

EU Politics, Eastwards Enlargement and CAP Reform

Heather Field
Contemporary European Studies
Griffith University

Abstract

Political and institutional structures in the EU have operated to establish and maintain the Common Agricultural Policy (CAP) as the single most important policy of the European Union (EU), and a source of generous support for agricultural producers, in spite of the enlargement of the EU from six to fifteen members and substantial political and economic changes. In the 1990s there has been an important movement towards reform of the CAP, and making it more environmental, which was at least partly related to political changes at the level of EU member states. This paper looks at the political changes which have encouraged CAP reform, or made it more modest or less achievable. It goes on to consider the prospective impact of eastwards enlargement of the EU on the latter's political and institutional structure and on the likelihood of further moves towards CAP reform.

Introduction

The European Union (EU) is presently faced with one of the greatest challenges in its history, that of expansion into Central and Eastern Europe to take in up to ten applicant countries who have only in the last decade adopted democratic political structures and whose national incomes are in some cases only a tenth to a fifth of those of the EU on a per head basis. One of the greatest challenges will be that of dealing with the Common Agricultural Policy (CAP). This paper seeks to demonstrate that if this is not strongly reformed prior to enlargement, the political situation applying after enlargement will make this difficult to achieve.

The CAP is still the most important example of EU public policy, accounting for an estimated 46 per cent of the total EU budget of ECU89 billion in 1997. It has had a major influence on the economies and environment of the EU's member states, as well as on the economies of agricultural exporting countries such as Australia. In spite of an increase over the years in the membership of the EU, from the six original members of the European Economic Community (EEC) in 1958¹ to the present fifteen members of the EU², and the substantial widening of the EU's common policy spectrum by the Maastricht Treaty on European Union, the CAP has retained its pre-eminence.

An aim of this paper is to demonstrate the continued importance of politics at the member state level for EU public policy, even after the prospective enlargement, and that the changes which enlargement will bring or which will be made to accommodate it will change the structure of the EU. The underlying assumption here is that CAP decision making is

linked to and derived from politics and political change at the central EU or supranational level, and at the level of individual member states. Interests external to the EU, such as third country exporters and exporting countries, are considered to have only a limited input into the decision making system, although they may influence the form which outcomes take. It is considered a more appropriate characterisation of the EU system than public choice explanations, since the latter provide little assistance in the prediction of future policy changes and have tended towards a view of policy inertia related to 'path dependence' (see Harvey 1995 and MacLaren 1992). It is also considered superior to most explanations based on network theory, since the latter tend to focus on the regular interactions of different elements in the policy community rather than foresee the impact of major political changes on it, although this criticism can be overcome where the 'networks' are considered to involve interaction between countries and linkages between issues at the level of country interactions. As the paper will show, in the EU these major changes have in some cases consisted of no more than the replacement of the party by another in power in one of the two major member states, Germany and France, or just an improvement in the situation of one of the parties in a governing coalition relative to another.

The CAP and the nature of the EU political system

The CAP has been a 'bargain' between the major players at the EU or supranational level, which are not the producers, taxpayers and consumers of the standard public choice theory analysis, but countries or member states. The importance or clout of different players varies considerably, and the CAP is only one of a number of policies or objectives over which bargaining takes place. The EU's supranational institutions also have a limited but increasing input into the bargaining systems. For example, the Maastricht Treaty gave the institutions powers over a wider policy spectrum, and the EP a power of 'co-decision' to amend or reject legislation in specified areas. The Amsterdam Treaty will further increase the political powers of the common institutions.

The second tier or member state level of policy making is also very important, since here national objectives are arrived at through bargaining within governing coalitions and parties, and the ability of parties to win elections or at least form governments. Major political changes such as the unification of Germany, the growth of environmental concerns and the 'green' movement, and the replacement of the Socialist government in France in 1993 by a centre-right coalition, are all seen as having had an impact on the CAP. While Moyer and Josling (1993) adopt a bargaining approach to understanding the CAP, their approach is based on interest groups as an explanation of the politics of the CAP, and tends to ignore or minimise the bargaining that takes place among political parties within member states, and among countries at the EU level.

Agricultural interests were successful in imposing the CAP as part of the Treaty of Rome in 1957 and in sustaining it as the major common EEC, European Community (EC) and now EU policy, for over three decades. The CAP was a major part of the Franco-German 'initial compromise' (Ahrens 1986). This allowed the EEC to be founded, on the basis that

German industry was to benefit from access to French and other EC markets, while French agriculture was to benefit from being a supplier of food to Germany. Germany's support for the EEC derived from what Plaschke (1994, p. 132) describes as 'the mental and cultural need to give Germany a kind of European identity'. Fest (1954, p. 54) describes Gaullist France as having 'forced' the CAP out of the other EEC member countries.

Once it was in operation, the impact of the CAP increased with each enlargement of the EC and later EU, until the most recent enlargement in 1995. In 1973 two countries which were substantial agricultural producers and exporters, Ireland and Denmark, were added, along with the UK. The addition of Greece in 1981 and Spain and Portugal in 1986 greatly extended the area covered by price supports for Mediterranean products such as wine and olive oil, and also made the production of rice, tobacco, cotton and cane sugar a significant part of the CAP support system. While the 1995 enlargement to include Austria, Finland and Sweden extended the area covered by the CAP, the CAP is not expected to stimulate production there greatly. This is because of the high level of agricultural support already applying in Austria and Finland, and because the high level of Swedish wages and social benefits makes CAP prices and returns less attractive than they are in southern Europe.

There are two tiers to EU policy making, the supranational or central EU level and the level of the individual member states. There could also be said to be a third level, since in Germany the individual *Laender* or states exercise some influence over policy, and the Committee of the Regions allows this third level to be represented at the supranational level, albeit only with a capacity to comment on policy proposals.

The participants in the CAP and EU bargaining system are countries, and to a lesser extent the EU's supranational institutions. At the EU or supranational level there is no bargaining between producers, consumers and taxpayers as such, and the EU's 'preference function' reflects the weightings achieved by different countries. The most important decision making bodies have remained the European Council and the Council of the European Union or Council of Ministers, on which the individual member states are represented. The first body consists of the EU's leaders when they take part in summit meetings, and it had no formal recognition EU or EC law prior to the Maastricht Treaty. The second consists of the relevant ministers of the member states, with the Council of Foreign Ministers having primacy, but with the Council of Agriculture Ministers being very active because of the importance of the CAP as the main common policy. Both the European Council and the Council of the European Union are 'intergovernmental', in that they represent the member states. The European Commission is the closest thing the EU has to a common civil service, but it has powers which include the sole right to propose legislation. However, its independence is circumscribed by the requirement imposed by the Single European Act (SEA), which came into force in 1987, that it cooperate in this with the European Parliament (EP), which would itself like to have a similar power to propose laws. The Commission can also be requested by the Council to put forward specific proposals, and is unlikely to put proposals to the Council which have no hope of being passed.

The EU's common budget results in net financial transfers between member states, as well as financial transfers to agricultural producers. The CAP has been the major source of these transfers, although its share of the common EU budget has declined from over 70 per cent in the second half of the 1970s to an estimated 45.8 per cent, equivalent to ECU40.81 billion, by 1997 (an ECU is worth roughly \$US1.25). Germany has remained the main net contributor to the EU's overall budget, paying a net ECU13.4 billion in 1995, followed by the UK with ECU4.7 billion ECUs (The Economist 1996, 1997).

The net contribution of a country is the excess of payments over receipts, or *vice versa* for net beneficiaries. However, the expansion of the EU has resulted in earlier net beneficiaries through the budget such as France and the Netherlands becoming substantial contributors, of ECU1.7 billion and ECU2 billion respectively in 1995. This change has resulted in their attitudes towards the CAP becoming less unequivocally supportive. Austria and Sweden were also net contributors to the budget in 1995, to the tune of almost ECU1 billion. The major beneficiaries from the budget were Spain with a gain of ECU7.2 billion, Greece with one of ECU3.5 billion, Portugal with ECU2.4 billion, and Ireland with ECU1.9 billion. For the three latter small countries these transfers amount to several percentage points of GDP – for Ireland and Greece they have amounted to as much as 6 per cent and 7 per cent of GDP respectively in the early 1990s (Wennerlund 1993). While these flows are now mainly on a north to south and a rich countries to poor countries basis, Denmark constitutes an exception, being the net recipient of an estimated ECU0.3 billion in 1995. The danger that eastwards enlargement of the EU will result in major increases in budgetary transfers from the existing EU members, with existing beneficiaries becoming net contributors, is a powerful incentive for reform of the CAP and changes to political arrangements so that it does not.

Political and institutional change can impact upon the Commission and its attitude towards the CAP in a number of ways. 'Widening' can alter the composition of the Commission in terms of the numbers of nationalities which are represented as well as the proportion of officials belonging to each one. This can alter the level of attachment of the institution to the CAP, and the emphasis placed on different objectives. For example, especially since the entry of Austria, Finland and Sweden into the EU in 1995 there has been an increased emphasis in the Commission on environmental aspects of agricultural support. The present agriculture commissioner, Franz Fischler, is from Austria, where much emphasis is placed on ecologically friendly small farming. Directorate-General XI of the Commission, which deals with environment, has been looking increasingly closely at the environmental damage resulting from modern agriculture and CAP price supports on output. The extent to which a country is under- or over-represented in terms of the proportion of officials of its nationality in the Commission compared to its proportion of the EU population, especially at higher levels, can also affect policy choices.

The influence of the EP on agricultural issues has been restricted by its limited powers. While the Maastricht Treaty gave the EP a new power of 'co-decision', to amend or reject legislation passed by qualified majority vote in the Council in specified policy areas, this did not extend to agricultural policy. The EP has consequently been seeking to have the co-decision procedure enlarged to include agriculture. Such a move, if agreed to, would increase

support for a protectionist CAP and make further reforms more difficult to achieve. This is because the influence of agricultural interests in the EP has been enhanced, relative to their influence on the member states and hence the Council, by a number of factors. These factors include the poor attendance of a majority of MEPs, which has in some cases been due to them also being members of national parliaments, and the strong farm links of most of the members of the EP's agriculture committee. Another factor has been the limited ability of national political parties to control the behaviour of their representatives in the EP. While the UK government has been a strong opponent of the CAP regardless of which party has been in power, UK MEPs have tended to be more pro-CAP than this, reflecting in some cases their own agricultural interests or those of their constituencies. For example, of the seven UK MEPs who were members of the EP's agriculture committee in 1989, four were farmers and the remaining three had important agricultural interests in their constituencies (Westlake 1994). Sir Henry Plumb, a British former president of the EP, had earlier been president of the National Farmers' Union (NFU) in the UK for nine years, and was a farmer.

Member state agricultural interest groups and hence farmers are represented at the EU level through the *Comité des Organisations Agricoles* (COPA), which monitors developments at the EU level in agricultural policy so as to inform constituent organisations, and liaises with the Commission and the EP in order to influence outcomes. The Commission has a legal obligation to consult COPA when arriving at its agricultural proposals (Nedergaard 1994, p. 100). However, it remains only a relatively small representational office, with a full-time staff of 45 (Keeler 1996, p. 134). The wide range of interests which it has to represent, in terms of crops and farm size and structure, limits its ability to have a great influence on agricultural policy. In addition to COPA, there are 150 or more EU-level interest groups which are involved in defending some aspect of agriculture.

The positions of the member states on the CAP are developed at the national level, and influenced by factors such as the national interest, the size of the farm vote, the influence of agriculture on the political parties in power, and the influence of farm interest groups on the ministry of agriculture and government.

The CAP and the benefits it has provided have had a significant impact on domestic politics in France and Germany, the two most important EU member states in political and economic terms. In Germany the transfers and price support effected through the CAP have helped to keep the minority Free Democratic Party (FDP) and Christian Social Union (CSU) parties in government as the junior partners in a coalition government dominated by the majority Christian Democratic Union (CDU). This coalition was formed in 1982 when the FDP abandoned the governing coalition which it had formed with the Socialist SPD since 1969. The CDU is strongly associated with agriculture, while the CSU is especially identified with Bavarian and Roman Catholic interests, and those of small scale and part time cereal and dairy producers. The FDP is a party of small business which has special ties with larger scale producers and Protestant arable and dairy farmers in the north.

In France the expectation of strong support for the CAP was a significant factor in the success of Jacques Chirac's 1995 presidential bid, and in the election success of the

Rassemblement Pour La République (RPR) – *Union Pour la Démocratie Française* (UDF) coalition in the 1993 general election. Both the RPR, UDF and the Socialists have courted the farm vote, but it is the Gaullist RPR, Chirac's party, which is most closely associated with farm interests (Culpepper 1993). The political situation can become complicated due to the existence of a separately elected presidency, and the possibility of 'cohabitation', when the president is from a different political party to that in government, as is the case at present.

The agricultural vote in France and Germany has been much more influential than the size of the agricultural sector and workforce would suggest. This has been due to the support of the rural population in general, and of individuals with family ties to agriculture or rural backgrounds, as well as to the influence of the churches in Germany, and the swinging nature of the agricultural vote in France. Active farm organisations have also helped to mobilise voters, to win sympathy for agriculture, and to keep parties true to their electoral promises when in government. However, over the longer term parties and governments in France and Germany and elsewhere which have had strong ties with agriculture must be affected by the reduction in the proportion of the EU population which is employed in agriculture. At the time of the Treaty of Rome in 1957 agriculture was a very important employer of labour, with one third of the EEC population working or being dependent on the land in the 1950s. At the beginning of the 1990s the proportion of the labour force engaged in agriculture was 6 per cent in France, 5 per cent in the FRG and 2 per cent in the UK, and this general decline is continuing. Another consideration is that the level of disadvantage of the agricultural population has decreased, and farmers in France and Germany are relatively well off in view of the unemployment levels of twelve and ten per cent respectively in those countries. This is particularly so in Germany where by 1990 roughly half of all farmers were part-time farmers, many of whom were able to benefit from a full industrial wage as well as their farm earnings. Brown (1989) estimated that the benefits to large farms from the CAP were 15 times as great as those to small farms. D'Aubert (1994) has shown how, in Italy and some other parts of southern Europe, many of the benefits of the CAP have been siphoned off by organised crime groups, politicians and political parties.

Changes over time

There have been a number of important changes in EU and CAP bargaining over time, as listed in Table 1. They have been mostly associated with enlargement of the EU, but also with political changes in one of the larger and most important member states, in practice France or Germany. The process of enlargement or 'widening' of the EU has been achieved through the addition of new countries to the EU and the expansion of existing states, as with the unification of Germany in 1990.

Table 1: Trends and changes in EC/EU and CAP bargaining

<i>Year</i>	<i>Change</i>	<i>Effect</i>
1966	'Luxembourg Compromise' ensures veto available on agricultural issues.	Increases political weight of the smaller member states in the EEC preference function.
1973	Enlargement of EC to include UK, Ireland and Denmark.	Substantial transfers to Ireland and Denmark. Increased importance of livestock products.
1981	Greece joins EC: establishment of IMPs ^a .	An additional net CAP and EU budget beneficiary.
1985	Agriculture increased its EC budget share to 1980s peak 70% level: henceforth decreases.	Increased importance of agriculture as the source of net budgetary transfers and political interest: henceforth declines.
1986	Accession of Spain and Portugal: expansion of IMPs and structural expenditure. UK gets budget rebate arrangement.	Growth in demands for industrial and structural expenditure. Reduces UK opposition to larger CAP budget.
1990	German unification: expansion of German and EU territory.	Germany now the predominant state, but less able to support the CAP due to the cost of transfers to the eastern <i>Laender</i> .
1992	Maastricht Treaty on European Union signed. CAP reform agreement on price cuts and income support, and environmental measures. Blair House Agreement.	Agreement on expansion of the EU policy mix, reducing the political importance of agriculture. Shift in CAP from price to partial income support and to assistance for environmental measures. Restricts growth in CAP subsidised exports.
1993	New government in France demands re-negotiation of Blair House Agreement. Maastricht Treaty ratified.	Blair House Agreement renegotiated, loosening its restrictive effects. Expansion of the EU policy mix ensured.
1993	Maastricht Treaty comes into force.	Agriculture's share of budget reduces due to cost of other policies.
1995	Enlargement to include Austria, Finland and Sweden.	Increases EU budgetary base, and environmental concerns.
1997	Report on BSE crisis results in transfer of some power from agriculture to consumer directorate. 'Agriculture 2000' proposals presented.	Powers over agriculture less concentrated in DG VI. Proposed further price cuts and income compensation.

a) IMPs (Integrated Mediterranean Programmes) provide assistance on a broad front to southern member states.

Table 2: German domestic political change and policy consequences

<i>Year</i>	<i>Domestic political change</i>	<i>Impact or policy decision</i>
1990-	Unification. CDU wins clear own majority. FDP increases its share of the vote. Transfers to eastern <i>Laender</i> mount.	Support for a GATT agreement and for 1992 CAP reform, including cereal price cuts. Reduced willingness to agree to increases in CAP costs.
1992	Increase in support for right wing extremist parties.	CAP reform agreement.
1993	Kiechle resigns. New minister of agriculture appointed from CDU, farming background but is not from Bavaria.	Influence of CDU on agriculture and CAP increased. Easier implementation of reforms.
1994	CDU loses clear majority.	Influence of FDP and CSU increases.
1996	Eastwards enlargement of EU has become a German objective.	German foreign minister stresses need to reform CAP to allow eastwards enlargement of EU.
1998	Support for CDU/CSU and especially FDP, at relatively low levels.	Germany opposes proposed 'Agriculture 2000' CAP reforms.

Enlargement has resulted in the progressive expansion of the CAP in terms of geographical area covered, range of products assisted, and cost. In 1973 it greatly expanded the geographical area and quantity of agricultural production covered by the CAP, and created great problems for Australia and other exporters of temperate agricultural products due to the loss of markets in Europe. The 1981 and 1986 enlargements greatly increased the importance of Mediterranean products such as wine, olive oil and sunflower seeds in the overall CAP, and the overall burden on the EU budget. The unification of Germany in 1990 led to an 'earthquake' in the political framework surrounding the CAP which had the 1992 CAP reform agreement as its outcome (Harvey, p.203). The 1995 enlargement increased the focus on environmental improvements to the CAP, and improved the EU's budgetary position.

Field and Fulton (1994) demonstrated how changes in the parties in government, and their electoral positions, could influence the German government's attitude to the CAP, for the post-war period up to 1992. The main changes are shown in Table 2. After the founding of the Federal Republic of Germany in 1949, the CDU/CSU formed a coalition government with the FDP and other small parties. This was followed by a 1958-61 coalition government of the CDU/CSU with the *Deutsche Partei* (DP) or German Party, then 1962-66 by a coalition government which included the CDU/CSU and at times the FDP and other small parties. These coalition governments were characterised by a high level of commitment to agricultural support. A grand coalition of parties which included the CDU/CSU and SPD governed from 1966 to 1969. Since it included the major parties, the need to make side-payments to minority

parties and their supporters was reduced, and the level of compensation which was to be paid to farmers for the replacement of national support prices by lower CAP ones was reduced. From 1969 to 1982 an SPD/FDP coalition was in government. This period saw an expansion in CAP supports, and the introduction of the 'green currency' system, which allowed a higher support level to exist in Germany compared with the rest of the EU. In 1982 the majority CDU and its CSU wing or partner were able to return to government when the FDP deserted its former Socialist coalition partner and formed a government with the CDU/CSU, partly because of expectations that it would support a continued high level of CAP assistance to German producers. Although it has remained in government ever since, there has been very great political change in Germany due to unification and the addition of the eastern *Laender* which comprised the former German Democratic Republic (GDR). The 'own majority' situation which the CDU enjoyed from 1990 to 1994, which meant that it could have governed without the support of its coalition partners had it chosen to do so, put it in a strong position to make policy changes. This, in combination with the pressures of the financial transfers which were required for the eastern *Laender*, and from business for a Uruguay Round agreement, led to a willingness to accept the 1992 CAP reforms and a Uruguay Round agreement which would place limitations on agricultural support. Table 2 indicates some of the major links between political changes in Germany and changes in Germany's position with regard to the CAP.

The CSU-nominated minister of agriculture, Ignaz Kiechle, resigned in 1993. He had found himself uncomfortable with the new policy positions he was having to defend (Keeler, p.144). The CDU replaced him with its own nominee, Jochen Borchert, a CDU member who had a farming background and was not from Bavaria, whose independence in CAP negotiations was more clearly restricted than that of his predecessors, who had been the nominees or minority coalition partners.

However, an increase in the vote for right-wing extremist parties in the 1992 *Laender* or state elections emphasised the problematic consequences which could result from reduced support for the CAP, as did the reduction in the CDU's share of the vote in the 1994 general election, when it lost its own majority but continued in government with the support of the CSU and FDP. The agricultural vote has become more crucial to the prospects of the CDU/CSU, and in order for the FDP to clear the 5 per cent of votes threshold so that it can take up its seats.

Table 3: French domestic political change and policy consequences

<i>Year</i>	<i>Change</i>	<i>Effect</i>
1980s	France becomes a substantial net contributor to EC budget. Socialist president from 1981, Socialist government except for 1986-88, when RPR/UDF plus independent rightists and National Front in cohabitation government with President Mitterrand.	French interest in the development of policies outside agriculture, from which France and French government would benefit.
1991	Maastricht agreement: expansion of policy mix to include industry, infrastructure, and 'cohesion' policies.	Reduces agriculture's share of budget and extent to which EC/EU inter-country bargaining is about transfers based on CAP.
1992	CAP reform agreement on price cuts and income support, and environmental measures. Blair House Agreement.	Shift in CAP from price to partial income support and to assistance for environmental measures. Restricts future growth in CAP subsidised exports.
1993	UDF/RPR coalition wins general election	Blair House Agreement renegotiated, Reluctance to accept further CAP reforms except where full income compensation provided.
1995	Jacques Chirac, leader of the RPR, elected President of France	
1997	Socialists back in power	Agriculture has lower priority

The election of Jacques Chirac to the presidency in 1995 strengthened the influence of agriculture and support for the CAP in French politics, as Chirac is an RPR man or 'Gaullist' and former agriculture minister and assembly representative for the mainly agricultural constituency of Correze in the Massif Central. He has also been prime minister and mayor of Paris. The RPR is the French party with the heaviest reliance on the agricultural vote. However, the return of the Socialist party to government in 1997 dampened down any resurgence in the political influence of agriculture.

Eastwards enlargement and the CAP

Eastwards enlargement is problematic because of the high proportion of the population employed in agriculture there,³ and the ability of the area to greatly increase output in response to higher prices. Estimates of the extra annual cost have been as high as US\$49.2 billion, roughly equivalent to the present cost of the CAP (The Economist 1995). It is also problematic because it may increase the political influence of agricultural interests in the EU.

This could make it very difficult to achieve future post-enlargement reforms to the CAP, with negative consequences for agricultural exporters such as Australia. The problem arises because of the number of countries involved, their reliance upon agriculture as a substantial employer, and their capacity to increase agricultural production.

This impact of enlargement would not be felt all at once, as present intentions are to have a first round of entrants, for which negotiations have opened with the Czech Republic, Estonia, Hungary, Poland and Slovenia, with the remaining applicants of Bulgaria, Latvia, Lithuania, Romania and Slovakia being considered for a later second-round entry.

Present arrangements with regard to the distribution of votes in the Council, which enhance the power of small countries, and with regard to the blocking minority level, would be made highly problematic by the entry of the ten CEE applicants and Cyprus, as shown in Table 4. Already the eight smallest states can block a measure even though they only have some 12 per cent of the EU's population. The issue is a highly contentious one and no agreement was reached on it during the negotiation of the Amsterdam Treaty.

However, extrapolating from the situations described earlier, it is not just the weighting of governments in the EU decision making system which matters, nor the nature of national interests, but also the ability of domestic interests and parties to exert influence on governments to act in their favour. While CEE majority parties tend to have a left-right dimension, with reformed communists to the left and parties with a stronger business and sometime national and religious affiliation to the right, there are also specialist agricultural parties which appear able to exert influence in some instances.

In Poland the Peasants' Party has represented agricultural interests in a coalition government with the reformed communists. However, in the last election the share of the vote of the Peasants' Party (PSL) fell to only 7 per cent, less than half of its previous score. In Romania the coalition government which replaced that of the reformed communists in November 1996 has had a nominee of the Christian Democrat National Peasants Party occupying the post of prime minister, with Radu Vasile replacing Victor Ciorbea in this position earlier this year (The Economist 1998).

Agricultural interests in Hungary are also well-organised, even though they do not play the same political role as has been the case in Poland and in Romania. However, the Czech Republic is industrialised to a higher degree, and the political influence of agricultural interests is smaller. One of the factors behind the choice of Estonia as a prospective first-round EU entrant is that, in addition to having a growth rate of over 10 per cent last year, it is also the Baltic state with the lowest proportion of the labour force in agriculture.

Table 4: **Council votes and the distribution of population (1996)**

<i>Country</i>	<i>Number of votes</i>	<i>% of total</i>	<i>Population</i>	<i>% of EU population</i>	<i>% excess</i>
----------------	------------------------	-------------------	-------------------	---------------------------	-----------------

	<i>000' (1996)</i>			<i>Votes/population</i>	
Belgium	5	5.7	10 143	2.7	111
Denmark	3	3.4	5 251	1.4	143
Germany	10	11.5	81 816	22.0	- 48
Greece	5	5.7	10 465	2.8	104
Spain	8	9.2	39 242	10.5	-14
France	10	11.5	58 256	15.6	-26
Ireland	3	3.4	3 616	1.0	194
Italy	10	11.5	57 330	15.4	-25
Luxembourg	2	2.3	413	0.1	2 200
Netherlands	5	5.7	15 494	4.2	36
Austria	4	4.6	8 055	2.2	117
Portugal	5	5.7	9 921	2.7	111
Finland	3	3.4	5 117	1.4	143
Sweden	4	4.6	8 838	2.4	92
United Kingdom	10	11.5	58 694	15.2	-27
TOTAL15	87	100	372 654		100
Post-enlargement**					
First-round					
Cyprus	2	1.8	700	0.2	800
Poland	8	7.2	38 609*	8.9	12
Slovenia	2	1.8	1 990*	0.5	260
Hungary	5	4.6	10 212*	2.4	91
Czech Republic	5	4.6	10 321*	2.4	92
Estonia	2	1.8	1 476	3.4	53
Total EU 20	111		435 962		
First round	24	22	63 308	14.5	34
Second round					
Romania	6	4.7	22 608	4.7	-
Bulgaria	4	3.1	8 340	1.7	82
Slovakia	3	2.4	5 368	1.1	118
Lithuania	3	2.4	3 707	0.8	200
Latvia	2	1.6	2 479	0.5	220
Total EU 25	129		478 464		
Second round	18	14.0	42 502	8.9	60
Both rounds	42	31.5	105 810	22.0	32

Notes: The votes to be allocated to each country are estimates. The above calculations are hence based only on estimates, and a change may well be made prior to enlargement in order to reduce the imbalance in the distribution of votes relative to population.

* 1995 **Assumes both parts of Cyprus are included.

Source: EC Background (1993), Annex III, p. 14, European Parliament (1996), European Commission (1998), and own calculations..

Conclusions

The analysis presented above demonstrates that the politics of the CAP have been strongly related not just to national economic interests, and the collective action of farmers at the EU or supranational level, but also to member state domestic political arrangements which have served to sustain the influence of the agricultural vote in spite of decreases in the number of people employed in agriculture. Domestic political change in the major member states of France and Germany is shown to have an impact upon changes in agricultural policy.

The question of extending the CAP to CEE countries, or reforming it and reducing its scope prior to their membership, is a crucial one for eastwards enlargement. The analysis presented here demonstrates that the prospective new members could prove a substantial political force in favour of sustaining and even expanding the CAP if political and policy arrangements are not amended in advance so as to prevent this. Their relatively high level of reliance on agriculture will encourage them to seek the continuation of CAP assistance. Existing arrangements with respect to the distribution of votes in the Council would increase the impact of their vote, and assist them in forming a blocking minority. There is also a possibility of agricultural interest parties being able to exert influence through membership of governing coalitions, as they have in Germany and France, although to date this has only been clearly evident in the present Romanian and previous Polish governments.

References

- Ahrens, H. (1986), '*Les échanges intra-communautaires de la France et de la RFA en produits agro-alimentaires: évolution, causes, conséquences*' (Franco-German trade in agro-alimentary products in the EC: development, causes, consequences), *Économie Rurale* 174: 3-10.
- Brown, C. (1989), *Distribution of CAP Price Support*, National Agricultural Economics Institute, Copenhagen.
- Burrell, A. (1995), 'European Union agricultural policy in 1993-95', *Review of Marketing and Agricultural Economics* 63(1): 9-28.
- Camroux, D. (1993), 'France is Not All Bad over GATT', *The Financial Review*, 16 November, p. 17.

- Culpepper, P. (1993), 'Organisational competition and the neo-corporatist fallacy in French agriculture', *West European Politics* 16(3): 295-315.
- D'Aubert, F. (1994), *Main Basse Sur L'Europe* (The Misdirection or Defrauding of Europe), Plon, Paris.
- EC Background (1993), 'European Council in Brussels 10 and 11 December 1993 Presidency Conclusions', *EC Background*, Delegation of the Commission of the European Communities to Australia and New Zealand, Canberra.
- Economist, The (1993), 'The Uruguay Round: The Very, Very End', *The Economist*, 11 December, pp. 65-66.
- _____ (1995), 'Farm Follies', *The Economist*, 29 July, p. 40.
- _____ (1996), 'Europe's Union: Who Pays for It?', *The Economist*, 23 November, pp. 65-66.
- _____ (1997), 'We Want Our Pfennigs Back', *The Economist*, 9 August, p. 42.
- _____ (1998), 'New Romanian Man, Old Mess', *The Economist*, 4 April, p. 58.
- European Commission (1998), personal communication: population data.
- European Parliament (1996), *A Unified and Simplified Model of the European Communities Treaties and the Treaty on European Union in Just One Treaty*, European Parliament, Luxembourg.
- Fest, J. (1994), 'Europe in a cul-de-sac', in A. Baring (ed.) (1994), *Germany's New Position in Europe*, Berg, Oxford, pp. 51-64.
- Field, H., and Fulton, M. (1994), 'Germany and the CAP: a bargaining model of EC agricultural policy formation', *American Journal of Agricultural Economics* 76(1): 15-25.
- Harvey, D. R. (1995), 'European Union Cereals Policy: An Evolutionary Interpretation', *Australian Journal of Agricultural Economics* 39 (3): 193-218, December.
- Keeler, J. (1996), 'Agricultural power in the European Community: explaining the fate of the CAP and GATT negotiations', *Comparative Politics* 28(2): 127-150.
- MacLaren, D. (1992), 'The Political Economy of Agricultural Policy Reform in the EU and Australia', *Journal of Agricultural Economics* 43 (3): 424-439, September.
- Mather, I. (1997), 'Solidarity Assumes Command', *The European*, 25 September, p. 22.
- Moyer, W., and Josling, T. (1990), *Agricultural Policy Reform: Policy and Process in the EC and the USA*, Iowa State University Press, Iowa.
- Nedergaard, P. (1994), 'The political economy of CAP reform', in R. Kjeldahl and M. Tracy (eds.), *Renationalisation of the Common Agricultural Policy?*, Institute of Advanced Economics, Copenhagen, pp. 85-103.
- Plaschke, H. (1994), 'National economic cultures and economic integration', in S.

Zetterholm (ed.), *National Cultures and European Integration*, Berg, Oxford, pp.113-144.

Wennerlund, K. (1995), Enlarging the European Community/Union: national preference formation in the Member States, paper delivered at the 1995 European Community Studies Association (ECSA) conference in Charleston, South Carolina, 11-14 May.

Westlake, M. (1994), *Britain's Emerging Euro Elite*, Dartmouth, Aldershot.

Endnotes

¹ France, Germany, Italy, Netherlands, Belgium and Luxembourg.

² The founding six, plus Denmark, Ireland and the UK (admitted 1973), Greece (1981), Spain and Portugal (1986), and Austria, Finland and Sweden (1995). In 1990 the former German Democratic Republic was absorbed into the Federal Republic of Germany and hence the EU.

³ Almost 27 per cent of the workforce, compared with less than 6 per cent in the EU.