

*Moving Beyond De-compartmentalisation? Inter-institutional policy making
in Agriculture: an examination of the 2013 CAP reform.*

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Abstract

A central claim about agricultural policy making is that it has been insulated from external pressures ('compartmentalised') and from the influences of other policy concerns. This 'compartmentalisation' was embodied in a policy system that had its own actors and distinctive institutional structures, and also was reflected in CAP reform processes. In recent years, attention has turned to the possibility of a 'de-compartmentalisation' of the agricultural policy process, driven by the difficulty in continuing to insulate a production and farming based sector from pressures relating to food safety, the environment and climate change. However a key question is whether, and if so how and to what extent, the notion of 'de-compartmentalisation' offers any conceptual clarity in an agricultural process increasingly characterised by inter-institutional policy making.

This paper considers whether the 'concepts' of 'compartmentalisation' and 'de-compartmentalisation' are of any theoretical value in explaining the nature and operation of the agricultural policy process (as opposed to an empirical description of a trend toward a more open policy process with a broader range of actors). Using the 2013 reform of the Common Agricultural Policy, this paper examines the relationships and relative influence of the key policy actors, including the Commission, Council, national governments, interest organisations and the European Parliament (EP, formally involved in the reform process for the first time following the extension of co-decision)(for the first time under the co-decision mechanism with the as a formal co-actor. The analysis focuses on the ways in which *inter-institutional policy making* affected the reform outcomes in relation to 'greening', market support, liberalisation, and de-coupling, using this to draw some broad conclusions about the conceptual ideas that are needed to help us to understand an increasingly complex policy world.

Introduction

A central claim about agricultural policy making is that it has been insulated from external pressures and the influences of other policy concerns ('compartmentalised') and characterised by an 'exceptional' policy system with distinctive actors and institutional structures. Over the last twenty or thirty years, attention increasingly has turned to the possibilities for a 'de-compartmentalisation' of the agricultural policy process, driven by the increasing inter-linkages between food production and pressures relating to food safety, the environment and climate change. This is said to go hand-in-hand with a more complex policy process characterised as 'inter-institutional policy making' that has effects both in terms of process and outcomes.

Using the 2013 reforms of the Common Agricultural Policy (CAP) as a case study, this paper sets out some thinking about the relationship between compartmentalisation, de-compartmentalisation and inter-institutional policy making. The 2013 CAP reform episode was conducted in the presence of two 'new' features, largely absent in previous reform episodes: (i) concurrent wider negotiations about the overall EU budget for 2014-2020, and (ii) the use for the first time of the 'co-decision' mechanism in which the European Parliament (EP) is a formal co-actor. In this context the paper broadly considers the impact of inter-institutional policy making in terms of both process and outcomes.

Explaining inter-institutional policy making

Through even the most basic empirical study of recent CAP reform episodes, it is clear that they have been characterised by complex interactions between different institutions operating at several 'levels'. A somewhat confusing mix of terms is used to capture this reality, including 'inter-institutional relations', 'inter-institutional agreement' and 'inter institutional power dynamics'. These are used mainly as descriptive terms, rather than as making a normative claim, or as a concept to explain process and outcomes. In broad terms, the relations between institutions - in the EU and within member states - are structured vertically and horizontally. Horizontal relations draw attention to the classic categorisation of government into its three main branches (legislature, executive, judiciary) that roughly corresponds to a delineation of responsibilities in the policy process; in 'vertical' terms the focus is on multi-level governance, for example involving the EU, the member states, and regional governments. From an EU perspective, the key point is that this framework does not map easily on to the institutions. So in relation to legislation and policy formulation, horizontal responsibility is shared between the Council of Ministers, the EP, and the Commission, and this complexity also may range across other policy stages such as agenda-setting and implementation.

The idea of inter-institutional policy making essentially is built upon shared responsibility in legislation/policy making. It has some of its roots in the practical requirement – notably in relation to the EU budget – for the institutions to co-operate and secure some measure of policy co-ordination and coherence. This can be done formally (now under Article 295 of the Lisbon Treaty) by drawing up ‘inter-institutional agreements’ (IIAs), which Cini defines as ‘any informal or semi-formal bilateral or multilateral agreement involving two or more EU institutions and ‘concrete expressions of inter-institutional cooperation’ (2013, p. 1143). Christiansen (2001) helpfully distinguishes between ‘intra-institutional politics’ (the internal politics of institutions) and ‘inter-institutional relations’ Importantly he identifies a tension between the search for coherence in policy that is made across institutions and demands ‘for greater clarity about the allocation of competence and the separation of powers in the EU’ (2001, p. 748). Generally, inter-institutional policy making can be viewed as the pattern of interactions between the institutions, whether formally expressed in an IIA, required by Treaty and law, or reflecting more informal arrangements.

While these terms may be helpful in describing empirical ‘reality’, they do not *explain* the nature of the relationships between the institutions – in legislation, policy formulation and implementation for example – and certainly not the relative distribution of power and influence between them, or how this has changed across time. What is required is for the empirical observation of inter-institutional policy making to be explained by robust concepts. There are plenty of candidates here, including rational choice theory, multilevel games (two and three-level), policy networks, various forms of ‘new institutionalism’ (including its ‘historical’ variant), and interpretive and constructivist approaches that focus on the framing of issues, deliberation and the logics of persuasion. Pollack notes for example, that rational choice approaches have emerged to explain legislative behaviour and the role of the Commission (2010, p. 32). For Young, analysis of decision-making in the EU ‘is rooted primarily in the “new institutionalisms”’ and the application of rational choice theories such as ‘minimum winning coalitions’, bargaining analysis, and the role of ‘side payments’ in overcoming the ‘joint decision trap’ (2010, p. 55). In terms of inter-institutional ‘power dynamics’, a widely shared view ‘rooted in rationalist modelling’ is that the ‘institutional power and impact of the EP on legislative outcomes has grown substantially over time’, reflecting the move from consultation to co-decision (Young 2010, p. 60; Pollack, 2010, p. 32; see also the summary in Cini 2013, pp. 1145-6).

On the other hand, because of the large number of veto-players, the policy and decision making process in the EU needs to be highly consensual, requiring the construction of coalitions both vertically and horizontally. However this is both

'difficult and demanding' (Young 2010, p. 61), and policy networks play a key role in overcoming this hurdle, persuading 'key actors in different institutions'. Following this, I see inter-institutional policy making in agriculture not in terms of rational choice or constructivist approaches, but as inextricably linked to (multi-level) governance and policy networks that continue to reflect compartmentalisation and exceptionalism.

Much analysis of agricultural policy and governance has focused on the role of policy networks, both at the national and EU levels (for a summary see Greer 2005, pp. 23-30). In general terms, the governance approach sees the EU as characterised by 'non-hierarchical, mobilizing networks of private as well public actors, who engage in deliberation and problem-solving efforts guided as much by informal as by formal institutions' (Pollack 2010, p. 35). Although criticised for its lack of explanatory power (e.g. by Dowding 1995), the policy networks approach to governance can be seen as embodying a form of inter-institutional policy making. As defined by Peterson, a policy network is an 'arena for the mediation of the interests of governments and interest groups' and implies 'that clusters of actors representing multiple organisations interact with one another' (1995: 391). Moreover Coleman and Perl insist on the relevance of policy network analysis to internationalised policy environments such as agriculture, where 'horizontal coordinating governance arrangements' are important (1999: 691).

(De-)Compartmentalisation and Policy Networks

Inter-institutional policy making in agriculture has taken a specific form that structures the relationships between the key actors. Much of the academic literature on the Common Agricultural Policy (CAP) has tended to emphasise two interlinked themes: 'exceptionalism' and 'compartmentalisation' (see Coleman et al 1997, Grant 1997, Rieger 2000, Roederer-Rynning 2010, Skogstad 1998). The claim that agricultural policy making has been (and remains) 'exceptional' is grounded in a depiction of an institutional configuration - at the EU but also at national level - that is different from that in other policy sectors. The agricultural policy process has its own actors and distinctive structures, leading in turn to the notion that agricultural policy making is 'compartmentalised', institutionally insulated in important respects from other policy issues and wider pressures relating to issues such as world trade, environmental sustainability and food safety (not least because technical complexity that reinforces the high entry barriers for more diffuse interests such as consumers and taxpayers). In this respect agricultural policy making is 'exceptional' precisely because it is 'compartmentalised.'

A crucial factor is that agriculture policies and associated institutions have been protected and defended by established decision-rules and dominant policy communities. The idea of closed policy communities has been especially prevalent, drawing attention to stable interactions and bargaining over time between state agencies ('agriculture' departments) and groups representing farmers, based on consensus around values and largely incremental policy outcomes. Consequently substantial agricultural policy reform can be difficult to achieve (Montpetit 2002, Moyer and Josling 2002). This picture often is directly connected to ideas developed in historical institutional approaches about path-dependence and lock-in. As Pierson notes, rather than rational policy development on a blank slate, 'actors find that their room for manoeuvre is constrained by 'the dead weight of previous institutional choices' (2000: 493).

Bearing this in mind, what would a de-compartmentalisation of agricultural policy making actually look like? Key here is likely to be the configuration of actors within the compartment and stability or otherwise of the ideological and value framework that is dominant. We also need to consider the relationship between structures, values and outcomes. As the notion of compartmentalisation essentially embodies assumptions about closed policy communities, it might be argued that 'de-compartmentalisation' would involve the weakening of these structures, and the emergence of more 'open' network governance involving a wider range of actors. Moreover, if there is some de-compartmentalisation taking place, how can this be explained? Drawing on the core assumptions in the literature on governance and policy networks, it might be argued that several (necessary but perhaps not sufficient?) conditions need to be met for de-compartmentalisation to occur (see Greer 2014): changes to the institutional structure and logics; incorporation of 'new' actors; a weakening of the dominant ideological structure, with the introduction of conflicting values and new policy ideas; and (by implication) a weakening of policy stability, with policy change reflected in outcomes.

It has been argued by some that agricultural policy making has undergone some de-compartmentalisation over the last 25 years, which often is seen to go hand-in-hand with changes to the structure and influence of policy networks. Certainly there has been a broadening of the policy agenda, with the inclusion of issues such as environmental sustainability, climate change and rural development within the institutional structure, which may not be compatible with ideas about agricultural policy. As Evans comments, a policy network may be 'a site of struggle between competing interests and conceptions of purpose' (2001: 545). Established policy communities may be destabilised by factors such as government action, previously excluded groups gaining access to policy communities or using alternative policy

arenas, and the importance of ideas (Richardson 2000). New ideas for example pose a threat to established policy communities because they have 'a virus-like quality and have an ability to disrupt existing policy systems, power relationships and policies' (Richardson 2000: 1017-1018).

Accounts of agriculture and food policy making in the early 1990s, in the context of BSE and other food crises, often referred to the emergence of a network structure with a wider range of pressure participants (see e.g. Grant 2004, Jordan et al. 1994, Smith 1991). In the most baldly stated version of this claim, Woods (2005) spoke of the 'collapse' of the agricultural policy community and its replacement by a more inchoate institutional structure. What seems clear is that exogenous pressures and/or policy crisis - leading to a 'reframing' - is one potential impetus for de-compartmentalisation. After the 2001 FMD outbreak in the UK for example, Michael Winter identified 'a growing plurality of interest and opinion in agrarian politics' (2003, p. 48).

On the other hand, the extent to which there has been a substantial reshaping of the configuration of institutions and actors, and the introduction of new values, can be questioned. The incorporation of issues such as environmental sustainability might be viewed more as a reshaping and an absorption of these into 'agriculture' (specifically farming and food production), or as 're-compartmentalisation', with responsibility for rural development for example frequently appended to agriculture departments. Similarly rural development is 'equated with diversifying agriculture rather than with any sense of a highly diverse rural economy and society in which farming per se is no longer the economic lynchpin' (Winter 2003, p. 51). The 'weakening influence' of historically powerful farmers' organizations can also be over-stated, as illustrated by the role of the UK National Farmers' Union in the FMD crisis (Wilkinson et al 2010) and more recently in the policy responses to bovine Tb (badger culling) and the floods in the winter of 2013-14. Despite their broad doubts about the value of the policy networks approach, Wilkinson et al note that the policy making process in relation to the key choices made on FMD 'exhibited a degree of continuity far more consistent with a policy community, being determined as they were by a restricted number of large and powerful business interests long established within the network' (2010, pp. 337-8).

Policy Reform and De-compartmentalisation

An interesting question in relation to 'de-compartmentalisation' is its linkage to policy reform. Accounts of agricultural policy have tended to emphasise the obstacles in the way of radical reform. Typically reform outcomes are viewed as

grounded in stability, with largely incremental change leaving largely intact the state-assisted paradigm as the foundation of the CAP. Nonetheless it is accepted that change does happen, and that largely incremental change can have substantial cumulative effects over the long term (see Ackrill 2000a, Cunha 2011, Keeler 1996, Swinbank 1999, and Swinnen 2009). Change also is attributed to wider policy ideas and exogenous factors such as enlargement, trade liberalisation and budget reform, which may be important in weakening the compartment from the outside (see Daugbjerg and Swinbank 2009, Lynggaard and Nedergaard 2009).

Logically here it is not clear whether it is reform that produces the de-compartmentalisation, or whether the increasing permeability of the compartment facilitates the policy change. Either way, it has often been suggested that CAP reform episodes since the late 1980s have impacted on the nature of the policy process and its outcomes, weakening productivism and the producer interest. Winter for example argues that following CAP reforms in the 1990s the 'traditionally closed and insular agricultural policy community had been opened up to new influences' (2003, p. 47). Burrell (2009) charts a pattern of continuous reform of the CAP, from a highly centralized protectionist policy focused on farm incomes to one that is more market sensitive and environmentally sustainable, and in which governments have greater scope to adapt the overall framework to their particular national conditions (see also Greer 2005).

However it would be a mistake to see policy change as a historically driven one-way process. Daugbjerg (2009) uses the notion of 'sequencing' to show how changes to the CAP over time are often reactive but not necessarily in the same direction and that each reform event opens possibilities for further reform. In this respect we ought not to see de-compartmentalisation as a one-directional process, but leave room for some sort of 're-compartmentalisation' in which older institutional logics may be strengthened or re-emerge. So while Erjavec et al (2008) noted how the policy discourse of (Agriculture Commissioners) Fischler and Fischer-Boel reflected a neo-liberal rhetoric, for Rutz et al (2014) the tenure of Commissioner Ciolos witnessed something of a reversal back to the state-assisted position which defends farm subsidies as a way to ensure a fair and efficient European agriculture.

CAP Reform 2013: the proposals

The 2013 CAP reform episode was conducted in the presence of two important features: (i) concurrent wider negotiations about the overall EU budget, and (ii) the use for the first time of the 'co-decision' mechanism in which the European Parliament (EP) is a formal co-actor in the agricultural policy process (see Greer

2014, 2013). Proposals for a reformed CAP after 2014 were formulated and negotiated between April 2010 and July 2013. The general goal of the Commission was to better target resources through a 'greener and more equitably distributed first pillar', and a second pillar 'more focussed on competitiveness and innovation, climate change and the environment' (European Commission, 2011a, p. 16). The legislative proposals formulated by the Directorate General for Agriculture and Rural Development (DG Agri) had three main elements intended to alter the distribution of spending within the CAP: convergence, capping, and greening (see Swinbank 2012).

- 'Convergence' aimed to progressively narrow variations in direct payments between farmers and across countries, to ensure both 'a more equal distribution of direct support' and 'fairer treatment of farmers performing the same activities' (European Commission, 2011a, p. 16). A phased in unified 'basic payment scheme', to be allocated on a regional basis, was to replace the existing plethora of systems by 2019. National envelopes for direct payments will be adjusted so that countries receiving less than 90 per cent of the EU average payment will see one third of the gap closed.
- 'Capping' proposed the progressive reduction of payments received by large beneficiaries and holdings, with resources transferred to rural development (sometimes referred to as degressivity). Reductions would start at 20 per cent for entitlements between €150,000 and €200,000, gradually increasing in three stages to a 100 per cent reduction for payments over €300,000.
- 'Greening' was to be substantially enhanced by making 30 per cent of direct support (pillar 1) conditional on verifiable and legally defined 'environmentally supportive practices' with farmers 'receiving payments to deliver public goods to their fellow citizens' (European Commission, 2011a, p. 16). These practices were to include practices such as crop diversification (the '3 crop rule'), maintenance of permanent grassland, and the preservation of ecological reserves and landscapes. Countries would be able to transfer up to five per cent of direct payments between pillars to reinforce rural development, although for those whose level of direct payments is below 90 per cent of the EU average, 'reverse' transfer to pillar 1 will be allowed.

The CAP after 2013: the outcomes

The inter-institutional deal reached on 26 June 2013 in CAP reform came nearly two years (21 months) after the Commission published its legislative proposals. As one contemporary report put it, the deal was finally reached 'after months of haggling

over how ambitious the policy would be on overhauling direct payments, ending quotas, and making farmers more environmentally accountable' (Euractiv.com, 11 July 2013). Key issues within the framework of the new EU budget were the reform of direct payments and the size of the pillar 2 budget, capping, convergence, the abolition of market support measures, and the plans for 'greening' pillar 1.

1. A crucial influence on the CAP reform process and its outcomes was the contemporaneous agreement on the Multi-annual Financial Framework (MFF) for 2014-2020. Despite calls from some states (notably the UK) for a substantial cut in farm spending, spending on agriculture will decline only gradually still account for over one third of the total EU budget by 2020. A large majority of Agriculture Council ministers broadly backed the Commission's reform ideas, noting for example in March 2011 that the CAP had to remain a strong common policy with financial resources commensurate with its objectives (Euractiv.com, 18 March 2011).

2. Although some countries such as the UK favour a phasing out of direct payments, the 75:25 spending ratio between the pillars will not change much, if all, by 2020. If anything, the Council conclusions on the MFF resulted in a relatively greater reduction of planned spending on pillar 2 than in pillar 1. There was much opposition to the regionalisation of the BPS.

3. Capping direct payments, inspired by a desire to better support small farmers, was an area of dispute, with countries such as the UK arguing that it discourages greater competitiveness by restricting 'natural structural processes' such as amalgamation and consolidation (Defra 2011b, para. 23). The reform deal stipulated that payments to those receiving more than €150,000 per year would be progressively reduced (from at least 5%), but left unresolved the level of a limit on how much any farmer could receive. The new rules stipulate that each farmer receive at least 60 per cent of average national or regional direct payment by 2019, a reshuffling that advocates say will help smaller landholders. Measures also were introduced to help 'new entrant' farmers.

4. The CAP deal provided for the gradual harmonisation of payments between old and new countries (convergence), requiring that no single state receives less than 75 per cent of the EU average by 2019. Farmers who receive payments lower than 90% of the EU average will have their payments increased (internal convergence); for Member States whose direct payments per hectare are below 90% of the EU average, their Pillar I budget can be adjusted upwards (external convergence). French and Spanish ministers had strong reservations about convergence, not least because redistribution in favour of 'new' member states would entail reduction in the benefits received by their own farmers. They complained that the 'magnitude' and 'pace' proposed by the Commission was 'not acceptable'.

5. The force of renewed arguments about food security underpinned decisions to retain some production quotas. Although the last remaining export subsidies were reduced to zero, facilitated by high world food prices, sugar quotas were extended until 2017 (two years later than their planned abolition) and a new vine planting scheme after 2016 was introduced, rather than withdrawal of protection for grape growers. As Julie Girling, agriculture spokeswoman for the British Conservative party, complained, 'old-fashioned market intervention is back in a big way, potentially taking us back to the bad old days of butter mountains and wine lakes' (Euractiv.com, 11 July 2013).

6. The 'greening' proposals were the subject of much haggling during the negotiations on CAP reform, what one source has called the subject of 'a high-pressure lobbying campaign' from both farmers and environmentalists (Euractiv.com, 11 July 2013). Some governments expressed concerns that the proposals would be burdensome. While the French and German agriculture ministers said that they supported 'greening', they nonetheless wanted a 'flexible' system so that 'agriculturally sustainable use of areas of ecological interest may be possible' (Euractiv.com, 11 October 2012). The statement issued by France and Spain was even blunter, criticising the draft rules for 'greening' as 'not adapted to the challenges facing European agriculture' (Euractiv.com, 15 February 2012).

In the negotiations, both the Council and MEPs supported plans to introduce 'greater flexibility' into the farm subsidies system. This reflected concerns expressed by farming stakeholder groups about regionalisation of payments and 'being locked into standardised environmental rules despite the diverse landscape of European agriculture' (Euractiv.com 11 July 2013). For others, including environmental groups, this meant watering down the proposed requirements for 'greening' (Harrabin 2013). While 30 per cent of direct payments will still be contingent on meeting certain environmental criteria, there will be no EU-wide performance standards and member states will have flexibility in implementation, for example about when to apply sanctions. The political agreement also introduced a range of exceptions relating to water pollution, crop diversification and environmental sustainability. Farms under 15 hectares do not have to comply with new requirements to create 'ecological focus areas' (EFAs) which in the first instance will apply to five per cent of farmland in 2015, rather than the proposed seven per cent (this may still increase pending a review in 2017). For critics, nearly half of all farmland and 89 per cent of farmers will be exempted from the rules. Farms of less than 10 hectares (one third of the total in the EU) are exempted from crop diversification rules, and farmers also remain outside some EU environmental and water pollution legislation (with use of fertilisers and pesticides permitted in EFAs). As a group of scientists comment, the

greening measures 'are so diluted that they are unlikely to benefit biodiversity' (Pe'er et al., 2014). The weakening of the greening proposals in particular have been strongly criticised, especially by environmental groups. According to a spokesperson for the European Environmental Bureau (EEB), while the Commission proposals sowed 'some green shoots of hope, they were quickly cut down when the European parliament and council entered into the co-decision process and the 'greenwashing' started' (Defossez 2014).

Inter-institutional policy making and the CAP after 2013

In a previous paper, I identified four possible conditions for 'de-compartmentalisation' and applied them to an account of the 2013 CAP reform (see Greer 2014). It is plausible to argue that in terms of inter-institutional policy making 'new' actors are involved in the decision *process* (at least in formal terms) and that new institutional structures apply to agricultural policy. On the other hand, this has not been accompanied by the substantial incorporation of new values and policy ideas, nor substantially changed policy *outcomes*.

In relation to policy change, Commissioner Ciolos, described the 2013 reform deal as a 'paradigm shift for CAP with a new focus on greening, young farmers and a fairer system of redistribution between member states and farmers, that enforces the concept of public money for public goods' (as quoted in House of Commons 2013, p. 6). However, as I have previously argued, a balanced scorecard on the six CAP reform elements indicates that the outcome of negotiations was markedly to water down the original proposals of the Commission - e.g. on regionalisation and greening - which it had characterised as a mid-point between radical refocusing and incremental change (Greer 2014). Neither did they reflect the incorporation of new ideas and values, with those of the traditional policy community remaining dominant. Rutz et al (2014) argue for example that the tenure of Commissioner Ciolos witnessed something of a reversal back to the state-assisted position in which subsidies are defended as a way to ensure a fair and efficient European agriculture. In most respects, 'watering down' was at the expense of ideas central to the proposals of the radical reformers - especially on pillar 2 - and consistent with objections raised by defenders of a 'traditional' CAP. So after the 2013 reform, the balance between the two pillars remains broadly the same, with no real transfer of funds from direct payments to measures for rural development and environmental sustainability. There also has been something of a retreat from the liberalisation agenda, with the reintroduction of some market intervention measures, the retention of some coupled subsidies. This retreat was especially the case in relation to 'greening'.

How then can the existence of an 'inter-institutional policy making' process in the EU contribute to an understanding of these outcomes, and the gap between the initial proposals and the agreed reform? An important new factor in the 2013 CAP reform was the changed institutional and decision structures ushered in by the Lisbon Treaty, in which agricultural policy is confirmed as an area of 'shared competence' and responsibility for it is divided between the Council, the European Parliament (EP), and the Commission. While CAP decision making previously was subject to the 'consultation' procedure (decisions taken by the Council of Ministers on the basis of formal proposals made by the Commission, with a limited role for the EP), the 'co-decision procedure' now applies, with legislative power shared equally between the EP and the Council (see Greer 2014 & 2013, Greer & Hind 2012, CEPS 2014). Under co-decision, therefore, the EP now has a greater formal role in the CAP decision-making process.

What this means is that the structures of inter-institutional policy making (both formal and informal) have been altered; even if the actors remain the same the balance of power and influence between them has changed (see CEPS 2014). In relation to agricultural policy proposals and dossiers, co-decision extends 'trialogue' – informal tripartite inter-institutional bargaining and negotiation between the three main institutions that takes place before the opening of formal conciliation negotiations. In some respects the outcome of the reform process can be explained by drawing on ideas relating to rational choice, mainly by focusing on the defence of national interests by member states (acting through the Agriculture Council, on their own, bilaterally or in coalitions) usually under the continued influence of a domestic farm lobby. Reform outcomes in 2013 reflected that most member states generally favoured maintaining CAP funding at a substantial level, distributed to farmers through pillar 1 direct payments (for a fuller analysis see Greer 2014, 2013). Compromise was necessary in order to secure agreement between member states – each of whom had their own 'red lines' and negotiating objectives – achieved through side payments and trade-offs, and also by giving member states greater flexibility in implementation. Drawing on the work of Ferto & Kovacs, the CEPS report analyses the nature of institutional coalitions between the main actors and their success rates. In terms of 'winning coalitions' (i.e. those whose position was incorporated into the final agreement), they note that the 'most frequent coalition was the between the Commission and Council (43% of cases on all the CAP policy issues) but that the 'most successful partnership seems to have been the EP-Council coalition, which wins in 95.2% of all cases' (CEPS 2014, p. 77).

As noted at the outset, much analysis of inter-institutional relations generally finds that the influence of the EP is enhanced, usually at the expense of the Commission. The CEPS report argues that while exogenous factors were an important influence on CAP reform, the extension of co-decision to agricultural policy 'naturally meant a reshuffle of the rules of the game, with new coalition opportunities and interinstitutional transfers of power' (2014, p. 73). Using the framework developed by Greer & Hind, they note that 42% of their respondents thought that co-decision increased the power of the EP at the expense of the other institutions (the conventional scenario) whereas 17% 'perceived the reality of interinstitutional dynamics' to be more in line with the scenario that highlights the Council-EP axis (CEPS 2014, p. 73).

Overall the effect of the new institutional structure was to rebalance inter-institutional relations but in a way that reinforces the existing 'compartment' rather than open it up. A key actor here is the EP's Agriculture and Rural Development standing committee (COMAGRI). The problem for the 'de-compartmentalisation' argument is that COMAGRI is dominated by farming, landowning and rural interests. One study estimates that 31 per cent of the full members of COMAGRI at the time of the CAP reform were members of farmers' unions or cooperatives or had been farmers or owned a farm; and that 24 per cent had held a ministerial or other public office in agriculture or had a special expertise in agriculture (CEPS 2014, p. 13). COMAGRI defended the CAP in the negotiations and played a key part in altering the original proposals in some respects. Crucially, it pushed 'for a lower level of reform' than the Commission, although 'this cannot be generalised to all policy issues' (CEPS 2014, p. 13). In interviews however, 56% argued that the influence of COMAGRI was to move the CAP further away from reform (and closer to the status quo), but 44% argued that it enabled new values and new ideas to be reflected in the new CAP (CEPS 2014, p. 47). For one informed commentator, there is no doubt 'that the inter-institutional bargaining required to achieve a first reading agreement has reduced the influence of the Commission which now takes on more of the role of an intermediary, while enhancing the role of the Council Presidency whose job it is not only to broker a common position within the Council but then to negotiate a political agreement with the Parliament' (Matthews 2014).

There were 'inter-institutional frictions' and the debates over 'greening' in particular showed up the structural divisions within the EP, 'leading to battles in Parliament between the more green-focused environmental committee and its agricultural counterpart' (Euractiv.com, 11 July 2013). As the CEPs report again finds, the 'status

quo bias was clearest when considering the environmental component of the new CAP, which proved to be one of the most controversial areas of the reform' (CEPS 2014, p. 13). It goes on to note that 'the EP influenced the decision on greening on specific issues' and several of its amendments to the Commission's proposal 'were included in the final legislative agreement, and most of these were supported by the Council' (CEPS 2014, p. 16).

In terms of the process, some have welcomed what they see as a broadening out of the decision process to a wider range of actors. One French environmental campaigner for example praised the inclusion of the EP in the CAP reform process as 'good for for democracy' (Euractiv.com, 11 July 2013). For one informed commentator the verdict on co-decision 'must be that the process was long, it was messy... but it worked' (Matthews 2014). Similarly the CEPS report also found that 'several people involved in the decision-making considered the fact that a political agreement was reached and a new CAP will enter into force on 1 January 2015 as a sign that "co-decision works"' (2014, p. 17). This may be true in terms of process, but outcomes are crucial and, as Erjavec & Lovec argue, the 'combination of the change in decision-making procedures provided by the Treaty of Lisbon and the interaction of actors' preferences made reform more difficult' and that the introduction of co-decision 'resulted in a "codecision-trap" that has hindered further reforms' (2015, p. 52).

On the other hand, a more obvious interpretation is that despite the changed institutional and actor context, policy outcomes were not substantially affected in a way that can be viewed as weakening the preferences of the established policy community. Environment groups for example remained largely excluded. A spokesperson for WWF complained that the EP had shown

that it is not ready to handle its new full co-decision powers on the Common Agricultural Policy. At every turn the Agriculture Committee has tried to water down this reform. It even managed to throw out the few improvements the Parliament plenary had requested of them. (Euractiv.com, July 2013).

Nonetheless the CEPS report suggests that in the long term, co-decision will work to open up the policy process and reshape policy networks. It points out that co-decision 'intensified the contacts and relationship between non-institutional actors and the EP, which was sometimes criticised for being too open to the influence of certain specific actors or stakeholders'. Moreover it 'reinforced the need for civil society actors and stakeholders to organise themselves at European level in order to

influence a more complex and heterogeneous EU decision-making system' (CEPS 2014, p. 15) .

More broadly, as Matthews comments, 'the notion that the Parliament would bring new ideas to the debate and help to widen the range of interests that could influence agricultural policy also proved to be hopelessly naïve' (Matthews 2014). Essentially the decision rules and institutional structures around the CAP, plus the balance of forces between member states, still works as a barrier against radical change, both in policy processes and outcomes. Most member states, and the Commission, support the retention of the familiar CAP and its main policy instruments and mechanisms. This preference has been buttressed, at least in the medium term, by the inclusion of the EP in the formal procedures of CAP reform. Exploiting its enhanced role in the decision-making process, the EP – so far at least – has worked to support the status quo on the CAP rather than facilitate radical change.

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