The analysis of policy change should take a historical perspective as proposed by the historical institutionalist approach. Analysing changes of a long established policy such as the CAP requires examining the historical context of these developments. This is all the more important as the main interrogation is to understand why and how this policy which was essentially characterised by immobility during its first 30 years could undergo significant changes later on.

This chapter presents therefore the initial characteristics and mechanisms of the CAP, their deficiencies and the successive attempts at reforming the CAP up until the late 1980s.

The original CAP

Initial iron pacts

The origins of the CAP have to be understood in the context of the European integration process. The inception of the CAP was an important step in the unification of Europe through the creation of a Common Market. The integration of six very different national agricultural policies into a common system was part of this endeavour.

The Treaty of Rome, the founding document of the European Community, was signed in 1957 by France, Germany, Italy, Belgium, Luxembourg and the Netherlands and came into effect on 1 January 1958. It committed its signatories to forming, within 12 years, a customs union with complete freedom of trade on the internal market and a common external tariff. The Common Market
provisions were intended to include agriculture, and the adoption of a common agricultural policy was clearly stipulated.

Whereas Article 38 declared that a common agricultural policy would be established, Article 39 specified its objectives in general terms. The wording of Article 39 is open to various interpretations, but it has so far remained unchanged. The objectives are to:

- increase agricultural productivity through technical progress, the rational development of agriculture and the optimum utilisation of factors of production,
- ensure a fair standard of living to the agricultural population by increasing the individual earnings of persons engaged in agriculture,
- stabilise markets,
- assure the availability of supplies,
- ensure reasonable consumer prices.

Article 39 was complemented by Article 40 that stipulated that the CAP should be established after a transitional period and that a ‘common organisation of agricultural markets’ was to be put in place.

The details of how these objectives were to be implemented were not spelled out in the Treaty. This was left to the Stresa Conference of Agriculture Ministers, which took place in 1958 and marked the actual birth of the CAP. The meeting agreed on the principles and modalities to put in practice the objectives of Article 39.

As part of the wider enterprise of European integration, the inception of the CAP served to reconcile the disparate national agricultural interests and differences in market organisation schemes while a common internal market was progressively established. In fact, it enabled well-organised agricultural sectors such as France and the Netherlands to expand their markets while maintaining mechanisms of support for their farmers and delegating the financial responsibility to the European level. In the case of France, the country had built its reconstruction efforts since the end of World War II on the modernisation of its agriculture and the search for new markets while maintaining protection of its industrial base. It had to deal with an agricultural sector consisting of both a large number of small farms and influential medium-sized and large holdings. France thus stressed the necessity of both the unity of the