposing measures simultaneously to cut cereal prices significantly, take land out of production through compulsory set-aside, provide income support for smaller farmers and encourage environmentally friendly land use was radical enough; getting them into legislation in a matter of months was unprecedented. While there are sceptics on the radicalism of the MacSharry package (e.g. Koester, 1992, Atkin, 1993, Brown, 1994), it succeeded where previous attempts at change had been watered down to ineffective measures paying lip-service to the budgetary crisis and overproduction.

CAP reform was not a new issue, and there had been a series of attempts at change dating back to the late 1960s. Rosemary Fennel (1987) cites almost twenty years of calls for CAP reform which had little if any impact. The radical *Mansholt Plan* of 1968 was rapidly dropped by the Commission, and subsequent more moderate suggestions, such as the 1973 *Improvement Memorandum*, suffered a similar fate. The decline of the CAP was being cited as early as 1983; the increasing difficulties in reaching agreement in the Agriculture Council, manifested in the previous failures of CAP reform, coupled with a rising emphasis on national interests in agricultural policy making are pinpointed by Buksti (1983) as leading to the mounting crisis of CAP. The political will had never been sufficient to undertake effective measures. Moreover, according to Tangermann (1996), reform attempts prior to the MacSharry reforms sought to deal primarily with the budgetary cost of the CAP rather than other perceived problems such as fraud, or the failure of the CAP to meet its objectives in terms of, for example, guaranteeing a fair income to small farmers.

The objectives of the CAP were rarely challenged by decision makers. Indeed, Article 39 of the Treaty of Rome has never been revised since its adoption. The objectives of market stabilization and supply availability were over-fulfilled, but the other objectives were only partially attained. Whilst the *Perspectives for the Common Agricultural Policy* paper of 1985 marked a promising departure from purely budgetary limitation approaches to reform, Fennel (1987) argued that it was unlikely to generate fundamental change of the CAP, suggesting that the Commission preferred to engage in 'deckchair rearranging in the face of a titanic crisis' (Fennel 1987, p. 62). Other attempts at CAP reform, such as the *Guidelines* paper of 1981 compound this view; although production objectives were set, they were not based on reducing existing surpluses but on containing future production increases.

It is clear that the inherent contradictions of the policy (e.g. between fair prices for consumers and incentives for farmers to produce more), were not sufficient in themselves to bring about change. Up until MacSharry, catalysts for policy change were weak while entropic forces were strong. Why were the MacSharry reforms able to compel the agreement of the member states? To what extent was a change in decision-making procedures responsible for the acceptance of controversial changes? What part did the traditionally very strong agricultural lobby play in the reform process? And to what extent would the reforms have been possible without the

pressure of the Uruguay Round of the General Agreement on Trade and Tarrifs (GATT)?

The purpose of this paper is to identify the entropic and catalytic forces influencing CAP decision making, review existing explanations of MacSharry and to suggest the presence of hitherto neglected factors contributing to the process of change. Using Althusser's (1969) metaphor of contradiction and overdetermination in the historical process, we argue that it was not until there was an overwhelming combination of cathartic forces present that change could take place.

### The theory of Contradiction and Overdetermination

It may seem perverse to use an apparently discredited theoretician (Althusser) of a discredited historical methodology (Marxism) to explain the intricacies of CAP reform. Indeed, there are few if any examples of Marxist analysis being used to model the development of the EU other than at the most general level (i.e. that the EU is a giant conspiracy by international capital against the workers, or that it represents a new stage in the internationalisation of capital etc.). As these hypotheses are fundamentally unfalsifiable, one either believes them or does not depending on one's predilections. However, Althusser's theory of contradiction and overdetermination is quite a useful model to explain apparent ruptures in the historical development of specific policy areas if it is applied in an abstract way and denuded of its Marxist content.

In his well-known collection of essays on Marxist theory, Althusser examines the apparent enigma of the 1917 Russian revolution for Marxist historiography. Citing Lenin's famous metaphor, he argues that the socialist revolution occurred in the most 'backward' rather than the most 'advanced' European country because Russia represented the 'weakest link' in the chain of 'imperialist' states. This weakness is defined as 'the accumulation and exacerbation of all the historical contradictions then possible in a single State' (Althusser, *ibid.* 95-6). According to Althusser, a social contradiction is 'inseperable from its formal conditions of existence, and even from the instances it governs; it is radically affected by them, determining, but also determined in one and the same movement...it might be called overdetermined in its principle' (*ibid.*, 101). Such 'overdetermined contradictions' can be overdetermined in the direction of 'revolutionary rupture' or historical consolidation (*ibid.* 106). Thus, it is the task of Marxist historians to identify which historical forces 'overdetermine' particular contradictions in order to explain and predict outcomes. In the case of the Russian revolution, these forces clearly 'overdetermined' in the direction of revolutionary rupture.

This model can be very simply adapted by dividing the independent variables (i.e. the 'overdetermining' factors) into entropic (consolidating) and catalytic (rupturing) forces acting on the dependent variable (the 'contradiction'). Assuming that the CAP is indeed a contradictory phenomenon (an easily sustainable proposition in the context of Article 39 of the Treaty of Rome), the entropic and catalytic overdetermining factors can be identified and balanced against one another.

## Entropy and catharsis in the development of the CAP

### *Entropic forces*

From the main theoretical models which have been developed to explain CAP decision making (viz., public choice, bureaucratic politics, partisan mutual adjustment, policy networks), three principal entropic forces can be identified. These are the interlinked influences of the transnational farming lobby, special member state interests and institutional/policy inertia.

According to Moyer and Josling, 'the farm lobby has been extremely successful in influencing the development of the CAP and instrumental in preventing reform of the of the commodity programmes' (Moyer and Josling, 1990, 44). In the drafting of policy, the Commission relies quite significantly on the information provided by interest groups. The pre-Macsharry era of CAP reform was dominated by large producers and farming interests, with COPA comprising the 'Elite of elites' (Senior Nello, 1984). Gardner (1987) identifies the misinformation fed by COPA to the Commission as the reason for the 1980-83 crisis in agriculture and the CAP. The power of COPA was such that, although the information it presented to the Commission differed significantly from other Commission projections, according to one official 'the Commission only proposes and the Agriculture Council will only agree what it knows COPA will accept' (Gardner, 1987, p. 171). Similarly, Koester (1992) asserts that the Commission aims to submit only those proposals which stand the chance of being accepted by the Agriculture Council. Thus, there is a high input of agricultural and national interests into Commission proposals.

On the other hand, Tracy (1990) points to the lack of pressure from public opinion in the EU towards reform of the CAP. He refers to a 1988 *Eurobarometer* survey which indicates contradictory beliefs on the part of European consumers. Whilst an EC average of 62% believed that '[w]e can no longer pay out large sums both as consumers and as taxpayers', 59% believed that 'aid to farming is a good thing', 51% that 'European agriculture should be protected from imports', and a 71% average believed that the EC ought to defend its position as the world's second largest exporter of agricultural products. At the time, then, it hardly seemed worth a politician's future career to attempt to reform the CAP. Agricultural issues of greater salience to the general public were food quality and hygiene, and the rural environment - issues which hardly required a radical overhaul of the reforms already in place by 1988.

Neo-realist arguments for continuity in agricultural policy making are brought together in the work by Duchêne and his colleagues (1985). They argue that the CAP essentially 'continued practices with immediate antecedents in national post-war policies and roots deeply in history', at the behest and design of the major national players (particularly the French, Dutch and Italians) (Duchêne et al, 1985, 26). Subsequently, it was 'not the Commission acting as pilot, but the convoy of governments which decide(d) on the course of action to be taken' (ibid., 43) - or, in this case, the inaction to be taken. The policy operated in such a way that it gave governments every incentive to expand agricultural production. When surpluses

started to build up, enlargements of the Community (in 1975, 1981 and 1985), provided a temporary breathing space. They conclude that 'surveys of the individual situations and policies of the Community's member states lead to one overwhelming conclusion. This is the pursuit by each nation of policies which expand food production' (ibid., 129).

Fennel (1987) suggests that major flaws in the organizational framework of the EC hinder the drafting and passing of necessary legislation. Obstacles to CAP reform include the absence of long term collective decisionmaking, the complexity of EC governance with the Commission, Council of Ministers, and EP adding to the existing national decisionmaking process and the political dangers of reform. Agriculture Ministers are unlikely to undertake a course of action which will both reduce their influence and power, and hurt the interests of their clients - the agriculture community in its widest sense. Gardner (1987) also draws on the less-than-rational outcomes of the policy making process in an analysis of CAP reform. Whilst failed attempts at reform indicate a 'conspiracy' of the agricultural constituency, the policy making process itself does little to assist reform. Disagreement on such fundamental issues as problem definition and solutions, coupled with the necessity of compromise often lead to an end result vastly different from the original Commission proposal. Furthermore, a lack of forward planning and estimating is perceived to be a major failing of the EC budgeting system, particularly in the area of agriculture. Gardner argues that the 'rule by committee' system prevalent in market management and at the Agriculture Council is generally conservative; and, as agricultural policy makers are mostly concerned with maintaining the status quo, agricultural policy development is highly incremental (Gardner, 1987, p. 171)

Koester (1992) also attributes the general difficulties in reforming CAP to the institutional framework of CAP decision making and the original aims of CAP. Indeed, he downplays the effectiveness of the MacSharry reforms due to the *lack* of change in decision making institutions and the law making abilities and powers between the EC and Member States. Koester asserts that the MacSharry reforms are unlikely to lead to increased liberalisation of the CAP, rather, an increased bureaucracy will be necessary to implement the reforms. As Lord Cockfield (1994) observes, the Council consists of departmental ministers who seek to protect both national and departmental interests. For agriculture ministers, these are co-terminus with the interests of national farming industries. This departmental affiliation can prevail to the extent that heads of government have to ensure that agriculture ministers behave in a financially responsible manner.

### *Catalytic forces.*

By any stretch of the imagination, there is a considerable log-jam of immovable objects to prevent policy change. However, arguments focusing on policy community dissolution, crisis/ 'garbage can' decision making, and the impact of external events have been advanced to explain how change could take place. Unsurprisingly, most of this commentary postdates the MacSharry reforms, but there were earlier intimations of change factors.

#### a) Dissolution of the Policy Community

As early as 1983, Buksti argued that the autonomy of CAP in the EC system was weakening due to the influence of wider interests (consumers, industrial groups and so on), and the increasing complexity of agricultural interests themselves. Buksti downplayed the influence of COPA at the time, citing it as a classic example of lowest common denominator interest group due to the high importance of national channels for agricultural interests. More recently, Wyn Grant (1995) attributed changes and reforms in agriculture mainly to the erosion of the old, closed policy community by the forces of economic liberalisation (such as GATT) and the move towards environmentalism. Similarly, Jordan et al (1994) note that during the reform of CAP, individual states with the *exception* of the UK and Netherlands, represented farming interests to the exclusion of other interests. In the UK, agricultural policy communities extend beyond the NFU at the core, with peripheral insiders such as the Royal Society for the Protection of Birds (RSPB), Friends of the Earth (FoE), Council for the Protection of Rural England (CPRE) beginning to have a degree of influence.

Grant (1995) also argues that the increased complexity and compartmentalisation of the agricultural policy community leads simultaneously to its greater strength and impermeability (due to the need for specialist knowledge), and the potential for fracture. Increasing tension between sectoral interests and external pressures (GATT negotiations, public hostility to CAP abuses etc.) has allowed for the exploitation of cleavages in the cause of reform. This can be seen in Ockenden and Franklin's (1995) argument that German unification and Chancellor Kohl's determination to see a positive end to the Uruguay Round had a significant impact on Germany's (in)ability to resist agricultural policy change. Similarly, Gisela Hendriks (1989) suggests that the impact of accelerating costs led Germany to recognise that reform of the CAP was unavoidable, despite German policymakers being highly sensitive to the farm lobby.

#### b) Crisis decision making

Duchêne et al.'s (1985) analysis referred to earlier provides the structural model for CAP crisis, insofar as it poses a dialectic between surplus production, increasing budgetary support and ever more restricted market access. Crisis precipitated by budgetary factors also forms the basis of Swinbank's (1989) analysis. He asserts that the CAP crisis of 1985-6 centred on the inability of the Council to reach agreement on budgetary matters within the allowed time because of a preference for unanimity in decision making and the use of the Luxembourg Compromise. In this case, the Commission would implement a budget on behalf of the Council. Culley (1995) similarly argues that 'the toughest decisions could only be taken at the threshold of impending crises', emphasising that pressures for change come from outside the Agriculture Council rather than from within (Culley, 1995, p. 198).

Lé Theule and Litvan's (1993) three-stage analysis of the MacSharry reforms uses the 'garbage can' approach, where problems, solutions and the need for action gel together under the pressure of events. The first stage (1989-91) was a period of reflection by the Commission on the CAP, the second stage (February to June 1991), is labelled the 'revolution' of CAP where the member states could not agree and the

third stage started on 15 July 1991, when a revised version of the proposals were circulated. Nine months of negotiations ensued in the Agriculture council. While no member state presented a clear view which differed to any significant extent from the Commission proposals, there was nevertheless a general hostility to the programme of reform.

According to Le Theule and Litvan, the root of the problem lay in the hierarchical and asymmetrical structure of the process of negotiation and circulation of information. They characterize this as a 'pyramidal' structure, and the further away from the top of the pyramid one is, the longer the delay in receiving information. At the peak, individual member states bargain with the Commission and other member states, while interest groups and farmers are excluded as they are lower down the hierarchy. The circulation of information is further hampered by the secrecy of member state and Commission positions, leading to doubt and suspicion between actors. Thus, although the negotiations started out with rational objectives, the pressure of various interests propelled the process towards irrational or chaotic results. The hazards and uncertainties of the negotiating process soon left original positions in tatters.

An alternative garbage can model which focuses on the negotiation process in the Agriculture Council is put forward by Culley (1995). Negotiations in the Council are 'tough bargaining, tactical brinkmanship and physical and mental exhaustion' (ibid., p. 204), burdened with the knowledge that decisions have far-reaching consequences. The procedure of negotiations involves a series of visits by the Council convenor to the ministers, and 'confessionals' (so-called because the convenor and Commissioner are not permitted to disclose member state discussions of concessions), where ministers go to the convenor. This is designed to water-down member states' positions to a 'bottom line' and break potential deadlocks. The chairperson also consults with COPA, other interest groups and third country delegations, obtains formal opinions from the European Parliament and the Economic and Social Council, and a detailed report from the Special Committee on Agriculture. This enables the convenor to draw up a compromise proposal for discussion by the Agriculture Council, and the process is repeated until an agreement can be reached. By creating momentum and linkage, Culley asserts that this allows the Council to take a large number of decisions which would otherwise be postponed. Whether the decisions are either optimal or rational is a separate issue however.

#### c). External events factors

There is a strong body of evidence which suggests that the timing and content of the MacSharry reforms were decisively influenced by the demands of the GATT trade negotiations and the need to deal with the worldwide surplus in traded agricultural commodities (Guyomard and Mahé (1995), National Consumer Council (1995), Tangermann (1996)). According to Tangermann, the 'real motivation behind the MacSharry reform was the need to make the CAP consistent with international obligations on agricultural policy which the EU could not have avoided unless it was prepared to let the Uruguay Round of overall GATT negotiations go down the drain' (Tangermann, 1996, p.21). The types of reform implemented in the package (direct payments decoupled from subsidies, production limitation schemes) were tailored to



avoid conflict with GATT principles, while reductions in price support gave the EU's GATT partners (the USA and the Cairns Group in particular) enough of what they wanted.

Yet for many years, these factors seemed to have had only a slight influence on the CAP. For example, Josling (1990) observed that EU agricultural export and import policies had been under attack in the GATT for around twenty years, but the impact of such attacks had been minimal. The EU's obstinacy in the Uruguay Round negotiations and its apparent willingness to sacrifice the principle of free trade for a comparatively small agricultural constituency is perhaps better understood in the context of the EU's previous behaviour in the GATT. Of 19 trade disputes taken before the GATT, 12 involved the EU as the main protagonists. Furthermore, where the GATT had made a binding decision in favour of the US in two cases involving the EU, the EU simply ignored the judgements (Atkin, 1993, p. 140).

The Uruguay Round of GATT negotiations was launched in September 1986 and the USA had put agriculture, trade in services, intellectual property rights, trade-related investment onto the negotiating agenda. According to Fennel, the EU strategy sought to give away as little as possible on agriculture and aimed for 'a trade-off between highly protected commodities and those with low protection, without changing the average level of protection for Community agriculture overall.' (Fennel, 1987, p.65). The EU offered to reduce internal support for the main commodities by 30 per cent from 1986 to 1996, but as some reductions had already taken place, further reductions would amount in reality to only around 15 per cent. No precise commitments were made on export subsidies, and reductions to import barriers were not quantified.

This offer was unacceptable to the Cairns group and to the USA, but there was little hope that the EU would produce a more favourable offer in the latter part of 1990. Any proposals by the Commission for GATT had to be agreed by every member state, each of which was reluctant to reduce existing support for farmers. The month leading up to the collapse of the Uruguay Round talks in December 1990 revealed the extent of this position. The last-minute Hellstrom 'non paper' accepting the EU's proposal to reduce subsidised exports by 30%, but identifying a start date of 1990 levels rather than the EU's preferred 1986 levels (1986 levels would have required very little adjustment by the EU), was accepted by the US and Cairns Group, which had originally called for reductions of 90% in export subsidies, but was rejected by the EU.

Despite the previous four years of consultations undertaken by the Commission on the future of CAP, it appears from the EU's position leading up to December 7 1990 that there had been no intention to undertake significant reform of the CAP. *Le Monde* argued that 'exposing EC agriculture to the world trade system will cost more than it is worth in terms of domestic political turmoil' (quoted in *Agra Europe*, 14/12/90), and *Agra Europe* (ibid.) stated that

'the Community has consistently sought to minimise any concessions which it might have to give in the Round so as to limit the changes which it would be forced to make in the

CAP. The conclusion to be drawn from the Brussels debacle is that the Community is not particularly concerned about the waste of the CAP, can afford to continue with it largely unreformed and considers other aspects of EC development far more important'. (Agra Europe, 14/12/90)

In these circumstances, Tangermann argues that the EU negotiator (Commissioner MacSharry), had no alternative but to withdraw abruptly from the negotiations (see below). By the following week, leaked reports of a CAP reform plan had begun to circulate. It was not expected to be radical, and it was maintained that the proposals were entirely separate from the break in the GATT negotiations despite the existence of 'an obvious link' (Barclay, Edmonds and Hillyard, 1992, p18). However, the growing concern of the Germans to see a successful conclusion to the Uruguay Round, and the compromise agreed by the EC Council of Agriculture Ministers during the negotiations of December 7, involving a new commitment on export subsidy reduction and on market access, softened the ground for acceptance of the MacSharry plans. According to Tangermann, these were already 'in the drawer' on the day of breaking the GATT negotiations, although officially the two events were 'coincidental' (Tangermann, 1996, p. 11).

For the next eighteen months, negotiations proceeded between the Commission and the member states on the final shape of the reforms, after which talks could resume within the GATT framework. During this time, two other important external factors worked strongly in favour of more radical reform. The first was the looming cost of German unification which was going to put extra burdens on German and EU finances, and the second was the international weakness of the US Dollar which had the effect of ratcheting up the cost of export refunds to EU producers paid under the CAP. Nevertheless, serious issues of disagreement still remained within and between the various GATT delegations.

Two versions exist of the problems which precipitated the breaking off of talks between the EC and the USA in November 1992. One version suggests that Commissioner MacSharry and US Agriculture Secretary Madigan had almost reached agreement on cereals, but could not agree on oilseed, and thus the US moved to retaliate against EC exports (Barclay et al, 1992). The other version, supported by Agra Europe, was that cereals remained the main area of disagreement because the MacSharry reforms would not allow for sufficient reduction of subsidised exports to satisfy the USA. Despite the high profile resignation spat between Ray MacSharry and Commission President Jacques Delors at the eleventh hour, a deal was concluded in December 1992 which had the effect of fixing the CAP reforms into the legal framework of the GATT.

#### *Missing Elements.*

##### a) The MacSharry factor.

One factor which is referred to obliquely in the literature (for example Moyer and Josling, 1990, Tangermann, 1996) is the pivotal role of the Commissioner himself and

his interaction with other influential actors in the Commission and elsewhere (especially the GATT negotiations). As former Minister for Agriculture and then Finance in the Irish Republic, Ray MacSharry had an excellent administrative background for the role of Agriculture Commissioner, although this was no less true of some of his distinguished predecessors such as Sicco Mansholt. MacSharry did seem to be particularly effective however, according to one unnamed Commission source:

‘Both Delors and Frans Andriessen thought that they could manipulate Mr MacSharry when he came to Brussels four years ago. The French pushed him for agriculture Commissioner because they thought he was their poodle and would defend the CAP. Now MacSharry has pushed through the first fundamental reform in the history of the CAP. He has humiliated Delors; he has marginalised Andriessen; he has outmanoeuvred the whole of the French government.’ (quoted in ‘The Independent’, 21/11/92)

In this interpretation, MacSharry’s unique combination of skills and temperament were at least partly decisive in moving the reforms from blueprint to successful outcome where others (Mansholt, Lardinois, Gundelach, Steichen) had failed. Much of his skill is attributed to his mastery of the ‘black arts’ in ‘one of the toughest schools of politics, the Fianna Fail party’ (FT, 14/11/92.), his focus on issues of substance rather than matters of principle, his tactical awareness and his staying power in negotiations. Interviews and profiles of MacSharry at the time certainly put him in centre stage. Renowned for his ability to master complex briefs, he is described as a tough, blunt and determined negotiator nevertheless able to conceal his own hand. His normal tactics were characterised as ‘a mixture of poker and horse trading’ and defending his position ‘with unshakeable nerve and obstinacy’ once having made up his mind (FT, 14/11/92).

Epithets like ‘combative’ and ‘rumbustious’ have been coupled with his ability to discern the ‘bottom line’ position of his adversaries in negotiation by putting himself in their positions, and his overriding desire to succeed at tasks (Independent, 21/11/92 and FT, 18/11/92). Using these skills, he is said to have ‘bludgeoned the 12 unanimously opposed EC agriculture ministers into agreeing to farm reform’ (FT, *ibid.*) in 1991-92. Tangermann’s (1996) hypothetical reconstruction of his role from the collapse of the GATT negotiations at the end of 1990 until their successful conclusion in 1992 portrays a supremely astute tactician, alternating negotiation with confrontation in the pursuit of a hidden but well-prepared agenda.

The dialectic between high profile brinkmanship and careful tactics was also strikingly evident in the final phase of the GATT negotiations in November 1992. MacSharry’s abrupt and very public resignation as the EU farm negotiator at a critical point in the GATT talks appeared extreme and risky. According to the Financial Times, ‘the MacSharry-Delors row (was) unique’ (FT, 14/11/92). It involved MacSharry facing down the Commission President Jacques Delors, who he accused of a betrayal of trust by siding with the French government’s determined attempts to undermine the MacSharry negotiating position. But MacSharry had already marshalled overwhelming tactical advantages: in addition to preparing a ‘smoking

gun' dossier backing up his claims against Delors, he had accurately judged the overriding interest of the Germans, and ultimately the French, in securing an overall GATT deal and agreement on the Maastricht Treaty, and had achieved a hard won agreement on CAP reform from the member states only six months previously (FT, 22/5/92, 12/11/92 and 14/11/92).

Finally, his consistency in negotiations impressed other parties to the GATT talks, especially the Americans, who had been used to constant changes in EU negotiating positions in other areas and at previous times. MacSharry was able to strike up very positive working relations with Arthur Dunkel, Secretary General of the GATT and Edward Madigan, the US Secretary of Agriculture and a fellow Irishman. According to press reports, he was seen as the 'one man in Europe with the power to deal on GATT' (Independent, 21/11/92), an attribute held against him by some member states who suspected him of 'selling out' to the Americans.

It is perhaps because MacSharry cut such an unlikely figure as a European Commissioner that he was able to pilot through both CAP reform and the GATT deal. While his achievements cannot be viewed in isolation from the developing dynamics of the CAP and their relationship to the wider context of the GATT negotiations, the personal contribution of Commissioner MacSharry should not be discounted either.

#### b) Management change factors.

The Directorate-General for Agriculture (DG6) has earned the sobriquet of 'the fortress' within the Commission because of its alleged impenetrability to outsiders (Ockenden and Franklin, 1995). It is generally regarded as a conservative force on policy matters (e.g. Hill, 1984, Moyer and Josling, 1990). Its rigid structure of management committees and the supposedly disproportionate influence of COPA and national farming lobbies are usually held to be responsible. However, part of this reputation may have more to do with its circumscribed internal management capabilities than innate bureaucratic conservatism and/or interest group 'capture'. If we accept Peterson's (1994) argument that the Commission can play a dominant role in policy making in certain circumstances, then any change in internal management which encourages policy innovation is potentially significant.

Beyond Le Theule and Litvan's implicit reference (1995), there has been little interest in the influence of DG6 management dynamics on the MacSharry reforms. What is clear is that when MacSharry left the Commission, DG6 was a rather different animal from this point of view than when he joined it. It had developed a limited capability to carry out programme evaluation. Until the MacSharry incumbency, there was no systematic evaluation of the CAP within DG6. There had been a statistical modelling system under development since the late 1970s (the so-called SPEL system to predict farm income and production levels), and DG6 had formulated policy papers on reform over the years. However, the elements were not drawn together in any coherent organisational or intellectual process.

As a foundation to the reforms, the new Commissioner encouraged a rigorous and structured system of programme evaluation. This resulted in the creation of a small

but high level Studies and Overall Approach Unit within DG6 which reported directly to the Director-General (and was thus only one step away from the Commissioner). The methodology and process that was developed to evaluate the cereals sector (which was quickly extended to include beef and milk) for the MacSharry strategy, has become a permanent feature of the management system of the Directorate. There is now a regular programme of sector analysis and option appraisal.

In many ways, the creation of the Studies Unit and its methodology was a very limited innovation. It built on existing analytical strengths scattered around the Directorate (in the market management units, FEOGA, information etc.). With the exception of the MacSharry files themselves which covered a number of sectors, the Studies Unit only evaluates single CAP sectors be they large or small. It has not attempted an evaluation of the CAP as a whole, nor is it programmed to. The intention was to construct a process of continuous review on a sector by sector basis. A sector special report would be triggered by any adverse indications (especially budget overruns) thrown up in the annual forecasting process. The reports (they are large files), themselves run to a standard format containing in-depth market analysis of the sector concerned, a synthesis report and option appraisals for the decision makers. Ultimately, some of these labours come into the public domain in the form of COM documents, the first of which were those relating to CAP reform in 1990-92.

One does not have to accept that Peterson's model of Commission dominance in policy making is readily transferable to the agriculture sector, and most of the literature would indicate otherwise (see earlier). Similarly, the introduction of the 'studies' process has not in itself obviated the influence of the very powerful forces that shape the CAP, as the lack of progress of reforms in the wine, sugar and fruit and vegetables sectors have shown subsequently for example. But it did develop a strategic capability within DG6 which a determined Commissioner can use to advantage. Clearly this was the intention, and it appears to have been put to good effect in the case of the MacSharry package.

#### Explaining the MacSharry reforms: a composite model

To summarise, five main change forces - external environmental, organisational, crisis decision making, policy community and personal negotiating - came together, none of which may in themselves have been sufficient to produce the reforms. It would seem that the impact of external environmental factors in the shape of the GATT negotiations and German unification were the most significant, with budgetary crisis precipitated by continuing surpluses and changes in the disposition and influence of the agricultural policy community playing an important secondary role. Finally, changes in the organisational environment coupled with the particular negotiating skills of the Commissioner himself conspired to produce the particular form, content and timing of the whole package.

As many have argued, mobilising for radical change of the CAP has proved to be very difficult historically because of the weight of conservative forces in the issue area. National and producer interests have reinforced the inertia which tends to sustain public policies based on entitlement systems once they have been established. In these

circumstances, we can hypothesise that it took a wholly overwhelming combination of catalysing factors to effect the MacSharry reforms - or to borrow Althusser's metaphor, there was both 'contradiction' and 'overdetermination', and that the forces of rupture outweighed the forces of consolidation in the overdetermining process.

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