

Ideas, welfare, and values

Framing the Common Agricultural Policy in the 1960s¹

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In the last ten years, the overwhelming majority of rural families have fallen far behind in income and living conditions, while those who work in industry and the services have been advancing and can look forward to yet further improvements. ... No wonder that stresses in the rural world today are severe. A feeling of despair has gripped many farmers, who see no future in their work and yet cannot escape from their situation by their own effort. ... farmers will have to be offered a wide range of new opportunities if they are to decide freely and spontaneously what their own and their children's future shall be.

European Commission, 1968.²

Farmers in Europe are ... relatively high-cost producers of food. Without public support, they would find it very difficult to cope in the long run in a globalised world. ... But European society's expectations are developing. More and more, the public requires that rural areas provide not only high-quality and healthy food, but also beautiful scenery and a place for leisure and tourism. These benefits can be provided, but only if we give appropriate support to farmers and rural areas. ... there is an unwritten contract between farmers and society.

European Commission, 2008.³

There are forty years between the two quotes above, and they illustrate some of the developments that have taken place in the political arguments for why the European Community (EC) and the European Union (EU) sponsor the Common Agricultural Policy (CAP). The first quote refers to the farm problem in terms of unjust misery in the countryside of the EC, and the inadequacies of the social structure in rural areas. Support through the CAP, so it is asserted, could help. The other quote alludes to a range of demands that Europe's farmers can fulfill inside the EU, while also staying in business in a competitive globalized world. In the first quote, the needs of the EU's farmers are in focus. In the other, the line of argumentation is that society

¹ To be published in K.K. Patel (ed.), *Fertile Ground for Integration?* (Baden-Baden, 2009 forthcoming).

CONSTRUCTIVE COMMENTS ARE VERY WELCOME.
DO NOT QUOTE WITHOUT PERMISSION.

² Memorandum on the Reform of Agriculture in the European Economic Community, submitted by the Commission to the Council on 21 December 1968, COM(68)1000: 18-19.

³ European Commission, Directorate-General for Agriculture and Rural Development, *EU Farming: Meeting Society's Needs and Expectations* (Luxembourg 2008): 7.

needs farmers and it is willing to pay for this through CAP support. The similarities are also striking as both quotes illustrate that the CAP, as a policy paradigm, is framed by a perception of the particularity or “specialness” of agriculture and rural areas, which justifies continued public support. This has also been called the idea of agricultural exceptionalism. Seen from this perspective, the CAP is a redistributory policy. The CAP is different in its policy objectives and instruments to the EU’s other major policy areas such as competition, industry, and trade, where the supranational involvement has been rather characterized as “an almost pure type of regulatory state”.⁴ Understanding why the CAP has been framed in this way is ultimately a historical question that will be examined in this chapter.

Most historical research on the origins of the CAP has so far centered on identifying key political actors, their networks, positions and the negotiations that they took part in at the national and European levels, as well as in international trade negotiations.⁵ What such literature often focuses on is conflict between actors, the alliances, disagreements in the negotiations, informal politics, and the compromises that often characterize the final political outcome. Meanwhile, historical research has also pointed out that the original framing of the CAP in the late 1950s and during the decade of the 1960s was not as ridden by conflict and opposing views as often portrayed in nation-centered and intergovernmental analyses.⁶ This political process of the CAP was rather characterized by a fairly wide agreement among key political actors about the priorities and choices for the CAP’s central political objective of income support and the common market and price policy instruments. This chapter examines a key element in this wider agreement, namely the ideational basis of these political choices.

The purpose of this chapter is twofold. Firstly, it examines the initial framing of the CAP by identifying the ideas underlying the primary political objective and policy instruments that were chosen, and pointing to how these ideas gained legitimacy. I focus on the idea of agricultural exceptionalism, particularly the CAP’s basis of legitimacy in the politics of the welfare state, as well as the long-term use of the notion of the family farm in national agricultural legislation of the member states; a bastion of values and symbol of moral economy. The main argument of this chapter

4 Giandomenico Majone, “The Regulatory State and its Legitimacy Problems”, in: *West European Politics* 22 (1999): 1-24, here 2.

5 See in particular Anders Thornvig Sørensen, *Denmark, the Netherlands and European Agricultural Integration, 1945-1960* (unpubl. PhD thesis, EUI, Florence 2008); Lucia Coppolaro, *Trade and Politics across the Atlantic: The European Economic Community (EEC) and the United States of America in the GATT Negotiations of the Kennedy Round (1962-1967)* (unpubl. PhD thesis, EUI, Florence 2006); Ann-Christina L. Knudsen, *Defining the Policies of the Common Agricultural Policy: A Historical Study* (unpubl. PhD thesis, EUI, Florence 2001); Johan H. Molegraaf, *Boeren in Brussel: Nederland en het Gemeenschappelijk Europees Landbouwbeleid 1958-1971* (unpubl. PhD thesis, University of Utrecht 1999).

6 Ann-Christina L. Knudsen, *Farmers on Welfare: The Making of Europe’s Common Agricultural Policy* (Ithaca 2009).

is that the CAP in the 1960s was framed in a certain way that embraced ideas and perceptions of welfare and values that were widely shared in the Community and found legitimacy with advocates within the sector as well as in wider political circles. I therefore shift focus of the analysis from actors, decision-making, and economic interests that are most often used in European integration history, to structural dimensions. This approach is also linked to the second aim of the chapter, namely to contribute to new ways of studying European integration history. While the CAP may appear as “special”, and the agricultural sector is privileged in a different way to most other EC/EU policies, it should not be seen as *sui generis*. Identifying the basic ideas and legitimacy underlying the CAP can help to situate its history in a wider European context of the twentieth century where agricultural policies were central to emerging welfare states, and real farmers existed in the field as well as in the myths of nations.

I. Ideas and social policy

It makes sense to categorize policies based on the types of policy instruments applied as well as the stated political objectives, such as commercial or social policy, regulation or redistribution. A similar exercise can be made for policies of the EC/EU.⁷ In its entirety, the CAP that was created during the 1960s contained a mixture of policy types. Firstly, a considerable commercial dimension towards the exterior was developed both on a bilateral basis and along with the negotiations of the Kennedy Round in the General Agreement on Tariffs and Trade (GATT). After all, the Community was the world’s largest trader of agricultural products. Secondly, the CAP was based on market regulation that aimed at removing tariffs and non-tariff barriers among the Community’s member states with the purpose of creating more of a level playing field for the production and trade of agricultural products and foodstuffs at the common internal market. Thirdly, the market regulation also had a common pricing mechanism where the Community would set price floors, and make financial transfers to the farmers, equivalent to the gap between the world market price and the guaranteed common price. Fourthly, the financial mechanism created for the CAP in 1962 included the European Guidance and Guarantee Fund (EAGGF): on the one hand a “guarantee” fund to cover expenses relating to the functioning of the market and settlement of the guaranteed prices; on the other, a “guidance” fund that aimed at supporting projects of improving infrastructure in the agricultural sector and rural areas.

These policy types were framed by several juxtaposing ideas that have informed the policy objectives and choice of policy instruments. The first and second sets of policy instruments of the CAP can certainly be said to be framed by liberal ideas

7 E.g. Simon Hix, “Approaches to the Study of the European Community: The Challenge to Comparative Politics”, in: *West European Politics* 17 (1994): 1-30.

about economic integration and free trade. A number of scholars stop their analysis of the CAP here because it, in different ways, enables a generalization of the European integration process.⁸ The third and fourth sets of policy instruments are however different and it is interesting to take a closer look at them. These dimensions in fact resulted in the CAP becoming the single most highly prioritized policy area in budgetary terms throughout the EC/EU's history. Overall, these policy instruments aimed at redistribution through indirect and direct financial transfers to farmers and rural constituencies. The CAP is interesting from this perspective not least because it goes against the grain of scholars of EU regulation who argue that "the Community budget is too small to allow large-scale initiatives in the core areas of welfare-state activities", or who see it purely in terms of economic and commercial "national interests".⁹ The social policy dimensions of the CAP will be examined in the next section of this chapter.

Social policies are public policies, and should be seen as the result of political choices to allocate scarce common resources for specific goals. Public policies are often studied as the result of the interplay between various interests and negotiations, and such analyses can help understand what is immediately at stake politically for those involved in the political game. A slightly different approach would focus the analysis on the constituent parts of a given public policy domain, that is, the stated political objective and the policy instruments, as also described above.¹⁰ Accordingly, public policy instruments are not seen as neutral or purely functional devices, but as social institutions. Institutions can be formal political frameworks, but they also contain informal dimensions.¹¹ From this perspective, public policy instruments are "both technical and social", they carry "representations and meanings", and organize "specific social relations" between the authorities and those governed.¹² Public policy instruments "are bearers of values, fueled by one interpretation of the social and by precise notions of the mode of regulation envisaged".¹³

The benefit of such an approach to the study of the CAP is that it moves the focus from actors and their interests to structural features also contained in the objectives and instruments of the policy. The notion of policy framing has been increasingly used in the study of EU policies. Policy framing can be seen as "the process of se-

8 E.g. Andrew Moravcsik, *The Choice for Europe: Social Purpose and State Power from Messina to Maastricht* (London 1998): 159-237; John Gillingham, *European Integration, 1950-2003: Superstate or New Market Economy* (Cambridge 2003).

9 Majone, *Regulatory*: 2. The terminology of national interests in Moravcsik, *Choice*.

10 Pierre Lascoumbes and Patrick Le Galès, "Introduction: Understanding Public Policy through its Instruments. From the Nature of Instruments to the Sociology of Public Policy Instrumentation", in: *Governance: An International Journal of Policy, Administration, and Institutions* 20 (2007): 1-21.

11 Douglass C. North, *Institutions, Institutional Change and Economic Performance* (Cambridge 1990): 95; Paul Pierson, *Politics in Time: History, Institutions and Social Analysis* (Princeton 2004): 38-40.

12 Lascoumbes and Le Galès, *Introduction*: 4.

13 Ibidem.

lecting, emphasizing and organizing aspects of complex issues according to an overriding evaluative or analytical criterion".¹⁴ Policy frames can be seen as institutionally embedded, and often range from agenda setting through discourses to ideas.¹⁵ I focus here on ideas as framing policies. In a broad sense, ideas can be understood as commonly held beliefs that underpin policy domains and find broad legitimacy. Ideas can thus be seen as interpretative frameworks accepted by political actors in a given context. Ideas are "mental constructions that encapsulate common beliefs and valued norms, for example concerning the economy and polity and the role of the individual".¹⁶ Ideas thus define the context in which an issue will be understood as legitimate among the involved politicians, administrators, interest group representatives and other policy experts. Their actions towards a particular issue are based on a certain shared understanding of the world they address, and on what they expect will be perceived as legitimate.¹⁷ Ideas in politics are not separate from political struggles over material rewards, but provide the premises for political choices. They have to be "regarded as natural" and "they must fit with wider societal norms and values".¹⁸

To make sense of the complex social reality of the political world, actors filter the information that they get according to already existing knowledge. When political actors share ideas, they are likely to "agree on ways of diagnosing problems and organizing action".¹⁹ Sharing ideas can make certain paths of action seem legitimate, even if it is merely at a very general level.²⁰ The result is that "particular arrangements may well be adopted because they are perceived to be appropriate, not because they serve a means-end instrumentality".²¹ In politics, actors "customarily work within a framework of ideas and standards that specifies not only the goals of policy and the kind of instruments used to attain them, but also the very nature of the problems they are meant to be addressing".²²

14 Falk Daviter, "Policy Framing in the European Union", in: *Journal of European Public Policy* 14 (2007): 654-666, here 654.

15 E.g. Kennet Lynggaard, "The Institutional Construction of a Policy Field: A Discursive Institutional Perspective on Change within the Common Agricultural Policy", in: *Journal of European Public Policy* 14 (2007): 293-312.

16 Grace Skogstad, "Ideas, Paradigms and Institutions: Agricultural Exceptionalism in the European Union and the United States", in: *Governance: An International Journal of Policy and Administration* 11 (1998): 463-490, here 464.

17 Peter A. Hall, "Policy Paradigms, Social Learning, and the State: The Case of Economic Policymaking in Britain", in: *Comparative Politics* 25 (1993): 275-296, here 289-292.

18 Skogstad, *Ideas*: 465-66.

19 Craig Parsons, *A Certain Idea of Europe* (Ithaca 2003): 7-8.

20 Hall, *Policy Paradigms*: 292.

21 Pierson, *Politics*: 112.

22 Hall, *Policy Paradigms*: 279.

II. The idea of agricultural exceptionalism

Several scholars have pointed out that a policy paradigm of state assistance to the agricultural sector has developed in a more-or-less cumulative and path-dependent way since the late nineteenth century.²³ Modern agricultural policies developed as Western European states began, from around the 1870s, to more or less systematically erecting trade barriers to defend their national agricultural sectors from external competition coming mainly from the United States. After the First World War, internal national measures of market organization and price support were created as the crisis in agricultural markets broke out already in the early 1920s. During less than two decades, such policy instruments were expanded in many Western European states to an extent that public regulation and assistance to agriculture was highly comprehensive and intensive. Meanwhile, agricultural policies were gradually given a clearer social aim both towards protecting farmers' incomes, but also with the view of stabilizing food prices for national consumers. Such policies were certainly created in close dialogue between national regulators and sectoral representatives. They were also often part of the debates about welfare state frameworks that in the interwar period characterized debates with social democratic political parties, major confessional parties, as well as in fascist regimes.

The complexity of agricultural policies that developed in the interwar period is sometimes referred to as the agricultural welfare state. Importantly, this should not be understood as agriculture being an island of the welfare state, but rather that agriculture was a foundational and integral part of emerging welfare states. The national market organizations and price guarantees that were established in most of Western Europe in the interwar period focused primarily on state (or semi-state) management of agricultural markets and the stabilization of agricultural price levels that resulted in an increase in state assistance and direct support for farm incomes. The policy instruments were largely based on the assumption that agriculture was a weak sector that could not support itself unless its markets were protected against external pressures. Market support was also based on the assumption that the agricultural sector generally was beginning to lag behind the income levels of other sectors, yet various parties wished to cater for the stability and support of rural populations. In short, the

23 Adam D. Sheingate, *The Rise of the Agricultural Welfare State: Institutions and Interest Group Power in the United States, France and Japan* (Princeton, N.J. 2001); Elmar Rieger, "The Common Agricultural Policy: Politics Against Markets", in: Helen Wallace and William Wallace (eds.), *Policy-Making in the European Union* (Oxford 2000); Ken A. Ingersent and A. J. Rayner, *Agricultural Policy in Western Europe and the United States* (Cheltenham 1999); Michael Tracy, *Government and Agriculture in Western Europe, 1880-1988* (New York 1989); Dale E. Hathaway, *Government and Agriculture. Public Policy in a Democratic Society* (New York 1963).

idea of agricultural exceptionalism in the interwar period was emerging as a fairly organic part of welfare states and fitted wider prevailing norms and values.

In the decades following the end of the Second World War, welfare states entered a golden era and income transfer policies became more prominent. Like other social policies, agricultural policies in many places became equipped with measures of direct income support. National policy responses were made in the form of extensive agricultural programs that entailed income support for farmers. Farm income parity legislation was part and parcel of ever more tightly knitted social welfare legislation based on direct and indirect transfers from the state to particular groups of citizens. Such legislation was passed in the context of other important welfare debates. In the Federal Republic of Germany (FRG, Germany), for example, an important agricultural act was passed in 1955 – which the Deutsche Bauernverband (DBV) called the “Landwirtschaftliche Grundgesetz”²⁴ – and subsequent general pension laws in 1957.²⁵

The general diagnosis behind farm income parity legislation was that farmers experienced a growing income gap in relation to other professional sectors at a time when Western European societies were becoming richer.²⁶ Although there was a different emphasis in the scope of redistribution of agricultural policies in different countries, the national policy paradigms prior to the CAP widely aimed at social support combined with market support. The idea of agricultural exceptionalism obviously found legitimacy at several levels including: agricultural interest groups; the influential groups of politicians that, in the decades after the Second World War, populated agricultural committees of national parliaments; the large bureaucracies that were involved in the implementation of agricultural legislation from the level of ministries to local authorities. Often influential persons had overlapping political networks and functions.²⁷

But the legitimacy of such policy innovation was broader than merely these relatively predictable agricultural circles. The developments happened at a time when there was a broader acceptance than ever in the populations of Western Europe that it was the role of the state to reduce the negative impact of the dictates of the market on the level of income of individual citizens.²⁸ The agricultural welfare state fitted

24 Karl-Heinrich Hannsmeyer, *Finanzielle Staatshilfen für die Landwirtschaft: Zur Theorie einer sektoralen Finanzpolitik* (Tübingen 1963): 71.

25 Kees van Kersbergen, *Social Capitalism: A Study of Christian Democracy and the Welfare State* (Routledge 1995): 114.

26 Organisation for Economic Co-operation and Development, *Low Incomes in Agriculture: Problems and Policies* (Paris 1964); Organisation for Economic Co-operation and Development, *Agriculture and Economic Growth* (Paris 1965).

27 Exemplified in Ann-Christina L. Knudsen, “Politische Unternehmer in transnationalen Politiknetzwerken. Die Ursprünge der Gemeinsamen Agrarpolitik”, in: Michael Gehler, Wolfram Kaiser and Brigitte Leucht (eds.), *Netzwerke im europäischen Mehrebenensystem: Von 1945 bis zur Gegenwart* (Vienna 2009): 105-121.

28 The development of income securing policies, e.g.: Alexander Hicks, *Social Democracy and Welfare Capitalism. A Century of Income Security Politics* (Ithaca 1999); Peter Baldwin, *The*

with the programs of major political parties in Western Europe. In a Christian democratic perception of welfare states, social legislation would aim at preserving traditional values such as a strong family or community, and policies were justified both on moral and social grounds.²⁹ In social democratic welfare states there was a central concern for weak social groups facing competitive market pressures. These welfare models were not mutually exclusive and in many instances became translated into broad support for welfare state legislation centering on income-security programs.

In Germany, for example, the social market economy model was promoted by economic thinkers and practitioners such as Ludwig Erhard and Alfred Müller-Armack. They linked liberal ideas of individual economic freedom to ideals of social security and justice provided to all citizens by the state.³⁰ Erhard did not in principle support particular privileges towards one sector, though in practice he was forced to do so, for agriculture, by his own Christian Democratic Party (CDU).³¹ The governing CDU was often credited for progress and welfare after the war, but the Social Democratic Party (SPD) was able to support most of these initiatives – a situation that for long made it difficult for the SPD in opposition to make demands for welfare state extension. The 1955 Agricultural Act was passed due to pressure imposed by the German Farmers' Union (Deutscher Bauernverband). It was supported by the Federation of German Industries (Bundesverband der Deutschen Industrie) with reference to agriculture being a considerable customer to industry.³²

In France, the post-war welfare state was also based on a mixture of socialist, conservative, and catholic priorities. The politics of it, however, was very different to the FRG. The Fourth Republic governments tried to modernize the French economy by centering on the Planning Commission that was created under the leadership of Jean Monnet. It aimed to ensure economic and social welfare for all as the basis for political and social stability in the country. The advent of the Fifth Republic did not make substantial changes to this, and rather welfare reform continued and was implemented along the same lines. In the Netherlands, the post-war welfare state was developed with inputs from Social democrats and the confessional parties cooperating widely across political party boundaries.³³ In Italy, it was above all the social

Politics of Social Solidarity: Class Bases in the European Welfare State, 1875-1975 (Cambridge 1990); Gösta Esping-Andersen, *The Three Worlds of Welfare Capitalism* (Cambridge 1990).

29 Van Kersbergen, *Social*: 26.

30 Horst Friedrich Wünsche, "Wirtschaftliche Interessen und Prioritäten. Die Europavorstellungen von Ludwig Erhard", in: Rudolf Hrbek and Volker Schwarz (eds.), *40 Jahre Römische Verträge: Der deutsche Beitrag. Dokumentation der Konferenz anlässlich des 90. Geburtstages von Dr. h.c. Hans von der Groeben* (Baden-Baden 1998); Gerard Braunthal, *The Federation of German Industry in Politics* (Ithaca 1965).

31 E.g. Knudsen, *Farmers*: 179.

32 Hannsmeyer, *Finanzielle*: 75.

33 Van Kersbergen, *Social*.

and moral arguments embedded in the new post-war constitution as well as in the program of the Christian democrats that in combination with the corporate structures under the state that led to the framing of social policies.³⁴ Although there were significant differences in the local implementation of welfare states in the Community's original six member states, agricultural exceptionalism penetrated them all in various ways, and the post-war era had seen an increase in income support measures for the agricultural sector.

The creation of the agricultural welfare state prior to the CAP, in short, has typically been seen as a complex interplay between well-organized farm groups, well-placed political actors, and the large agricultural administrations that spanned central government, regional, and local administrations.³⁵ But this focus on sectoral interests and representatives only reveals part of the picture. The idea of agricultural exceptionalism underlying central national policy instruments was also "deeply rooted in some rather strong assumptions about 'the farm problem' and a specific social construction of the economic vulnerability of small farmers to unfettered market forces".³⁶ This also informed the framing of the CAP.

III. Framing the CAP as a welfarist policy

Agriculture was a separate chapter in the EEC Treaty. The chapter was relatively short, a catalogue of the most widely used objectives and instruments from national agricultural policies. Read as a whole, it was also contradictory.³⁷ In the subsequent political process some of the Treaty provisions were given priority over others. Importantly, the Treaty distinguished between policy instruments and policy objective, as it stated specifically that the common market for agricultural products should be "accompanied by a common agricultural policy".³⁸ The Treaty listed a number of objectives for the common agricultural policy such as the balancing of markets and

34 Paul Ginsborg, *A History of Contemporary Italy: Society and Politics, 1943-1988* (London 1990); Giuliana Lasci, *L'agricoltura italiana e l'integrazione europea* (Bern 1999).

35 E.g. Sheingate, *Rise*; John T. S. Keeler, *The Politics of Neocorporatism in France: Farmers, the State and Agricultural Policy-Making in the Fifth Republic* (New York 1987); Martin Peterson, *International Interest Organizations and the Transmutation of Post-war Society* (Stockholm 1979).

36 Clive Potter and Mark Tilzey, "Agricultural Policy Discourse in European post-Fordist transition: Neo-liberalism, Neomercantalism, and Multifunctionality", in: *Progress in Human Geography* 29 (2005): 581-600, here 587; Grace Skogstad, "Review of 'The Rise of the Agricultural Welfare State: Institutions and Interest Group Power in the United States, France and Japan' by Adam D. Sheingate", in: *American Political Science Review* 96 (2002): 248-49.

37 A discussion in Richard T. Griffiths, "Agricultural Pressure Groups and the Origins of the Common Agricultural Policy", in: *European Review* 3 (1995): 233-242.

38 "Treaty Establishing the European Economic Community", in: *Treaties Establishing the European Communities: Treaties Amending these Treaties* (Luxembourg 1987), Article 38.4 EEC (emphasis added).

reasonable consumer prices for agricultural products. But in the ensuing political process, the objective that gained centre stage was that of “ensuring a fair standard of living for the agricultural community, in particular by increasing the individual earnings of persons engaged in agriculture”.³⁹ This formulation echoed many of the national debates about the agricultural income gap that took place both before the CAP was set in motion, and parallel to it. Options for policy instruments given in the Treaty included minimalistic measures such as minimum prices, and the more communitarian options of common market organizations and common prices that were eventually chosen as the key instruments of the CAP. These agricultural provisions were, in short, somewhat different to the more liberal approach to economic integration that also transcended the Treaty.⁴⁰

The provisions for agriculture in the EEC Treaty were different in several ways to what had been negotiated among sixteen European governments during the first half of the 1950s.⁴¹ The focus in these negotiations was on trade barriers and minimum import prices. These were strategically important agricultural and trade policy instruments. In the intergovernmental negotiations of the Green Pool, however, these appeared as remote and largely disconnected from the domestic political purposes of these policy instruments. Hardly any of the governments involved had shown particular interest in the trade liberalization of agriculture.⁴² Instead, several participants had in fact been taking measures to strengthen national market organizations and installing other policy measures designed to improve farm incomes domestically in parallel to the on-going Green Pool negotiations. Hence, this first attempt at creating a European common market in agriculture did not succeed for a number of reasons, not least because of the failure to position policy instruments – that would be seen as legitimate in the context of the agricultural welfare state – at the heart of these negotiations.

The CAP was originally created in the early 1960s as a consequence of a series of political decisions leading to the establishment of the Treaty of Rome in 1958. Priorities were made in this process, some of them, it seems, more by default than by conscious planning. Meanwhile, alternative options were disregarded, at least for the time being. The Commission’s initial major proposal for the CAP came in June 1960, and was a rather broad survey of paths that the CAP could take according to the Treaty and inputs that the Commission had received since it publicized the draft

39 Treaty, Article 39.1b EEC.

40 E.g. Hanns Jürgen Küsters, *Die Gründung der Europäischen Wirtschaftsgemeinschaft* (Baden-Baden 1982); Moravcsik, *Choice*: 86-159.

41 Guido Thimeyer, *Vom ‚Pool Vert‘ zur Europäischen Wirtschaftsgemeinschaft: Europäische Integration, Kalter Krieg, und die Anfänge der gemeinsamen europäischen Agrarpolitik 1950-1957* (Munich 1999); Alan S. Milward, *The European Rescue of the Nation-State* (London 2000): 224-317.

42 The Danish government being the main exception. See Anders T. Sørensen, *Et spørgsmål om suverænitæt? Danmark, landbruget og Europa, 1950-1953* (Haderslev 1998).

proposal in November 1959.⁴³ The first major critical juncture therefore came when a Council Resolution, passed in December 1960, favoured the direction of common market organization for the CAP.⁴⁴ From this point onwards, all major discussions for the creation of the CAP in the grain sector – seen as the central agricultural commodity – focused on common market instruments, and not for example on the Treaty’s option of minimum prices, or the June 1960 proposal’s options in the realm of structural policy.

This priority was taken further on 14 January 1962⁴⁵ when the Council of Ministers decided to create common market organizations for a number of key agricultural commodities centering on a common mechanism for fixing producer prices. Moreover, the financial mechanism for the CAP, the EAGGF was created that – at least in principle – allocated two thirds of expenditure for market operations under the Guarantee Fund, and one third to Guidance. This decisive “marathon meeting” of the Council had lasted about three weeks, and by the end of the long and exhaustive negotiations, compromises had certainly been made. One compromise was what appears to have been a silent agreement to not fix the actual common grain price at this time, but merely to acknowledge it in principle.

The discussion of the common grain price was, in fact, the first time where negotiators had to commit in detail to figures that would – so it was widely assumed – have a real impact on farm incomes. At the time, this was widely seen as the finalité of the CAP,⁴⁶ and it took nearly three years before the Council became ready to fix this common price in December 1964. When it was finally completed, it was followed by an agreement to grant transitory compensations for farmers where producer grain prices would have to be lowered as a result of installing the common price level.⁴⁷ Compensations were granted with reference to the particular vulnerability of the family farm, that will also be discussed below, and this underlined the welfare promises of the CAP.

There were several remarkable features of the political process that led to these decisions regarding key policy instruments of the CAP. Firstly, once choices had been made, alternatives were not really considered as an option. At different points in time, the Italian and Dutch governments, and also an increasingly high-profiled

43 European Commission, Proposition concernant l’élaboration et la mise en oeuvre de la politique agricole commune en vertu de l’article 43 du Traité instituant la Communauté Economique Européenne, 30 June 1960, COM(60)105; also Knudsen, *Farmers*: 122-169.

44 Algemeen Rijksarchief (ARA), Ministerie van Landbouw en Visserij (MLV), The Hague/Rijswijk, 440, “Résolution du Conseil sur les principes à prendre pour base d’une système des prélèvements pour un certain nombre de produits à déterminer”, attached to MLV report, 15 February 1961.

45 Knudsen, *Farmers*: 195-206.

46 E.g. Historical Archives of the European Communities (HAEC), Archives of the European Commission (BAC), Florence, 7/1972, 54, Minutes, Committee of Agricultural Organizations (COPA) and the European Commission, 6 April 1962.

47 Knudsen, *Farmers*: 251-265.

actor such as the Centre National des Jeunes Agriculteurs (CNJA) in France,⁴⁸ pointed out that structural improvements should occupy the centre of the CAP. Yet there is little evidence that concerted efforts were in fact put into convincing others in the Community that these were indeed viable and necessary alternatives. The introduction of structural policies could certainly have been one way to support farm incomes, but it would have taken longer for results to materialize than through price subsidies, just as it would have been more costly. A further example is that when the German Economics Ministry around 1960 attempted to push the national Agricultural Ministry away from conducting the negotiations over the CAP, the Economics Ministry was not able to suggest a strongly alternative view of the CAP, it wanted above all to introduce a speedier negotiation of it.⁴⁹ The German Agricultural Ministry, in turn, was a hard conditional negotiator of the CAP, but it did not systematically put forward alternative options for it. There were several reasons for this, but an important one seems to have been that the basis for its legitimacy – particularly under the CDU minister Werner Schwarz (1959 to 1965) – came from advocating a maximalist interpretation of the idea of agricultural exceptionalism. Another option for the CAP could have been the system of deficiency payments, mainly used in Britain, representing a model where farmers would receive direct income support rather than through the market. This was never brought up for serious consideration in the 1960s.⁵⁰ Interestingly, this option was taken up later with the 1992 reform of the CAP that introduced a shift from indirect market and price support to direct income support.

Secondly, arguments of support for farm incomes were repeatedly mobilized in policy debates and proposals, though documentation of the actual extent of the farm income gap in this connection was virtually non-existent at the time.⁵¹ Yet the perceived connection between the goal and instruments for support of farm incomes, and the income gap, was exemplified most vividly in the position represented by the German Agricultural Ministry and the DBV. These actors advocated forcefully and continuously that the farm income parity legislation from 1955 was used to insist that the CAP should give similar support for farm incomes as this national law had done. This conditionality was above all about assuring more CAP welfarism, and a

48 Hanns-Peter Muth, *French Agriculture and the Political Integration of Western Europe: Toward 'ever closer Union among the European Peoples'* (Leiden 1970): 44-51; Edmund Neville-Rolfe, *The Politics of Agriculture in the European Community* (London 1984): 112.

49 For details, Knudsen, *Farmers*: 150.

50 European Commission, Direction des Marchés Agricoles, Division: Bilans et Etudes, "Quelques considerations au sujet du système de 'deficiency payments' en agriculture et le cout de son application dans la Communauté Economique Européenne", December 1960 (Document obtained in the library of the European Commission's Directorate-General for Agriculture).

51 Cf. COM(60)105, "Propositions concernant l'élaboration et la mise en oeuvre de la politique agricole commune en vertu de l'article 43 du Traité instituant la Communauté Economique Européenne," 30 June 1960.

reiteration of the idea of agricultural exceptionalism with the argument that it had to strengthen German farm incomes. Ironically, this line of argumentation also indicated that although the national agricultural welfare state had provided extensive entitlements to farmers, the national legislation had been insufficient to even out the farm income gap.

IV. The CAP in defence of European values

The idea of agricultural exceptionalism entailed a perception of farmers as particularly vulnerable, and in a more agrarian interpretation this could inform a policy paradigm emphasizing the “often close relationship between the valued characteristics of the environment and certain attributes of agricultural systems”.⁵² One of the attributes that had already been singled out in national legislation was the family farm. The use of the “family” before “farm” made it different to a regular line of business or profession. The “family farm” had moral and social implications that merely talking about the “farm” did not. The “family farm” existed in different ways: as real existing holdings dotted all over the European countryside, it existed as a defined legal entity, and as a myth in narratives of the nation.⁵³

The terminology of the “family farm” also came to play a role in the making of the CAP. Already the Spaak Report of 1956 had connected the perceived special position of agriculture to family farming, namely stating that: “Sans doute, doit-on reconnaître les problèmes spéciaux qui résultent de la structure sociale de l’agriculture à exploitation essentiellement familiale.”⁵⁴ The EEC Treaty did mention the “particular nature of agricultural activity”, but not directly the family farm.⁵⁵ It was however brought back in at the time of the Stresa Conference when the Community’s agricultural ministers met, for the first time, with the European Commission and agricultural interest groups in July 1958. Their final resolution considered that:

Etant donné l’importance des structures familiales dans l’agriculture européenne et la volonté unanime de sauvegarder ce caractère familial, il conviendrait que tous les moyens soient mis

52 I. Hodge, “Agri-environmental relationships”, in: *The World Economy* 23 (2000): 260, quoted in Potter and Tilzey, *Agricultural*: 590.

53 Lorraine Bluche and Kiran Klaus Patel, “Der Europäer als Bauer. Das Motiv des bäuerlichen Familienbetriebs in Westeuropa nach 1945”, in: Lorraine Bluche, Veronika Lipphardt and Kiran Klaus Patel (eds.), *Der Europäer – ein Konstrukt: Wissensbestände, Diskurse, Praktiken* (Göttingen 2009): 135-157; also Uffe Østergaard, “Danish Identity: European, Nordic, or Peasant? Some Reflections on the Political Culture of the Danish Nation State before and after Joining the European Community”, in: Lise Lyck (ed.), *Denmark and EC Membership Evaluated* (London 1992): 167-77.

54 Ministère des Affaires Etrangères, Brussels, 120 f/56, Comité Intergouvernemental créé par la Conférence de Messine, “Rapport des Chefs de Délégation aus Ministères des Affaires Etrangères” (revised version), 21 April 1956: 44 (my translation).

55 *Treaty*, Article 39.2a EEC.

en oeuvre afin d'acroître la capacité économique et concurrentielle des entreprises familiales.⁵⁶

Documents from the Stresa conference, however, give the impression that there was not much discussion directly over the values of the family farm, and the terminology was mainly used in a relatively unreflected way. Yet these documents also suggest that the “family farm” was considered as a legitimate phrase, and it subsequently became applied as the standard reference to farm holdings in EC/EU policy documents until at least the late 1990s. Yet the terminology was more than a shorthand for “the farm” as it provided an important values foundation to the CAP.

There were both semantic and practical differences of the family farm as an entity across the Community. This became a topic that drew a wedge between two of the CAP's most prominent supporters, namely the French and Dutch governments, while it united some of those who are often seen as having conflicting interests, namely the French and German governments. I have identified two different perceptions of the family farm that clashed at different times during the 1960s. One was articulated by the Dutch commissioner for agriculture, Sicco Mansholt. The family farm was here perceived as a socio-economic unit that could support a family when run professionally and using modern production techniques.⁵⁷ It was a view that certainly entailed state assistance in helping to manage markets and infrastructure. Framing the CAP around this socio-economic perception of the family farm would lead to an emphasis on modernization of agriculture in the Community. This perception was also enshrined in Dutch documents about the CAP.⁵⁸ It stood in contrast to the wider view among the member states of the family farm as the key socio-cultural institution of Europe's countryside that needed to be preserved. It was a perception of the rural that in some ways echoed the politics of memory in modern societies as for instance identified in the seminal work by the historian Eugen Weber, “Farmers into Frenchmen”.⁵⁹ Framing the CAP around the socio-cultural perception of the family farm would lead to a policy paradigm that was more defensive of certain existing values and social structures in farming and the countryside, accepting the basic claims of the sector's vulnerability. It was this perception that came to inform the framing of the CAP in the 1960s, but was expanded in the early 1970s with Mansholt's perception of modernization.

56 “Resolution finale”, in: EEC Commission, *Recueil des documents de la Conférence agricole des États membres de la Communauté économique européenne à Stresa du 3 au 12 juillet 1958* (Luxembourg 1959) (my translation).

57 E.g. Sicco L. Mansholt, *Die Krise: Europa und die Grenzen des Wachstums: Aufzeichnungen von Gesprächen mit Janine Delaunay und Freimut Duve* (Reinbek bei Hamburg 1974): 19.

58 Ministerie van Buitenlandse Zaken (MBZ), The Hague, Code 996 EEG/1955-1964, 1251, “Nota voor de Coördinatie Commissie. Betreft: criteria voor de prijstoeladering van landbouwproducten in de EEG”, 5 February 1963.

59 Eugen Weber, *Peasants into Frenchmen: The Modernization of Rural France, 1870-1914* (Stanford 1976).

The two perceptions of the family farm and the approach of the CAP to Europe's rural clashed several times during the 1960s. One example was when as the Commission began to draw up the first grand proposal for the CAP in February 1959, and Mansholt met with German farm group leaders from the DBV. He presented them his view of modernization of the future of the Community's farm structure: over the next decade, millions of farmers and agricultural workers would be made redundant because they were not economically competitive enough to withstand the forces of modernization.⁶⁰ This was not the message that German farm leaders wanted to hear from the person authorized to initiate the new supranational farm policy. The meeting set the course for a somewhat hostile relationship between the commissioner and the DBV, although the group and Mansholt did in fact agree in principle to the CAP with supportive provisions for Western Europe's farmers. Challenging the socio-cultural perception of the vulnerable social structures in the countryside, so Mansholt seems to have understood, was not what would get the necessary political legitimacy for the CAP and he gave up the struggle for the time being.

A more subtle clash of perceptions of the social structure of Community agriculture developed over time in connection with the discussions over the principle of "objective criteria" for fixing the target prices of the CAP as a step on the way to establishing the common price level. It could be seen as a very concrete attempt to link the welfarist objective of the CAP to entitlements of support, an issue that was addressed already in the grain regulation that came out of the marathon meeting in January 1962.⁶¹ Among the three groups of criteria in the Commission's subsequent proposal from November 1962, one provoked the main controversy as it focused directly on the level of farm revenues. The Commission proposed fixing prices so that farmers and agricultural workers in "exploitations agricoles rationnellement menées et économiquement viables" should be able to obtain a "revenu adéquat."⁶² Adequate income was defined as the income of a full-time worker occupied in agriculture corresponding to that of a full-time worker occupied in comparable professional groups. Another criterion concerned the balancing of agricultural markets in the Community, also described as a CAP objective in the Treaty, by comparing target prices to "the most efficient producers in the world". The third criteria referred to adjusting support to the general economic development.

The consequences of this proposal would have been stricter criteria for defining inclusiveness and exclusiveness of who was in fact entitled to CAP support, and it would disqualify many of the producers that Mansholt earlier, and later, called redundant. During 1963, the proposal appeared on no less than ten Council meeting agendas, and considerable time was spent by various delegations in the Council as

60 Knudsen, *Defining*: 164.

61 "Regulations and Decisions in the Field of Agriculture Adopted by the Council on 14 January 1962", in: *Official Journal of the European Economic Community* 30, 20 April 1962.

62 COM(62)287final, "Projet de Règlement No. ... du Conseil concernant les critères qui doivent être observés lors de la fixation des prix indicatifs pour les produits agricoles (Proposition de la Commission au Conseil)", 13 November 1962.

well as in the Special Committee on Agriculture explaining why the topic could simply not be discussed according to the terms proposed by the Commission.⁶³ Arguments focused on how (not) to define adequate farm income, and what would constitute efficiency. By mid-November 1963, the Commission's proposal for the actual common grain price had also been put forward, and that added a new dimension to the question of how the farm income gap should be resolved. Objective criteria to define mechanisms of inclusion and exclusion were no longer necessary as the common price guarantees would be applied universally to all farmers in the Community.

The implementation of the Guidance Fund of the EAGGF, meanwhile, went slowly, and it was not until the so-called Mansholt plan at the end of 1968 that debate over the Community's approach to the rural began to take shape. In the bulky Memorandum on the Reform of Agriculture in the European Economic Community, the Commission stated clearly that it aimed at a modernization of agriculture, and it was meant as an input for broad discussion among interested parties in the Community.⁶⁴ Mansholt had already aired his views about modernization of the agricultural sector at least a year earlier when he spoke to the Committee of Professional Agricultural Organizations (COPA) in November 1967.⁶⁵ Parts of that speech were lifted directly into the wording of the Memorandum. Mansholt pointed to the fact that the number of farm households had not fallen as much as the general exodus of rural labor, and this had led to a situation of "concealed unemployment".⁶⁶ He questioned the "social position of the family farm", and asked:

[W]hat is the situation of the wife on a small farm like this? Unthinkable! On a family farm the wife must help with the farm work in addition to her household and family chores – which have not grown any less. And this she must do not only during the week but also on Saturday and Sundays. On the one-man farm, the social situation of the farmer and the farmers' wife is deteriorating ...⁶⁷

The Memorandum concluded that: "A farm which gives the farmer and his family neither enough work nor an equitable income, and which does not give them access to a reasonable social position and living conditions, is no longer what a family farm should be."⁶⁸ Thus by pointing to the social inadequacies of a family farm that was not run efficiently, he used a line of argumentation referring to the failing value of the family, but also to the increasing social inequality that violated the basic welfa-

63 Details in Knudsen, *Farmers*: 267-271.

64 COM(68)1000: 3.

65 "The future shape of agricultural policy", address by Sicco Mansholt at the farmers' conference organized by the Committee of Agricultural Organizations in the EEC (COPA) in Düsseldorf on 24 November 1967, in: *Newsletter on the Common Agricultural Policy* 1 (1968).

66 Ibidem.

67 Ibidem.

68 COM(68)1000: 20.

rist objective that the CAP rested on. The solution would be public assistance to “a complete structural overhaul of the entire agricultural sector”.⁶⁹

A discussion of Mansholt’s provocative Memorandum followed in the Council in the first half of 1969, but it quickly came to a halt because the dominant view in the Community was still that the values of Europe’s rural world could not be reformed, modernized or be made redundant in the way that Mansholt suggested. The debate was subsequently removed from the direct discussions of the CAP, but it did have effects on two Community policy developments in the first half of the 1970s. In 1972, three structural policy directives did embrace Mansholt’s modernization view to the extent that they included common measures for modernization, retirement, advice and training.⁷⁰ But in 1975, a Council directive went in the opposite direction by addressing the negative social, cultural, and economic impact of decades of rural exodus that had resulted in critical de-population of marginal rural areas. The justification for this also pointed out that when small communities were unsustainable and dying, their traditions and dialects in the Community were endangered.⁷¹ Hence, with the 1975 program came a renewed emphasis not only on the preservation of the socio-cultural dimension of the family farm, and further also on preserving traditional kinship networks, dimensions that were now to be seen as fundamental to maintaining the structure of rural communities. The debate over welfare and values in the Community now began to take place also outside the CAP, in the context of structural policies. Moreover, it continued to form a counternarrative to the liberal version of the purpose of European integration.

Conclusions

While the CAP has certainly undergone much change in its life, particularly since the 1992 MacSharry reform, welfarism and the defence of particular values coming from agriculture and Europe’s rural world, as the introductory quote illustrated, have continued to underlie the CAP.⁷² The way in which the CAP was framed in the 1960s had long-term consequences for the EU. There were certainly many clashes of national positions during the making of the CAP, as actor-centered approaches to this history have shown. However, I have deliberately downplayed them here to illustrate how the study of ideas, values, and their legitimacy offer an additional approach to the way of understanding how the CAP was framed in a particular way. Notions of ideas, welfare and values in the CAP in many cases provided the glue and kept negotiators continuously interested in the political project at hand. More-

69 Mansholt, *The future shape*; and COM(68)1000: 19.

70 “A New Common Agricultural Policy? Social and Structural Reform in Agriculture”, in: *Newsletter on the Common Agricultural Policy* 3 (1972)

71 Hugh Clout, *A Rural Policy for the EEC?* (London 1984): 35-36.

72 Vividly shown for instance in N. Piers Ludlow, *The European Community and the Crisis of the 1960s: Negotiating the Gaullist Challenge* (London 2006).

over this approach provides new insights to the links between European integration history and the wider twentieth century European history and the beginning of the twenty-first century.

The CAP did not replace the national agricultural welfare state, but it was given some of the key features of the national policy paradigms. The CAP can thus be seen as an important supplement to the national agricultural welfare states, perhaps a European rescue of the agricultural welfare state, to paraphrase the historian Alan Milward. At the heart of the CAP was the idea of agricultural exceptionalism which largely informed the choices for policy instruments. On the one hand, this linked to the entitlements of farmers in the agricultural welfare state and the moral economies of Western European welfare states. With a view to meeting the CAP's key objective, the policy instruments chosen appeared too many to be appropriate in spite of the fact that they have often later been seen as ill-chosen. On the other hand, the farmers and their families occupied a central position in the politics of memory of Europe's nations. This informed a policy of defensiveness towards farmers which was somewhat contested, but a tension that was subsequently channeled into a more complementary Community approach to its vast rural areas. Around the turn of the millennium – and with the prospects of the largest enlargement ever including many small farmers – the use of the vocabulary of the family farm gradually became substituted for the “multifunctional farmer”. With this, there was a renewed commodification of the many “services” that farmers have to offer to the citizens of Europe, ranging from stewardship of the landscape to high-quality foodstuffs. This combines in a new way the idea of agricultural exceptionalism with broader view of markets and liberalism in the Community.