

**BSc Thesis**

**The EU Common Agricultural Policy through the lens of sociological  
and historical institutionalism**

Student: Antoon Kanis  
Student nr: 900119421110  
Supervisor: Jeroen Candel

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# 1. Introduction

In 1958, six countries decide to set up the European Economic Community (EEC), at the Treaty of Rome. This is the official starting point for the current EU Common Agricultural Policy (CAP). In the Treaty of Rome the six EEC countries remove economic barriers and integrate their agricultural markets. In the past 62 years, the EEC became the European Union (EU). It grew from six to 27 member states and in that time the CAP has also been expanded and reformed. Budget-wise making it one of the largest EU fields of policy nowadays.

Currently around 37% of the total EU budget is spent on the CAP. The vast majority of that money is reserved for direct income payments to farmers, based on the surface of land they own (European Commission, 2019). The support of farmers started in the post-world war II period to make sure Europe would never have to fear hunger again. The goal of the CAP was to increase agricultural productivity, to stabilise markets and to guarantee the European citizens plenty of food for low prices. These policies, in combination with innovation, liberalisation and globalisation, led to scaled up and more industrialised forms of agriculture all over Europe. With the highest production in the world and the abundance of food against low prices the initial goal of the CAP was largely met. And while the CAP changed over time, the financial support to farmers that was introduced over the years stayed.

In the past decades the direct income support has been widely criticised. Critics argue that, since the initial goals of the CAP became independent of the policy in 80's and 90's of the twentieth century, the goals of the CAP should change too. Some argue that the budget as a whole should be cut. Others argue that the budget of the CAP should be invested in 21<sup>st</sup> century policy themes, such as biodiversity, environment, climate change and innovation in agriculture. But in the past few decades there were only relative minor changes in the CAP in general (Feindt, 2010).

The goal of this thesis is to investigate why it has been so hard to change the CAP. How can political science theories explain the slow transitions in the CAP? In a literature study we will review scientific articles on the CAP, through the lens of two schools of thought; historical institutionalism and sociological institutionalism. These two schools of thought are part of a group of institutional theories called 'new institutionalism'.

Historical and sociological institutionalism give two different perspectives on policy making within the CAP. By using two different lenses and comparing them, this literature study can possibly shine a new light on the role of institutions in CAP policy making. New Institutionalism is a group of theories that emerged in the 1980's and 1990's that describe the role of institutions in social and political processes. Where sociologic institutionalism mainly addresses the role of culture in institutions in the decision making process, historical institutionalism focusses on the role of historical events and earlier choices on the policy. What both perspectives have in common is that they need data that is collected over a long period of time. This makes these two lenses suitable to study the CAP. The CAP as policy is over 60 years old and there is a lot of data available about the institutions over these 60 years.

The main research question in this thesis will be:

**How can the theories of sociological institutionalism and historical institutionalism explain the incremental change of the EU Common Agricultural Policy?**

To answer the main question it is important to know what is at the core of these schools of thought. In the theoretical framework the development, assumptions, features and flaws of historical and sociological institutionalism will be addressed. In the methodology chapter the choice for a literature review and the selection of literature and the scientific approach used in this thesis, will be addressed. The analysis part of the thesis contains a review of the selected scientific literature through the lens of the two schools of thought of New Institutionalism. In the conclusion and discussion the main research question will be answered and the outcomes and implications of the analysis will be discussed.

The fact that this thesis uses two different lenses to study the CAP, is named theoretical multiplicity. One of the advantages of applying theoretical multiplicity to look at the same subject of study is that it helps to see the strengths and limitations of each theory. Can these two schools of thought fully explain the complex institutions and decision making of the EU Common Agricultural Policy? It is safe to say on beforehand that the answer is no. But using these two schools of thought as a lens to look at the CAP might provide new and useful insights in CAP institutions and decision making. And maybe shine a light on some of the causes of the incremental change of the CAP in the past decades.

## 2. Theoretical framework

To answer the main question of this thesis it is important to first research the two schools of thought that are used as lens to look at the CAP. This chapter will answer two important questions: What is historical institutionalism and what is sociological institutionalism. For both schools of thought it will be identified how they define institutions, what ideas lie at the core of these theories and what characteristics can be defined. After addressing both individual theories, the differences and similarities of both theories will be addressed. But the first step is to look at what institutionalism in general is.

### 2.1 The role of institutions in political sciences

Institutionalism is a theoretical approach used to define the role of institutions in policy processes. There are different theoretical views on what institutions are, how they work and how actors relate to institutions. Knill and Tosun state the application of institutionalism as follows: *'The different theoretical perspectives all conceive of institutions as the central independent variable for explaining policy-making, which itself represents the dependent variable.'* (2012:76). Within institutionalism as field of study there are two periods of theorization: The theories from the first period are now seen as the 'classical' approach and the theories from the second period as the 'new' approach to institutionalism. This thesis will use two theories from new institutionalism. The next section will briefly look at classical institutionalism, which helps to understand how the theories of new institutionalism were constructed.

#### *Classical institutionalism*

Classical institutionalism is the later given name to the oldest approach in institutionalism. It is based on a view on institutions as formal-legal entities. According to Knill and Tosun classical institutionalists use legal rules and procedures as the independent variable to describe policy outcomes. The dependent variable is how these rules and procedures are executed. In classical institutionalism the rules and procedures are seen as behavioural descriptions. Knill and Tosun use policy proposals that are discriminatory as an example. In most countries, rules and procedures, in this case constitutional laws, do not allow discriminatory policies. Executing the constitutional laws results, makes discriminatory laws impossible. The formal approach to institutions is both the strength and weakness of classical institutionalism. It has a clear but limited understanding of what institutions are. This limits the ability of classical institutionalism to understand underlying institutional processes compared to theories that offer a broader definition of institutions, including for example informal institutions.

#### *New institutionalism*

That's why scholars in the 1980's started describing institutions in several different broader ways. By researching informal rules and procedures, such as history and culture as part of institutions, new institutionalism developed. To establish these new views on institutionalism scholars applied knowledge from other fields of study, for example from sociology and history. Hall and Taylor (1996) define three main schools of thought or analytical approaches within new institutionalism: Historical institutionalism, sociological institutionalism and rational choice institutionalism. These three approaches all developed during the 1970's and 1980's with relative little interchange between them. Making them three largely separated streams that Hall and Taylor later describe as the main schools of thought within new institutionalism. Later, a fourth institutionalism was defined by Schmidt (2008) named discursive institutionalism.

Hall and Taylor name the relations between individuals and institutions as most important question in institutionalism: *'How do institutions affect the behaviour of individuals? After all, it is through the*

*actions of individuals that institutions have an effect on political outcomes. In broad terms, new institutionalists provide two kinds of responses to this question, which might be termed the 'calculus approach' and the 'cultural approach' respectively. Each gives slightly different answers to three seminal questions: how do actors behave, what do institutions do, and why do institutions persist over time?' (Hall & Taylor, 1996, p. 939)*

New institutionalism uses two approaches to define institutions: The calculus approach and the cultural approach. Where the calculus approach is focussed on the rational behaviour of actors, the cultural approach is focussed on the social behaviour.

#### *Calculus approach*

The calculus approach is linked to the rational choice theory in economy. It answers these three questions by Hall and Taylor as follows: actors will make calculated decisions. Based on the best information they have, they will make strategic decisions and show strategic behaviour, trying to maximize the benefit. Institutions provide these actors certainty. The rules and procedures give individual actors certainty on the behaviour of other actors. Institutions persist over time because lasting institutions provide more certainty to the actors. Hall and Taylor explain how institutions 'embody something like a Nash equilibrium' where 'individuals adhere to these patterns of behaviour because deviation will make the individual worse off than will adherence' (1996, p. 934). Ergo: Keeping institutions maintained over time is in most cases the most strategic thing to do for calculating actors.

#### *Cultural approach*

The cultural approach can be seen as a reaction to the calculus approach. It assumes that the behaviour of actors is not fully strategic, but the worldview of the actor also plays an important role. Instead of assuming that actors are 'utility maximisers' it assumes that actors are 'satisfiers'. They are not only focussed on maximising their own benefit, their behaviour is also driven by emotional interaction with other actors. What do institutions do? The cultural approach assumes that institutions do more than just providing information and certainty to actors. Institutions can provide filters for interpretation. Symbols, scripts and routines are also a part of institutions which influence the actors behaviour. The persistence of institutions is in the cultural approach explained by the fact that they are taken for granted. Especially the informal components of institutions are a fundamental part of the culture, so it is that same culture that keeps the institutions alive.

#### *Rational choice institutionalism and discursive institutionalism*

Before historical and sociological institutionalism are discussed in detail, rational choice and discursive institutionalism will be briefly addressed. Of the four schools within new institutionalism, rational choice institutionalism is the closest to the classic institutionalism. While it still has a fairly formal definition of institutions, rational choice institutionalism explains policy processes through the rational behaviour of actors in relation to institutions. Both how institutions are constructed and how they lead to certain policies are according to rational choice institutionalist processes of actors seeking for the lowest transaction costs. In that sense rational choice institutionalism is tied to the economic theories on organization. Key elements in the theory are strategic behaviour, this is for example used in defining suboptimal outcomes of politics and policy making as 'prisoner dilemmas'. Rational Choice institutionalists have a strong calculus approach and see institutions as gains of cooperation (Hall and Taylor, 1996).

On the other side of the spectrum there is discursive institutionalism. Discursive institutionalism has a more dynamic approach than the other three new institutionalisms and is based on both the cultural and rational approach. It uses communication, frames and discourses dependent variable

and ideas as independent variables. Discursive institutionalists study the nature of ideas and use the term 'discourse' as a more versatile and overarching concept of ideas. In this way it is especially suitable to explain how ideas can influence institutions or policy processes. (Schmidt 2008).

To explore the other two schools of thought, historical institutionalism and sociological institutionalist, in chapters 2.2 and 2.3 for each school two main questions will be answered: How does this school define institutions and what are the core ideas and characteristics of this school? This will give a base to compare both schools in chapter 2.4.

## 2.2 Historical Institutionalism

The shortest way to describe historical institutionalism is the notion that 'history matters' in institutionalism (Knill and Tosun, 2012). But there is more to that. Historical institutionalism describes patterns in decision making where new policy options are guided, steered or limited by decisions of the past. Historical institutionalists have a relatively broad definition of institutions, '*as the formal or informal procedures, routines, norms and conventions embedded in the organizational structure of the polity or political economy*' (Hall and Taylor, 1996, p. 938). What is also important to note is that historical institutionalists always look at policies and institutions over a longer period of time. In particular at the changes that occur (or not).

### *Path dependency*

Path dependency is probably at the same time the most important idea of historical institutionalism and the most difficult part to research. Path dependency describes 'paths' through policies, where the steps and directions from the past are an important factor in determining the future of the policy. From more philosophical point of view path dependency can be explained as the tendency of actors to hold on to comforting institutions, such as rules, procedures and values, in a changing world (Cox, 2004).

### *Critical junctures*

Critical junctures are an important concept within path dependency. Critical junctures often form the start of a new path. Where incremental change describes the normal state of institutions, the critical junctures offer historical institutionalists an explanation for the rare occasions where policies or institutions do not follow a path of incremental change, but suddenly change into a new direction. (Hall and Taylor, 1996)

### *Asymmetries of power*

Where critical junctures form the start of a path, asymmetries of power can be seen as one of the conditions for strong path dependency. One of the key questions in historical institutionalism is the question why the one policy or institution was chosen over the other. This holds the assumption that there actually is one policy or institution that was chosen over another. This is related to the asymmetries of power. Historical institutionalists describe how power is distributed among actors in the decision making process. Because of the focus on this asymmetry of power the outcome of a policy process is often defined by appointing 'winners' and 'losers', associated with the policy or institution that was chosen over the other. (Knill and Tosun, 2012; Hall and Taylor, 1996)

### *Policy legacies and institutional lock ins*

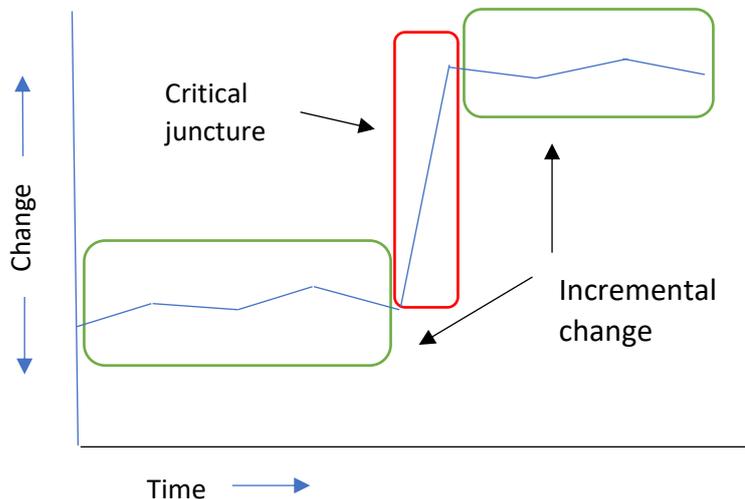
There are two different approaches to path dependency and how these paths are constructed. Scholars with a more cultural approach use the term 'policy legacies' to describe how the paths originate. They see the paths as subsequent choices. The other approach looks at path dependency as an institutional lock in. This more calculus approach assumes that deviations from the initial path become more costly over time and therefore lead to a subsequent path of choices in the same

direction. Both policy legacies and institutional lock ins can be a result of asymmetry of power. (Hall and Taylor, 1996)

#### *Historical institutionalism in practice*

An example of the application of historical institutionalism is found in the research by Cox (2004). Cox explains how the Scandinavian welfare policies are path dependent. In this study both the cultural and calculated approach are applied. Cox describes how the Scandinavian welfare policies are mainly a policy legacy and based on incremental change. And over time the Scandinavian welfare system gets locked in: A radical change of the system would be too costly, making incremental change a logical result. Another example is the CAP itself. In literature the CAP is often mentioned as a textbook example of a path dependent policy, but this will be further discussed in the results section.

*Figure 1: Incremental change and critical junctures. Most of the time the path dependent policies are only changing incrementally (green boxes). Critical junctures are rare events where policies take an abrupt change and new paths can start (red box).*



### 2.3 Sociological institutionalism

The theories in sociological institutionalism rose in the 1970's in the scientific fields of sociology and organization theory, as a reaction to the calculus approach. Sociological institutionalism therefore has a strong cultural approach, or as Hall and Taylor state the core of sociological institutionalism: *'even the most seemingly bureaucratic of practices have to be explained in cultural terms'* (1996, p. 947). When sociological institutionalists define institutions they do not only look at formal and informal procedures and rules, but also at symbols, ideas, cognitive scripts and moral templates (Hall and Taylor, 1996). They therefore have a very broad perception of what institutions are. This definition based on the cultural approach is used to select the dependent variables in sociological institutionalism. Where scholars using calculus approach see culture as a part of institutions, sociological institutionalists see cultures as institutions on its own. Ideas are seen by both sociological and discursive institutionalism as a part of institutions. In this thesis changing ideas are arrayed under sociological institutionalism.

### *Logic of appropriateness*

The logic of appropriateness is the core idea of how sociological institutionalists look at the relation between institutions and actors. The logic of appropriateness assumes that the behaviour of actors is not based on maximizing utility or rational choices but on 'acceptable behaviour'. Formal and informal procedures, rules and symbols define what behaviour is acceptable and what not. Because these institutions limit the policy options severely, sociological institutionalists even doubt the use of the word 'choice' for the actions of the actors. Is there really a choice for actors within the institutions? (March and Olson, 1996). Or as Knill and Tosun reflect on the role of actors and the logic of appropriateness: *'individuals' actions are determined by their sense of obligation as structured by the 'appropriate' institutional rules and routines rather than by self-interest'* (2012, p. 97). Actors will ask themselves if their action within the bounds of 'acceptable behaviour' of the institutions. This means that within the idea of the logic of appropriateness the action of actors is strongly linked to their interpretation of the institutions. The logic of appropriateness contrasts with the logic of consequentialism. The logic of consequentialism is an idea in rational choice institutionalism where the behaviour of actors is assumed to be based on clear pre-given preferences. Where the logic of appropriateness is about how acceptable the behaviour by the actor is and that this behaviour can change, the logic of consequence is about how acceptable the outcome is to the preferences of the rational behaving actor. (March and Olsen 1996).

### *Legitimacy*

One of the research questions that sociological institutionalists often ask is why organizations take on specific sets of institutional forms, procedures or symbols (Knill and Tosun, 2012). Across nations and disciplines the appearance of institutions often change. But sociological institutionalists are specifically interested in the similarities of institutions. One of the similarities they find in search of the question what sets of forms, procedures and symbols institutions shape, is legitimacy. Actors use institutions as a vehicle to legitimize their choices and decisions. Institutions are the result of acceptable behaviour and a vehicle to make this behaviour into policy.

### *Institutional isomorphism*

As a result of legitimacy as concept for institutions to exist, scholars often witness 'institutional isomorphism' when studying new institutions. This concept of institutional isomorphism means that new institutions often copy the institutional forms, procedures, structures and symbols of existing institutions. Within these, there are three types of isomorphisms: Coercive, mimetic and normative. Coercive isomorphisms shape their rules and procedures to fit with other institutions they are dependent on. Mimetic isomorphisms copy other institutions because these other institutions are seen as successful. Normative isomorphisms are copies based on culture; Normative isomorphisms are based on the dominant rules and procedures that actors, involved in creating the new institution, are used to. (Knill and Tosun, 2012)

### *Example*

Dobbins and Knill (2009) provide a nice example of the application sociological institutionalism. They wrote an article on how higher education policies in central and eastern Europe converge to a common model. It applies the logic of appropriateness and concept of legitimization on the old communist institutions in these countries, as a factor for slow change. But over time the policies do change and Dobbins and Knill notice how these countries change the policy towards a more market based model, like in most western countries. This is an example of mimetic isomorphism.

## **2.4 Comparing historical and sociological institutionalism**

Since historical and sociological institutionalism both belong to new institutionalism, they obviously have some important similarities. As stated before new institutionalists strongly focus on how actors

relate to institutions. The similarities and differences between historical and sociological institutionalism will be shortly discussed and be summarized in table 1.

*Similarities and differences between historical and sociological institutionalism*

The first similarity is the fact that both schools have a broad perspective on what institutions are. Institutions are more than formal rules and procedures, but can also be informal. Another is the fact that values play an important role in both schools. Both schools use values as an important motivation to the actions of the actors. To summarize these two similarities: Both historical and sociological institutionalism often use the concepts of the cultural approach to institutions. A third important commonality is the fact that both historical and sociological institutionalism need data from a long period of time to draw conclusions. Institutions change slowly.

Of course there are a lot of differences between both schools, otherwise they wouldn't be viewed as different schools. But there are some differences on a more structural level. For example: Where sociological institutionalists focus on institutions itself and the relation between actors and institutions, historical institutionalism in general, and the concept of path dependency specific, focusses more on decision making and policy outcomes. This is the result of the fact that sociological and historical institutionalism have different dependent variables, which are the effect of the way they describe institutions: Both schools use the cultural approach to answer their research questions. But where sociological institutionalists ordinarily uses the cultural approach, historical institutionalists use both the calculus approach and the cultural approach. This all results in the most important difference: Where historical institutionalists focus on the institutional explanations for stability, sociological institutionalists focus on institutional explanations for change. (Hall and Taylor, 1996; March and Olsen 1996; Knill and Tosun, 2012)

*Table 1: Comparing historical and sociological institutionalism*

	<b>Sociological institutionalism</b>	<b>Historical institutionalism</b>
<u>Approach</u>	cultural approach	calculated cultural approach
<u>Institutional focus</u>	Institutions and relations between actors	Decision making and policy outcomes
<u>Motivation for actions</u>	Values	Values and interests
<u>Providing explanations for...</u>	Change	Stability

### 3. Methodology

To look at the CAP through the lens of historical and sociological institutionalism, data is needed. The CAP has been an object of study for many social scientists over the years. There is a lot of data available in the articles these scholars have written, therefore this thesis will use a literature review as research method. A literature review is a fast way to obtain high quality data, which fits the purposes of this thesis.

#### 3.1 Data selection

This thesis will use 29 scientific articles that have been selected through a systematic search in the Scopus Database on the 14th of April 2020. the relevant articles for this thesis will be selected by a four step process. These steps are visually displayed in figure 2.

##### *Step 1: Search and limit*

In Scopus all articles with 'Common Agricultural Policy' as keyword will be searched. This leads to 1419 documents. Using the limit options in Scopus this search will be limited to articles in the field of Social Sciences, published in journals, written in English. This limits the selection to 517 documents and leads to the following search query:

```
EXACTKEYWORD ( "Common Agricultural Policy" ) AND ( LIMIT-TO ( SUBJAREA , "SOCI" ) ) AND ( LIMIT-TO ( LANGUAGE , "English" ) ) AND ( LIMIT-TO ( SRCTYPE , "j" ) )
```

##### *Step 2: Narrow down*

To further narrow down this initial search, articles will be selected based on the number of citations. Because younger articles have had less chance to get citations, this will be compensated with a lower citations limit. Included in this step will be: All articles published in 2016 or earlier with 15 or more citations (129 documents), all articles published in 2017 with 10 or more citations (13 documents), all articles published in 2018 with 5 or more citations (12 documents), all articles published in 2019 with 2 or more citations (18 documents) and all articles published in 2020 (11 documents). After this narrowing down there are 183 documents in the selection. This is the primary body of literature.

##### *Step 3: Inclusion and exclusion*

The following inclusion and exclusion criteria will be applied to the titles and abstracts of the remaining 183 articles. After applying these criteria there are 32 documents left in the selection. This is the secondary body of literature.

Include:

- Documents that research the reform process of the CAP

Exclude:

- Documents that only describe the effects of the CAP
- Documents about a very specific policies or sectors within the CAP, in a way that it is impossible to draw conclusions from it to the CAP reform process as a whole.

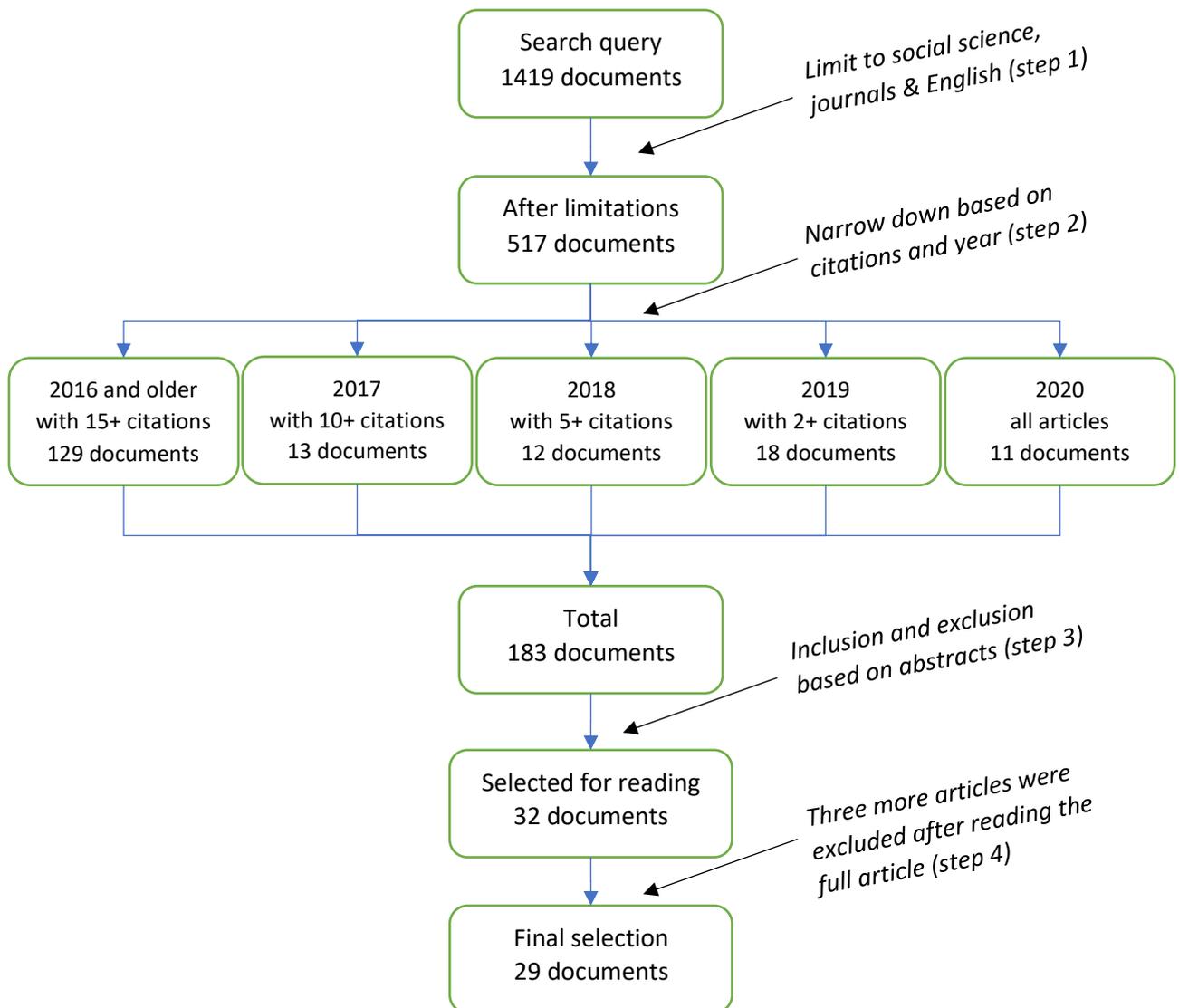
##### *Step 4: Final selection*

The earlier mentioned inclusion and exclusion criteria will be applied to the full texts of the 32 articles left in the selection. At this stage three articles have been removed from the selection. Two articles didn't meet the inclusion criterium after all and one article was not available in the WUR library. There are 29 articles left. This is the final selection.

### 3.2 Data extraction

To extract the data from the final selection of articles a data extraction model is used. In this model, the following information will be extracted from each article: Author(s), title, year of publication, CAP periods, countries, sectors, theories applied, insights interpreted from a historical institutionalism perspective, insights interpreted from a sociological institutionalism perspective and insights interpreted from other institutional perspectives.

Figure 2: The data selection process



## 4. Results

### 4.1 Description of the data

The results chapter of this thesis starts with a description of the data. The data is collected from the papers that were selected in the previous chapter. After describing the data, the lenses of historical and sociological institutionalism are used to take a closer look.

Most articles are from policy journals like Food Policy, Journal of European Public Policy and Land use Policy. The remaining articles are from journals in other fields of study like sociology, economy, regional studies, development and history. This variety in fields of study provides this thesis with a broad perspective on the CAP reforms, which helps to get a full understanding of the policy process and its institutions.

The 29 articles cover the full time span of the CAP. From the start in 1958 till the current CAP period (2014 – 2020). Some papers even speculate about future CAP policies, up to 2040. There is the least information about the first period of the CAP from 1958 – 1970 period and the most information about the period running from 1985 till 2003. The fact that the full lifetime of the CAP is represented in the literature selection is important, because both historical and sociological institutionalism analysis require observing policy and institutional change as a long term process (Knill & Tosun, 2012).

The articles were published between 1998 and 2020. Three articles were published in the 1998 or 1999, thirteen in the 2000 – 2009 period, eleven in the 2010 - 2019 period and two in 2020.

In most papers there are no specific countries studied, but in the articles that do study specific countries there are three countries or groups of countries that return frequently. These are a large group of Eastern European countries, because of their accession to the EU in the 2000's and France and the UK, because they hold a special position to the CAP through their actions in the negotiations.

Most articles are about the CAP in general, but some give an insight in production sectors like beef, cereals or sugar. There are also studies that zoom in on production in certain areas, such as hilly landscapes, or in production methods, such as organic farming. All these more specific articles use their specific object of study as an example to prove broader conclusions on the CAP policy process.

There is a wide variety in used research methods. Almost all research methods used are qualitative: literature studies, studies that analyse speeches or EC documents or interviews. That makes sense, because the selection method selected papers that describe the policy. The qualitative research is done in several ways, for example by analysing the discourses, networks, frames, paradigms, processes, problems and institutions. There is also a group of more descriptive articles. These do not apply theories or use a certain research method, but they are of value because they do give a good insight in the CAP. The variety of research methods helps to establish a broad view on the CAP. All these different analyses help to gain a full understanding of the institutions. Rational and formal institutions are relatively easy to find in official documents, while studies that use interviews or analyse networks or paradigms can help to gain a better insight in the cultural and informal part.

### 4.2 Historical institutionalism

The literature shows that historical institutionalism can explain the incremental change of the Common Agricultural Policy. Analysing the literature through the lens of historical institutionalism shows that historical institutionalism is specifically suitable to explain the incrementality of the change. In the following four steps it will be addressed how the literature explains the existence and origins of this incrementality through the lens of historical institutionalism.

Firstly it is checked if the assumption that there is incremental change in the CAP is supported by the literature, which is the case. Secondly the strongest asymmetry of power in the CAP is explained: that of the iron triangle. The third part will be about the MacSharry reform, next to the Treaty of Rome possibly the most important event in the CAP. And at last the analysis of all of the above steps is combined in defining the paths and path dependency of the CAP.

#### 4.2.1 Incremental change

One of the assumptions in the research question is that change in the CAP is incremental, but is this supporter by the literature? The short answer to this question is yes. But how is this manifest and what role do institutions play in this incremental change?

The incremental change of the CAP is institutionalised in several formal procedures. Examples of these procedures are the rounds of negotiations and the highly sectorized approach. Throughout the history of the CAP the policies get changed in rounds of negotiations that take five to ten years. Lenchow (1999) and Rutz et al (2014) for example explain how the start of these rounds is always the status quo of the CAP. The Agricultural Commissioner then comes with an often ambitious reform agenda. During the process of negotiation the member states and conservative stakeholders then often manage to make the plans less ambitious, resulting in a policy reform with only incremental changes. Lynngaard (2007) and Roederer-Rynning (2002) explain how the sectorization also lead to incremental change, especially in the 1970's and 1980's. The yearly routines of price setting negotiations focused the attention of central policy makers on prices, distracting them from big reforms on the CAP as a whole.

Looking at possible asymmetries of power could give a useful insight to understand why these formal and informal policy processes are institutionalized this way from an historical institutionalism point of view.

#### 4.2.2 The power of the iron triangle

Asymmetries of power are widely and thoroughly manifest in our dataset. Within the policy cycles of the CAP itself and also in other instances, where these powers influence the outcome of the CAP reforms. Throughout the whole history of the CAP there is one significant power asymmetry: The power of the member states, especially the Ministers of Agriculture, who combined forces with the farm organizations. Later also supported by the DGAGRI and the Agricultural commission of the European Parliament. This co-operation of actors on national level, European level and from farm organizations is known as the iron triangle. How did this asymmetry of power come about, how did it persist and how can it explain the incremental change of the CAP?

To understand the power relations through a historical institutionalism perspective it is useful to first take a look at the history of the CAP itself. The history of the CAP starts at the establishment of the European Economic Community (EEC) in 1957. The EEC has six founding members: Belgium, France, Italy, Luxembourg, the Netherlands and Germany. These six member states, and especially Germany and France, determine the policy choices. The member states have the formal power to make rules and regulations, but from the very beginning they sought advice from farm organisations. The member states and the farm organizations had a common interest: Support farmers to maximize production to have abundant food at low prices. This common interest was firmly institutionalized in the first decade of the CAP. (Coleman, 1998; Grant 2010).

The CAP originates in article 39.1 in the Treaty of Rome. It states:

*1. The objectives of the common agricultural policy shall be:*

*(a) to increase agricultural productivity by promoting technical progress and by ensuring the rational development of agricultural production and the optimum utilization of the factors of production, in particular labour;*

*(b) thus to ensure a fair standard of living for the agricultural community, in particular by increasing the individual earnings of persons engaged in agriculture;*

*(c) to stabilize markets;*

*(d) to assure the availability of supplies;*

*(e) to ensure that supplies reach consumers at reasonable prices. (Treaty of Rome, 1957)*

This article can be seen as the first institutional lock in of the CAP. Over the past 62 years these aims formally never changed, which makes that the CAP formally still aims to increase agricultural productivity and to ensure a fair standard of living for farmers. When overproduction became a problem, the CAP policy was changed, but the formal aim to increase productivity wasn't. And while policies for greening and rural development were introduced in the policy, they never became a formal goal (Coleman, 1998; Feindt, 2010). It could be argued that the institutional part of this lock in isn't the main driver for the path dependency, but that the fact that article 39 never changed is a more culturally defined policy legacy that is upheld by the iron triangle. On the other hand the Treaty itself became much harder to change over time, because changing the treaty can be vetoed by one single country and the number of Member States grew from 6 to 27.

The treaty of Rome is probably the strongest lock in in the CAP, but the literature shows more institutional lock ins that still effect the CAP nowadays. For example the dependency of farmers on the European subsidies. When the MacSharry reform was negotiated the old CAP policies were under serious pressure, especially from the actors that wanted trade liberalisation in agriculture. The goal of these non-European countries was to decrease the farm support in the EU, to provide for a better level playing field on international markets for agricultural products. For the still powerful farm organizations this was unacceptable because the farmers became dependent on the State support over time. This resulted in a reform that on the one hand drastically changed the price support for agricultural products, but on the other hand kept up the support for farmers through a whole new set of subsidies. Lenschow (1999) calls this 'paying off farmers for any concessions they made'. Where the policy itself took another direction, the underlying goal of farm organizations to get financial support for farmers was kept up by this institutional lock in (Feindt, 2010; Lenschow, 1999).

The Treaty of Rome, the decision of the six founding member states to organize agricultural policy on a supra national level, can also be seen as the first critical juncture in CAP history. Before the Treaty of Rome agricultural policy was organized at the national level. The decision to organize this policy at a multinational level with corresponding formal institutions was, especially when you look back from now, a rare occasion where something completely new was created.

The asymmetry of power of the iron triangle creates a strong condition for policy legacies. The actors that are in power often share the same procedures, routines, norms and conventions. These formal and informal institutions may lead up to policy legacies. The most important policy legacy in the CAP is the institutionalization of farm support.

The institutionalization of farm support in the 1960's is the first policy legacy in the CAP. The first goals of the CAP were to increase agricultural production, guarantee farmers with a fair standard of living and to provide European citizens with enough food at a low price. The first steps into this direction led to subsequent steps in the same direction, resulting in a complex system of price support that became fully institutionalised in the CAP. Even when new policies were institutionalized, the policy legacy of farm support had a big influence. Feindt (2010) summarizes this as: 'New

rationales for farm payments have been adopted without dropping the older rationales. The old CAP paradigm has been amended, not abandoned'. The institutionalization of farm support can be seen as the effect of the strong power of the Iron Triangle in the CAP.

During the 1970's new actors start getting involved with the CAP. The introduction of these actors can be seen as the first test to the power of the iron triangle. Seidel explains how in the 1970's UK is one of that new actors, because the UK negotiates with the Commission and member states about joining the EEC. For several reasons the then current price policy system of CAP is unfavourable to the Brits. Upon joining, they try to negotiate a CAP reform, but when they meet the vested powers of the iron triangle they decide to join the EEC first and see if they can change the CAP later from inside.

Another group of actors that get involved are the non-EEC countries that signed the General Agreement on Tariffs and Trade (GATT), which would later be replaced by the World Trade Organization (WTO). The subsidised production in the EEC leads to subsidized export to other continents. The GATT strives for trade liberalization. In many sectors this is achieved, but during the 1970's and beginning of the 1980's the agricultural sector is still excepted from steps to liberalize the world market. According to Seidel, it is in particular EEC, and within the EEC the agricultural ministers, that protect the farmers support and defend this exceptional position of the agricultural sector. For almost thirty years these actors, the member states and farm organizations, held an asymmetrical power over the CAP and used this power to maximize productivity with support of the European community (Seidel, 2020).

#### 4.2.3. The MacSharry reform and the 21<sup>st</sup> century

The MacSharry reform has been mentioned several times already. This section will take a deeper look into this reform through the historical institutionalism lens.

In the second half of the 1980's more actors gain power in the CAP reform process. This all leads up to the big reform in 1992, named after the European Commissioner Raymond MacSharry. There are two actors that gain power in the CAP reforms: The WTO and environmental organizations. Feindt (2010) and Fouilleux (2004) both describe how during this reform process the non-EEC GATT countries pressure the CAP on trade liberalization and how environmental organizations put pressure on greening the CAP.

The combination of these actors try to break the power of iron triangle. This leads to a new CAP with less price support through the old system of market intervention and to new greening and development measures. But at the same time the actors in the iron triangle found new ways to support farmers in the compromises of this CAP reform. The approach may have changed, but because of the huge power of the iron triangle, the farm support upheld. In the agenda 2000 and Fischler reform this new 'balance' is institutionalized again. In these reforms greening and development measures are firmly embedded, but with that, so is the new form of farm support. (Coleman, 1998; Feindt, 2010; Fouilleux, 2004; Stolze & Lampkin, 2009)

Despite the continuation of farm support, the 1992 MacSharry reform can be seen as the second critical juncture of the CAP. It is clear that the 1992 reform does not fully follow the earlier paths of farm support, with new policies that introduce a stronger focus on liberalization and environmentalism. Not only did the policy abandon the earlier paths partially, as explained in the previous section it also changed the direction of the CAP into a new path with more trade and environment related steps (Daugbjerg, 2009).

The beginning of the 21<sup>st</sup> century shows a new challenge to the power of farm support. In these years a large group of Eastern European countries are in the process of joining the EU. The fifteen

members of the EU at the time wanted to protect the benefits from the CAP their own farmers received and at the same time prevent that the accession led to a huge budget increase. The New Member States (NMS) countries on the other hand wanted to have the same benefits for their farmers, as the EU-15 had for theirs. The NMS had little influence on the outcome of the CAP reform, which led to a policy with a lower rate of direct payments for the NMS (Erjavec et al, 2009; Gorton et al, 2009; Henning, 2009) According to Gorton et al (2009) this was a 'the disparity in power between the emulator (the EU-15) and emulated (the NMS) was clearly evident'. Ergo: The power of the (western) iron triangle continues.

In the past fifteen years the power of farm support and the institutional lock ins that are tied to their power are mostly upheld. This is for example described by Greer: *'the decision rules and institutional structures around the CAP, plus the balance of forces between member states – most of whom like the CAP – still work as a barrier against radical change'* (2017:1598). At the same time there is a continuous pressure on the agenda of the iron triangle. On the one hand environmental actors are slowly gaining more power because of the raising social and political importance of climate change. On the other hand, as Roederer-Rynning and Matthews (2019) explain, old 'challenging actors' decrease in power. For example the UK, who decided to leave the EU, making its position change from an powerful internal actor to a less powerful external actor.

An important part of asymmetry of power is that the result of the policy process is defined by having winners and losers. Throughout the whole CAP history the western European member states and the farm organizations are consequently the winners of the policy processes. In the 1970's the UK and the WTO are the losers of the policy process (Seidel, 2020). The environmental organizations are the losers in the 1970's and 1980's (Stolze & Lampkin, 2009). The New Member States are the losers of the policy process in the 2000's (Gorton et al, 2009; Rutz et al, 2014).

#### 4.2.4. The paths and path dependency

Critical junctures, incremental change, asymmetries of power, lock ins and policy legacies together shape the paths in policy. The critical juncture can be seen as the start of the path. The incremental change as the conservation of the path. The incremental change is a result of lock ins and policy legacies. Which on their part are a result of asymmetries of power.

The literature shows two critical junctures: The Treaty of Rome and the MacSharry reform. As explained in the previous sections of this chapter the Treaty of Rome is the start of the first path: The path of farm support. There are several policy legacies and lock ins, which all originate in the asymmetry of power of the iron triangle.

At last there are two elements of the path of farm support in the literature that were locked in over a long period of time, but eventually came around: The price support system and the role of the European Parliament. The price support system was locked in by the way it was organized in the 1970's and 1980's. The yearly negotiations on the height of price support for certain products were highly institutionalised routines. These 'agricultural marathons' drew away the attention of policy makers to the prices on short term negotiation table and away from questioning the policies itself (Roederer-Rynning, 2002).

The role of the European Parliament is actually more of a case of an institutional lock out. Several scholars mention the fact that the European Parliament was an actor that was in favour of reforms of the CAP. But the formal role of the EP in the CAP decision making process was very limited until 2013, when the EP formally got co-decision rights on the CAP. By keeping the EP out of the reform

process the Member States kept the power to decide on the CAP to themselves (Roederer-Rynning & Schimmelpfennig, 2012).

Finally there are also two other smaller and less powerful paths: The environmental path and the path of trade liberalization. Trade liberalization and the environmental measures are both for the first time institutionalized in the MacSharry reform in 1992. Daugbjerg (2009) specifically researched the path dependency in this period and concludes:

*'The MacSharry reform of 1992 set in motion a sequence of reactive reform events which resulted in the Fischler reform of 2003. Each step in the reform sequence was made possible by previous events which decreased the distance to other policy options which earlier in the reform sequence would have been politically unrealistic'*

Daugbjerg stresses here the cultural, informal objections to return to the old policy. The choice to further follow the path of trade liberalization and environmental measures is therefore an clear example of a policy legacy. In the years after the Fischler reform these sequences were expanded. For example the price support system for sugar was ended in 2006 (Ward et al, 2008) and the number of policies and budget for environmental measures were increased in these years (Rutz et al, 2014).

When these two paths would be arranged in order of strength, the environmental path would be the strongest of the two. The power of environmental organizations grew over time, but is still very limited compared to the power of the iron triangle. The path of environmental measures is mainly driven by policy legacies and less by institutional lock ins. The policy legacy of environmental measures however is strong, because it of its ties with farm support, as legitimization for subsidies to farmers. Over all the history of the path of environmental measures will certainly influence future CAP policy.

The path of trade liberalisation seemed potent when it started at the MacSharry reforms, and in the first fifteen tot twenty years after the MacSharry reforms this path was incrementally further and deeper embedded in the CAP. But in the last 5 – 10 years the enthusiasm for further worldwide trade liberalization is cooling down. There are no big institutional lock ins for trade liberalization and the policy legacy of trade liberalization is rather weak. Of the three paths we found the trade liberalization path is the weakest, and it's unclear what the future of this path will be.

### 4.3 Sociological institutionalism

Historical institutionalism gave some useful insights in the institutional basis of why there is incremental change in the CAP. This thesis proceeds with adding a second institutional lens to study the CAP. Where historical institutionalism explained how the change of the CAP is incremental because of its path dependency, it doesn't answer why there is change at all. The CAP in the 1970's differs a lot from the CAP in the 1990's. And the CAP in the 1990's was a lot different than the CAP nowadays.

The lens of sociological institutionalism provides insight in why there is change. The collective ideas about agriculture, environment and trade did change a lot over time. Sociological institutionalism explains how these ideas got institutionalized in the CAP. This chapter will first see what these changing ideas are trough the course of the CAP. Secondly it will address how the logic of appropriateness and the concepts of legitimization and isomorphisms led to the institutionalization of these ideas. This chapter concludes with an oversight of the insights that sociological institutionalism gives when looking to the CAP.

#### 4.3.1 Changing ideas

The literature shows a stable development of ideas through the 1960's and 1970's. The initial goals of the CAP of the treaty of Rome were still up-to-date. The change of the CAP is incremental, but in the same direction: Focused on price support to increase production, protect the internal agricultural market and to establish low food prices (Seidel, 2020). But Seidel also notices the first new ideas that enter the discussion. The UK, as a new member, is for example pushing for lower price subsidies. On the one hand because the UK was immediately a net-payer to the EEC and on the other hand because the subsidized European agricultural products compete with products from the Commonwealth of Nations. In the 1970's this idea did not enforce change, but over time the idea of lower subsidies finds support by other net-payers to the EEC.

Another example that starts in the 1970's and is described by Seidel is the idea to end the exceptional position of agriculture in the GATT agreement. In the 1960's the GATT agreement leads to more free trade in sectors like industry and technology. But agricultural trade barriers are excepted from these agreements. In the 1970's non-EEC countries argue that the price support system of the CAP is leading to unfair trade, and in the GATT negotiations the ending of the exceptions for agriculture are discussed, but do not make it to the final agreement. However the idea of trade liberalization of agriculture is introduced and this would also change the policy over time.

Lynngaard (2007) describes a third introduction of new ideas. This is the idea to use the CAP policies to lower the environmental impact of agriculture. These ideas are also slowly introduced in the 1970's and 1980. The then current focus on maximized production has unwanted external effects on the environment. The use of for example more and better fertilizers and pesticides lead to a higher production, but also to a higher environmental impact.

These three examples have in common that they take a lead up time to gain traction, before they get institutionalized. Where farm support was institutionalized at the start of the CAP, trade liberalization and environmental measures had a breakthrough in the MacSharry reform. Lowering the expenses of the CAP is also an idea that is institutionalized, but in a very incremental way.

In the years after the MacSharry reform the change is again incremental, but over time new ideas are introduced in the CAP debate. Candel et al (2014), Carbone et al (2016) and Greer (2017) describe how a new discussion on food security starts, revolved around the question how to feed the world in 2050. Another example they describe is the introduction of the climate change debate in the CAP reform rounds. There agriculture and climate change are for example tied to each other in discussions on the CO<sub>2</sub> and methane emissions from cattle, on the use of bio-fermentation to retrieve green energy and on capturing CO<sub>2</sub> in soil. These ideas are still in the phase where they are gaining traction, but are only marginally institutionalized yet.

The first three examples of this section have been institutionalized. The next section will dig deeper into how sociological institutionalism explains the institutionalization of new ideas.

#### 4.3.2 The logic of appropriateness and legitimizing institutions

The logic of appropriateness states that an important reason why institutions get shaped is not rationally, but culturally determined. Institutions are developed on what is acceptable within the culture of the institution, and follows the pattern of changing ideas. When this view is applied to the literature in this study there are several scholars who describe the logic of appropriateness as explanation for certain institutional forms, procedures or symbols.

The previous chapter gave historical explanations for the institutionalization of farm support, but several scholars describe how farm support is also established by the logic of appropriateness. Gray

(2000) for example describes how family farming and the agricultural way of life in the 1970's is praised for its values. *'Family farming creates the kind of space where rural society can flourish and where the ideals of wider society are nurtured and preserved. Family farming sustains not just rural society, but society as a whole characterized by the ideals of stability, justice and equality'* (Gray 2000: 35). On the other hand both Dwyer et al (2007) and Feindt (2010) also use the logic of appropriateness to describe farm support, but they call farm support inappropriate. Feindt argues that income support is inappropriate on itself, Dwyer emphasises that the funds allocated to income support are inappropriate compared to the other goals of the CAP. It is important to note that Gray describes the 1970's, while Dwyer et al and Feindt describe the 2000's. From these examples can be learned that the view on what is appropriate can change over time. What is considered appropriate, changes with societal culture, norms and beliefs. It changes just as the social consensus on new ideas changes over time. This is a lesson to keep in mind when looking at what the logic of appropriateness can tell us about future CAP reforms.

The fact that farm support was considered more appropriate in the 1970's and less appropriate in the 2000's doesn't automatically mean the appropriateness also shaped the institutions. For the 2000's this is pretty clear, because there was no big institutional change on farm support in these years. So while farm support may have been considered inappropriate by at least a part of society, this didn't legitimize a new policy. In the 1970's the apparent appropriateness of farm support and the inappropriateness of a reform did correspond with the then current institutions, but it is unclear from the literature if it also shaped the institutions.

Next to examples that describe the appropriateness of the policy, there are also two examples on other institutional levels. Roederer-Rynning & Schimmelfennig (2012) approach the co-decision of the European Parliament as a case of appropriateness. The members of the European Parliament are the official democratically chosen representatives in the European Union, but they did not have a formal position on the final decision. Where co-decision of the EP was normal in other policy fields, it was not introduced yet within the CAP policy process. Giving more power to the EP did not reflect prior informal practice in the CAP. The CAP had always been a policy domain where the influence was mainly divided between the Member States and the farm organizations. Seidel (2020) describes a nice example of the importance of norms. She quotes a British official in the mid 1970's that said that *'Reform was a dirty word'*. When talking about a reform at all is considered inappropriate within the dominating culture, then it is highly unlikely that it will be able to accomplish a reform.

The logic of appropriateness on its own might give insight on the importance of culture, norms and informal practice, on its own it doesn't fully answer why policy takes on specific sets of institutional forms, procedures or symbols. The concept of legitimization can help to further understand the difference. At the same time the concept of legitimization is hard to find in the literature. This section will show some suggestions of legitimization in the dataset and discuss what can be concluded from these suggestions.

Around the MacSharry reforms there are two more clear examples of how legitimization works. In the previous chapter it was discussed how the MacSharry reform on the one hand introduced greener policy, but on the other hand maintained farm support. Rutz et al (2014) interpret this as a case where greening measures are used to legitimize farm support: *'The introduction of greening, and new options to enable targeting of Pillar 1 support to more 'needy' groups, can also be seen as mechanisms which are designed to give more long-term legitimacy to this, the largest-spending element in the policy'* (Rutz et al, 2014: 271). The phrase 'long-term legitimacy' in this quote may refer to the fact that policy makers realized that farm support became less appropriate over time.

In a more indirect example to the CAP, but that also shows how legitimation works, are the so called blue box payments of the WTO that Beard & Swinbank (2001) describe. These regulations were part of the General Agreement on Tariffs and Trade of the WTO in the 1990's. The blue box payments had an unclear policy goal, but Beard & Swinbank argue that they were put in to place to legitimize the compensation payments in the MacSharry reform. While these compensation payments were not in line with trade liberalization goals, the compensation payments were considered fair and appropriate towards the farmers.

Why does the CAP take on specific sets of institutional forms, procedures or symbols? Looking at the literature with the concepts of logic of appropriateness and legitimation in mind gives only limited answers to that question. There are some examples where actors use institutions as vehicle to legitimize their choices and decisions, but for most of the examples it is clear that there are also other institutional factors, that are probably more important. The second question remains: How does the CAP take on specific sets of institutional forms, procedures or symbols?

#### 4.3.3 Isomorphisms

Looking at institutional isomorphisms can help to get insight in how specific sets of institutional forms, procedures or symbols are taken on by the CAP. Institutional isomorphism tries to interpret the institutional form of one institution, by looking at other institutions. This section will address all three forms, coercive, normative and mimetic, of isomorphisms and then finish with answering the central question of sociological institutionalism.

##### *Mimetic isomorphism*

The most clear type of isomorphism to witness is mimetic isomorphism. But at the same time mimetic isomorphisms are rare in the CAP. There is one example in the literature that is worth mentioning. Fouilleux (2004) studies the 1992 and 2003 CAP reforms and the time in between. It has already been said before that the WTO had a large influence on the 1992 MacSharry reform. One of the reasons the WTO had so much influence was the lack of internal expertise and intellectual resources of the EU in the late 1980's WTO negotiations. Especially the US was much better prepared and had more influence through that preparation. After the Uruguay Round of WTO negotiations was finished the European Commission decided that they wouldn't let the same thing happen again and introduced a whole new division with experts and scientists within the DGAGRI, that can be seen as a copy of the American USDA's division.

The characteristic of mimetic isomorphisms is that it copy's other institutions that are seen as successful. One could argue that the CAP as an institution is pretty successful because of its long existence and limited change over time.

##### *Normative isomorphisms*

In our literature normative isomorphisms are a more common than mimetic isomorphisms. Normative isomorphisms are copy's based on culture, so normative isomorphisms can be seen as the most logical type to follow the logic of appropriateness. The case of co-decision for example was previously interpreted as a case of the logic of appropriateness. Roederer-Rynning describes how the choice for co-decision is 'rooted in the principles of legal rationalization and representative democracy'. So the institutions for agricultural policy were adopted from the norm of the rest of the EU institutions. Another example is described by Seidel (2020) about the process of the UK joining the EEC. At first the CAP was one of the points of negotiation upon joining, but during the process they realized how hard it would be to gain results in this established field of policy. So they dropped the demands for a change in the CAP and decided to try to change the CAP after joining as a member state in the regular reforming routine.

To exactly tell how normative these isomorphism are hard to say based on this literature. The examples are about smaller changes, but not about the institution as a whole. It could be argued that policy legacies can result into normative isomorphism. The new policies are shaped after the norms and values that are in the existing policies, but it's hard to point that out in the literature, likely because norms are often taken for granted and are therefore only described limitedly.

#### *Coercive isomorphism*

At last there are institutions that get shaped to fit with other institutions: Coercive isomorphism. Coercive isomorphisms are widely described in our literature database. But most of the time these are about non-CAP policies or institutions that get shaped to fit with the CAP. For example national policies or the strategy of actors. But there are some examples of coercive isomorphisms that explain how the CAP is shaped.

In the section on legitimization the example of the blue box payments was used. This interaction between the WTO and EU on international trade shaped both institutions. Where the WTO introduced blue box payments to fit the CAP, the CAP heavily reduced price support to fit with the new WTO rules (Beard & Swinbank, 2001; Coleman 1998). At the same time his example can also be explained as a case of mimetic or normative isomorphism. In most other sectors trade was already liberated in the preceding decennia. Actually agriculture was one of the last and it still is more protected than others. The MacSharry reform and Uruguay GATT round can be seen either a partial copy of the earlier trade liberalizations in other sectors or liberalization can be seen as the international norm for trade, which the CAP got in line with.

The ability of isomorphism to explain how institutions take on their form is limited. In some cases, like the mimetic isomorphism where the EU copied the USDA it is pretty clear, but in many other cases it seems evident that there is either not enough information on what the norms are or it is not thoroughly described in the literature.

#### 4.3.4 How ideas got institutionalized

The lens of sociological institutionalism gave insight in how new ideas got institutionalized in the CAP. There are cases of logic of appropriateness, legitimization and isomorphisms. What stands out is the fact that the three paths from chapter 4.2.4 are also visible when looking through a sociological lens. It seems that the institutionalization of farm support, trade liberalization and environmental measures were not only established with rational choices, but that they are more deeply established in culture, ideas and social norms. They are appropriate and can be used to legitimize actions or policies. Where sociological institutionalism gives a limited view on the CAP on its own, it does give a better understanding of the CAP when combined with historical institutionalism.

#### 4.4 Other relevant institutional insights

Looking through the lenses of historical and sociological institutionalism at our database of literature makes one look different than when reading it as a neutral reader. But these lenses also miss useful information and useful conclusions about institutionalism. On the one hand historical institutionalism uses some elements of the calculated approach to institutions, but it doesn't fully explain rational behaviour. On the other hand sociological institutionalism gives some insight in how ideas get institutionalized, but discursive institutionalism could add to that by explaining how ideas get institutionalized through frames and discourses.

#### *Rational choice institutionalism*

Lenschow (1999), Swinbank (1999), Lynngaard (2007), Ward et al (2008), Henning (2009), Rutz et al (2014) and Galli et al (2020) apply elements of the logic of consequentialism, where policy and

institutions are based on clear preferences and consistency. In 4.2.1 several examples were named of asymmetries of power, especially in favour of the (western) member states and the farm organizations. These organizations used this advantage in power to institutionalize their own interests. For the member states to protect their own markets and for farm organizations to stabilize and protect the income of farmers. This holds up for many of the lobbies within the CAP. The UK in the 1970's would become a net-payer to the EEC, so it was in their interest to reform the CAP. And the Eastern European countries in the 2000's that joined wanted the same rates of support for their farmers.

#### *Discursive institutionalism*

The discourses of the CAP are especially in the more recent articles a subject of study. Lynngaard (2007), Erjavec et al (2009), Erjavec & Erjavec (2009), Fouilleux (2004), Erjavec & Erjavec (2015), Candel et al (2014) apply elements of discursive institutionalism to analyse the CAP. Discourses are used by all kinds of actors to legitimize their choices and to work their way in the negotiations. The main discourses are linked to the main paths that were described in the section on path dependency. But where the paths revolve around the history and previous steps of the CAP, the discourses are about communication and persuasion. Framing policies or institutions can help actors to achieve their policy goals.

Looking at the institutions of the CAP without considering rational choice institutionalism and discursive institutionalism gives useful new insights and give a more complete picture of the CAP institutions.

## 5. Discussion

Before any conclusions can be drawn it is important to discuss the impact, limits and lessons of this thesis. Two lenses were used to study the literature in the database. What are the limits and what are the perks of using these lenses? And what was learned throughout the process of writing this thesis? This chapter will discuss a broader view, by taking some distance from the detailed descriptions in the previous chapter.

### 5.1 Strengths and weaknesses of this thesis

This thesis takes an institutional approach to look at the CAP. Because of the broad definition used by both lenses, many aspects of the CAP have been within the reach of this study. It described how actors influence institutions and vice versa. How both change and incrementalism of the CAP can be explained by institutions. However there are also limits to this institutional approach. Big external factors that influence policy or institutions are for example relatively invisible through our lenses. When incidents happen at the right moment in the policy cycle, they can have a big influence on the policy outcome. An example of this is presented by Swinbank (1999) who explains that the BSE crisis in 1991 in the UK influenced the MacSharry reforms. The 'mad cow disease' disrupted the beef markets in the UK and Europe and therefore intervened with the negotiations at the time.

Another limitation is in the fact that this thesis only looks at the CAP itself. The CAP is an overarching policy, which has to be implemented by the European member states. Especially the reforms of the 1990's, 2000's and 2010's gave more space to countries to make their own choices within a bandwidth provided by the CAP. This thesis did establish that there is incremental change in the CAP policy itself, but the effects in national policies therefore remains unclear.

These are some general remarks on strengths and limits, but there are also remarks with the specific lenses.

#### Strengths and weaknesses of historical institutionalism

The strength of historical institutionalism is in its versatility. For example it uses both the calculus and cultural approach and takes account for both incremental change and critical junctures. At the same time this is its weakness. Historical institutionalism tends to be not very precise in explaining how institutions affect the behaviour of actors. It over all the approach of the institutional processes is rough, not sophisticated (Hall & Taylor, 1996).

These general limitations of historical institutionalism apply partly to this thesis. The CAP is by many scholars considered as a text book example of historical institutionalism. This is visible in the literature database. Several articles mention the historical institutionalism or path dependency in the CAP and there is one article (Daugbjerg, 2009) which uses historical institutionalism as central theory in its research. The wide availability of data on historical institutionalism doesn't fully compensate for these limitations, but it improves the quality of the results.

A second limitation of historical institutionalism that is important to take in mind, is the fact that to draw conclusions historical institutionalism a long period of time needs to be studied. This is also visible in the literature. Studies that use concepts of historical institutionalism all look back further in time. There are no articles in the database that apply historical institutionalism to the CAP reforms after 2003. This is a disadvantage when looking forward to the CAP, for example because it is hard to say if recent developments will turn out to be a critical juncture or incremental change.

#### Strengths and weaknesses of sociological institutionalism

Where historical institutionalism was mentioned in several articles in the database, sociological

institutionalism was in none. That makes studying the CAP from this perspective different and more challenging. Of course the data describe the policy processes of the CAP, that was the inclusion criterium, but especially from articles that have a calculus approach it is challenging to draw conclusions from a cultural perspective. Some institutions, especially the informal norms, the rituals and symbols are often taken so for granted that they aren't described. Therefore it was useful that the dataset also contained some articles that did take a more cultural approach, or came from fields of study with a more cultural approach, like the history article by Seidel (2020). It is for example likely that there are way more isomorphisms throughout the CAP then displayed in the results section. In particular normative isomorphisms are easily overlooked because the norms they are formed on are taken for granted.

The total lack of a calculus approach is also a limiting factor in sociological institutionalism. Only using a sociological institutionalism lens will make a research miss out on some important explanations on why a certain organization or policy takes on specific sets of institutional forms, procedures or symbols. From the historical institutionalism it is for example clear how important asymmetries of power have been throughout the whole CAP history on all important decisions. But asymmetry of power is based on a calculus approach. An example of this is in the persistence of farm support. Several scholars describe how farm support is in a certain moment of time, especially from the 1990's and onwards, becoming more and more inappropriate. The logic of appropriateness would suggest that this could be a reason for the policy to change. But from historical institutionalism it is know that this farm support is strongly path dependent because of asymmetries of power, policy legacies and institutional lock ins. So when solely using the sociological institutionalists lens this would be useful information that is overlooked. This automatically brings up the subject of theoretical multiplicity.

### 5.3 Theoretical multiplicity

In the introduction the choice for theoretical multiplicity was already shortly discussed, but how did this work out in this thesis? It is clear that often the two lenses complement each other. Where historical institutionalism helps to see the why change is incremental, sociological institutionalism shows why there is change at all. The MacSharry reform is an example of this. On the one hand the new ideas that have been introduced in the CAP discussions in the 1970's and 1980's explain why new trade liberalization and environmental measures are introduced at the MacSharry reform. On the other hand asymmetry of power and institutional lock ins explain why these new policies still were a way to financially support farmers. Or as Erjavec et al (2009) would probably call it: 'Old wine in new bottles'. New policies are used to legitimize old institutions.

Theoretical multiplicity in this thesis helps to see that the reason an institution can take on specific sets of institutional forms, procedures or symbols, and most often will, be a mix of both cultural and rational institutional factors.

### 5.4 Lessons learned in this thesis

Writing this thesis made me aware of the value of science again. In my work as a politician quickly analysing data and situations and rapidly jumping to conclusions is a skill I use on a daily basis. The past two months challenged me in not making any conclusions yet. And now, at the end of that process I see the added value of that. The whole process of working through theory, methodology and analysis before making conclusions helped to make the institutional theories and the study subject my own. Looking back I witness the Dunning-Kruger effect (Kruger & Dunning, 1999) in my own learning curve. Where I thought after two weeks that I fully understood how historical and sociological institutionalism worked, I now found out that it is much more complex that I thought.

Working with the cultural approach to institutions during this thesis for example made me think more and more on how invisible and for granted institutions can be. But that they are important. Informal norms, rituals or habits, even very small ones, can effect the outcome of policy processes. These kinds of insights are very useful to have. To see the limits of your own analysis, but also to draw the right conclusions at the end.

Next to these more philosophical lessons, there are also very practical lessons that I learned. Especially on the importance of the selection of literature. I never realised that that is a complex and time consuming process. Not only using the right keywords and selection criteria, but also to do that in a way that is as objective as possible. On this point this thesis also could be improved. In a first try with Scopus I used search words with many synonyms, to get a good result based on using the 'relevance' function in Scopus. Later this was changed to get a search result based on only the keyword 'Common Agricultural policy' and have a selection from there on. I never considered that the abbreviation 'CAP' could also be used as keyword, and only found out about this after wondering at the end of my literature selection process why certain specific articles were not in the selection. So this thesis would probably have a better literature database when 'CAP' is added as a synonym in the search query.

The biggest challenge for myself was to find the right balance between writing and doing my own analysis, based on the literature. It is easy to either follow the insights and conclusions of the articles or totally write your own story. The balance between the dependence on the limited number of articles in the databased and making my own analysis was a bit of a struggle, but I hope I succeeded to do that properly.

## 6. Conclusion

How can the theories of sociological institutionalism and historical institutionalism explain the incremental change of the EU Common Agricultural Policy? That's the research question this literature study attempts to answer. After reading and extracting the data from 29 articles the following conclusions can be drawn on that question.

Historical institutionalism succeeds to explain the incrementality of change in the CAP very well. It is established that the CAP behaves path dependent. The conservative path of farm support is the most clear and established path of the CAP. This path is supported by the strong power position of the Western European member states and farm organizations, who are inclined to maintain this path. The path is upheld by both policy legacies and institutional lock ins, which date back as far as the beginning of the CAP in the 1950's. The CAP did incrementally change throughout the decades, but the established farm support was never let go.

From the perspective of sociological institutionalism does not give insight in the incrementality of the CAP, but it does become clear why there is change in the first place. The results show that in the first few decades of the CAP the farm support was considered appropriate and that institutions were used to legitimize this idea. And it explains how developments in the 1990's and later effects of the institutionalization of ideas that came on the agenda in the preceding decades. The initial ideas of farm support remained appropriate over time, but the form in which farms are supported did change. Measures on trade liberalization and environment were introduced alongside farm support in the MacSharry reforms and were used to legitimize farm support in the future. Isomorphisms don't play a big role in the CAP, likely because of the fact that the CAP can be seen as a successful institution that for many years co-defined rules and norms in the European Union.

The studies in the database research the CAP from different angles. Rational choice, historical and discursive institutionalism are used and referred to in the literature, but in the database used in this thesis there were no articles that specifically applied sociological institutionalism. Therefore it would be interesting if the CAP and its institutions would be further researched from a sociological or even an anthropological angle. This could give more information on the informal rules, habits and symbols that are taken for granted by the literature in this study. Also it would be interesting to do a broader research on the conservatism of the CAP, where also other 'new institutionalisms' like rational choice institutionalism and discursive institutionalism are added.

Next to recommendations on further research, the results can also be translated in some policy recommendations. What can be done to break the vested, conservative powers of the Iron Triangle in the CAP? Are there possibilities to make the CAP policies look less to the history and more to the future? What can be done to make the upcoming CAP reform a critical juncture?

One of the important things about the MacSharry reform becoming a critical juncture was the outside pressure of the CAP. To make the upcoming reform a critical juncture new outside pressures can be used. The current corona crisis could play a role in the future development of the CAP. A crisis can often shape policies. Hence how the EEC/EU itself, and the CAP indirectly, were a result of the second world war. In the public debate in the Netherlands the first links between corona and agriculture are already created. This zoonosis has no known links to keeping animals for food purposes, but even though it is reason to discuss the industrialized nature of animal farming. This could work in favour of actors that propose greener, circular and more animal friendly agricultural policies.

The European Green Deal (European Commission, 2019) that is launched by the new commission led by Ursula von der Leyen could also be an example of an external factor. This green deal is already intervening with the CAP, by the announcement of a new 'farm to fork strategy'. Even though this strategy has only been published very recently, it is clear that consists of some progressive green policies that would get implemented in the CAP. The analysis in this thesis showed that external pressure on the iron triangle was one of the factors that enforced the critical juncture at the MacSharry reform. The fact that external actors get involved with could be an indicator that the incremental change of the CAP in the preceding reform rounds could not keep up with the change of ideas at that time.

For the new CAP that will be negotiated in the coming two years, it would be interesting to analyse if it kept up with the consensus ideas on climate change and environment. An important question will be if the powers of the iron triangle are strong and organized enough to get radical change forced by external pressure off the table. Or does the outside pressure of heads of government, green lobby groups and the Paris agreement succeed this time to radically change the CAP? The most likely outcome, based on the conclusions of this thesis, is a compromise where the new climate goals get embedded in the new CAP policy, through a renewed system of financial support for farmers.

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