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**THE DECISION-MAKING PROCESS IN THE EUROPEAN UNION
ACCESSION NEGOTIATIONS FOR THE
CHAPTER ON AGRICULTURE
*PROCES ODLU IVANJA KOD PRISTUPNIH PREGOVORA ZA
LANSTVO U EVROPSKOJ UNIJI - POGLAVLJE POLJOPRIVREDA***

Abstract

The institutional framework importantly affected the outcome of accession negotiations in agriculture for CEE candidate countries. The objective of this paper is – on the basis of descriptions of the process and the analytical framework applied to decision-making on the agricultural policy and European integration – to determine the role of individual multinational and national agricultural organisations. Negotiations were formally conducted through the exchange of negotiating documents and had features typical of European Union (EU) multi-level decision-making.

The role of large states was limited to confirming previously drafted decisions and to timing the process with strategic decisions, which only partly confirms the concept of inter-governmentalist theory. In accordance with the multilevel governance model, the role of EU institutions was strengthened, in particular the role of the Directorate-general of Agriculture (DG AGRI), (currently called Agriculture and Rural Development) of the European Commission, which efficiently exploited its strong bargaining resources. Negotiations were mostly an interaction between agrarian bureaucracies on both sides, which, as a consequence, also considerably strengthened their roles.

Key words: EU accession negotiation, Agricultural Chapter, decision making process, DG Agriculture, *acquis communautaire*

Izvod

Institucionalni okvir važno je uticao na ishod pristupnih pregovora o pristupanju za oblast poljoprivrede za CEE zemlje kandidate. Cilj ovog rada je - na osnovu opisa procesa i analiti kog okvira primijenjenog kod donošenja odluka u poljoprivrednoj politici i evropskim integracijama – da odredi uloge pojedinih multinacionalnih i nacionalnih poljoprivrednih organizacija. Pregovori su formalno sprovedeni kroz razmjenu pregovara kih dokumenata i imali su tipi ne odlike EU donošenja odluka na više nivoa.

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Abbreviations: CEE (Central Eastern European), EU (European Union), DG (Directorate-General - Department of the European Commission)

Uloga velikih država je ograničena na potvrdu prethodno izraženih odluka i porožavanje procesa strateških odluka, što samo djelimično potvrđuje koncept inter-governmentalist teorije. U skladu sa višeslojnim modelom upravljanja, uloga institucija EU je ograničena, posebno Generalnog direktorata za poljoprivredu Evropske komisije, koji efikasno iskorištava svoje jake pregovaračke resurse. Pregovori su bili uglavnom interakcija između u agrarne birokratije sa obje strane, koja je, kao posljedica toga, takođe znatno jačala svoje uloge.

Cljučne riječi: pregovori za članstvo u Evropskoj uniji, poglavlje o poljoprivredi, proces odlučivanja, generalni direktorat za poljoprivredu, *acquis communautaire*

INTRODUCTION

After an intensive five-year process of negotiations and harmonisation, the accession negotiations for the countries that were to join the European Union (EU) in the next expansion were wrapped up in December 2003. The negotiations on the chapter on agriculture were particularly political sensitive, as their results will have serious financial consequences for the present Member States and the new Member States and will also affect the future Common Agricultural Policy (CAP). Negotiations regarding agriculture were so comprehensive and intensive because of the extensive common legal system (*acquis*) in this area. It can be divided into two basic areas: Common Agricultural Policy with Common Market Organisations, and Rural Development Policy, as well as a broad area of veterinary and phyto-sanitary issues.

There are numerous studies dealing with the economic consequences of accession (Baldwin et al. 1997; Moench, 2000; Commission, 2002b), but what is missing is research on the political-economic and institutional context of the accession negotiations and enlargement. And since it is the institutional framework that to a large extent determines the processes and the final policy solutions, the research on the decision-making processes of the accession negotiations may be of broader interest and may widen the horizons of agricultural policy analysis. The goal of the author, therefore, was to describe the process and issues of accession negotiations in agriculture, and to determine the weight and the role of individual multinational and national agricultural organisations. Apart from a description of processes, mechanisms and consequences, the author used the analytical framework applied to decision-making in the agricultural policy and European integrations to achieve this goal (Moyer, Josling, 2002; Peterson, Bomberg, 1999).

The paper starts by enumerating the alternative approaches that political science uses for studying complex multi-level decision-making. On the basis of selected theoretical models, some detailed questions will be defined which, together with the models, represent an analytical framework for realising the goals set forth. Briefly, we will also present the information sources used in the analysis. The central part of the paper focuses on the process of accession negotiations in agriculture. This process was substantially determined by the

formal procedures of negotiations, the national and multi-national institutions involved, and a wide spectrum of technically demanding and politically sensitive negotiating issues. The latter can be divided into three broader categories: implementation of the *acquis*; transitional periods and derogations from the *acquis*; and the financial issues of the CAP, further divided into the issues of quotas, direct payments and financial resources for rural development. Each issue is analysed in detail, in particular from the point of view of the goals set forth. In the conclusions, the author formulated the answers to the questions posed at the beginning and tried to evaluate the applicability of various theoretical concepts to explain the process and results of accession negotiations.

1. The analytical framework and information sources

The accession negotiations are a complex decision-making process involving national and multi-national agents in a specific institutional environment. For an analyst hoping to describe and understand the process, the main task is to develop a framework into which the institutions, rules and issues negotiated can be placed. The analytical framework used in this paper builds mainly on that used in **Moyer and Josling** works (1990, 2002) that focused on farm policy reforms in 1980's and 1990's in the EU and USA. Based on this approach, we made a general assumption that accession negotiations had most characteristics of the EU multi-level decision-making. If the candidate countries were to efficiently harmonise and adopt the decisions, they were forced to introduce similar decision-making and operating mechanisms as are in place in the EU.

Should the assumption that the accession negotiations are EU multi-level decision making prove correct, we could formulate a number of questions on the basis of some theoretical concepts which help understand decision-making and which were used in the analyses of Common Agricultural Policy. Each of these approaches could illuminate certain aspects of the negotiating process, though none of them provides a full explanation. Like **Mojer and Josling** (1990, 2002), we used a heuristic approach for an integrate insight into some of the selected models.

To study the multi-level decision-making, the political science dealing with the European integration produced a number of models which try to determine the most significant and powerful actors and explain the mechanism and patterns of policy decision. **Webber** (1997) identifies seven, **Mojer and Josling** (2002) used four, and from them we selected three models which could be helpful for our analysis: *inter-governmentalist theory*, *multi-level governance model* and *European bureaucratic politics*.

The inter-governmentalist theory believes that the governments of the Member States remain the dominant actors in any international relations system. In relation to the EU, the theory argues that the EU institutions are still dominated by the representatives from the largest Member States. The theory thus focuses on bargaining between the Member States and their ability to influence the decision-making in the EU institutions. The questions for the

accession negotiations could therefore be to what extent the negotiating decisions actually are a bargain between large members and large candidate countries, such as France, Germany and Poland?

Opposite to the inter-governmentalist, the theorists of *multilevel governance model* believe that the EU integration process has a significantly reduced national sovereignty. According to this theory, the EU institutions exercise an independent influence on decision (policy) outcome. **Moyer and Josling** (2002) mentioned that some authors ascribed the change in the balance of power predominantly to the advantages which the EU institutions had in the formulation of the “rules of the game” as well as in legislative procedures. In this regard, the following questions may be posed: what are the bargaining resources of the EU institutions; how does the structure of accession negotiations enhance the influence of some actors?

The European bureaucratic politics see the EU decision-making as depoliticised, decentralised and fragmented by sectors. The dominant policy actors are not elected politicians, but rather officials from national ministries and European Commission. The real decision-making results depend on interaction between administrations (bureaucrats) and their bargaining. The EU bureaucrats represented mainly in the European Commission as well as the national administrations have their own goals, are quasi-autonomous, and do not favour any changes in the policy and institutional rules. The special case of quasi-autonomy and sectoral linking is the links between DG Agriculture and national ministries (**Peterson, Bomberg**, 1999). In the analysis of accession negotiations, the following question can be raised: to what extent the EU institutions, especially the European Commission, and national ministries are really quasi-autonomous actors?

The analysis is based on the study of negotiating materials obtained from the published and unpublished records of the Ministry of Agriculture, Forestry and Food and Governmental Office for European Affairs of Republic Slovenia². This was supplemented by personal information and in-depth interviews with various participants in the negotiating process from the European Commission (DG Enlargement in different units in DG Agriculture), Member States (national ministries for agriculture in Austria, Germany, Spain, Ireland, the Netherlands, Italy, Great Britain, Sweden) and candidate countries (national ministries in Poland, Hungary, Estonia, Cyprus and especially Slovenia). The interviews were conducted by the author between September 1998 and December 2002.³

² It is also based on the private archives of the author who participated in the negotiations on the side of a candidate country. Although the author tried to avoid subjective assessments and stick to academic approach, the paper nevertheless contains some elements of personal views and comments.

³ The author wishes to thank various people who discussed the topic and shared their views. These individuals were extremely helpful in piecing together the puzzles of EU accession negotiations. The list of contacts and interviews is long and can be obtained from the author.

2. Process, issues and actors of negotiations

2.1 Formal and technical levels of accession negotiations

The process of accession negotiations for membership of the European Union has been formalised since its first EU enlargement. Also in the case of the upcoming enlargement, negotiations were conducted at the Accession Conferences, which were convened for each candidate country at the level of foreign ministers of Member States and candidate countries. These conferences took place two to three times a year at the level of foreign ministers - formal chief negotiators, and at least twice as often at the level of deputies - heads of negotiating teams, who *de facto* coordinated negotiations in the candidate countries. These meetings were short and of very formal-political nature. The representatives of both sides read their statements endorsing formally the progress made in the period since the last meeting.

The negotiating process was formally based on the exchange of negotiating documents through the Accession Conference. The procedure started with a candidate country submitting its *negotiating position*, which was prepared after the screening of the *acquis* in the relevant chapter of negotiations. In response, the European Union prepared a *Common Position*, whereby it provided its opinion concerning individual requests of candidate countries, asked for additional argumentation of positions, and raised new issues. Candidate countries responded to the Common Position by *Additional Clarifications to Negotiating Position*, which they officially submitted to the Accession Conference. By the clarifications, the candidate countries answered the questions, persisted in, modified or withdrew their requests and also raised new issues. The European Union responded to these clarifications by new Common Positions, to which candidate countries had to respond again. For the first group of candidate countries (the "Luxembourg group" - the Czech Republic, Hungary, Poland, Estonia, Slovenia and Cyprus) the European Union prepared altogether 5 Common Positions in the chapter on agriculture. The number of additional clarifications varied across candidate countries, but they were more than Common Positions.⁴

Parallel to the exchange of negotiating positions, numerous technical meetings were held, where most technical and process-institutional work was carried out. Both negotiating sides had specific institutional organisation. On the side of the European Union, the main responsible institution was DG Enlargement, and for the chapter on agriculture, the special Unit for Enlargement at DG Agriculture. On the side of the candidates, government negotiating teams were formed, generally comprising of senior government officials.

In the accession negotiations, DG Enlargement was the coordination and information body serving the Member States as well as the candidates. When dealing with substantive issues in the chapter on agriculture⁵ this DG was, more

⁴ Slovenia (e.g.) officially submitted 13 Additional Clarifications.

⁵ This was particularly the case with the issues related to Common Agricultural Policy.

like in other chapters, entirely dependent on the opinions and procedures of DG Agriculture, which established - through its special unit - also direct links with agricultural ministries of candidate countries. Also on the side of candidate countries, agricultural ministries took on quite a strong position towards other national ministries. A specific link was established with DG Agriculture, which to the very final stage diminished to a large extent the possible influence of other institutional factors. Regardless of extremely technical nature of work in this chapter, such exclusion and monopolisation of decision-making in agricultural matters could be considered a typical occurrence of accession negotiations, however, such strong direct sectoral connection which incidentally bypass the formal institutional procedures is not an unusual practice in the European Union.

A large part of the drafting of negotiating documents, in which the main substantive guidelines of the negotiating process were determined, was carried out at technical meetings. They were convened on the initiative of both sides, but usually on the initiative of the European Commission, and in the case of agriculture mostly by DG Agriculture. The technical meetings were of information nature, had various forms, but common conclusions were not obligatory⁶. The highest level of these meetings was at the level of those responsible for negotiations within the European Commission and the candidate countries. Quite frequent were informative meetings between diplomatic representatives of candidate countries and the responsible persons from DG Enlargement and DG Agriculture. Meetings at the level of officials or specific experts were the most crucial when deciding on the technical substance of negotiations⁷. At these meetings, both sides expressed their views and endeavoured for resolving possible misunderstandings in the positions and in interpreting the *acquis*.⁸

⁶ No joint minutes were adopted at technical meetings. Both sides made their own minutes, which had an important role in internal coordination of positions for Member States and within the European Commission.

⁷ At the level of individual Common Market Organisations, e.g. milk, or other issues of agricultural *acquis*. There were 32 such meetings for Slovenia in four and a half years of accession negotiations. They were the most frequent in the first and the last year of accession negotiations. Altogether, there were almost 100 technical meetings of various forms in the case of Slovenia.

⁸ Both sides thus tried - in an informal manner - to bring together their positions and to seek solutions suitable for all. In the last year of accession negotiations in particular, technical meetings increasingly resembled real negotiations, although no formal conditions for this have been met. According to the Commission sources, candidate countries used different negotiating tactics. Some delegations often concealed the data and positions or bringing up political issues at the technical level. These two types of tactics were used largely by those delegations which expected that the "real negotiations" in the sense of bargaining would take place at the very end of negotiations. Some delegations, on the contrary, adopted the opposite tactics and "laid their cards on the table".

In addition to the formal and technical parts of negotiations, each negotiating side had to undergo a relatively intensive process of internal formulating and coordinating of positions. Draft Common Positions were prepared by the European Commission. They were discussed and coordinated in the enlargement working group at the Council, which comprised of the representatives of Member States. Some strategic decisions in the chapter on agriculture were also taken at the level of Heads of State or Government at the European Councils. A politically demanding process also took place within the candidate countries, as the government representatives had to reach a consensus also for less popular solutions among political parties, in the government administration and also with non-governmental organisations.

2.2 *The accession negotiations*

Accession negotiations in the chapter on agriculture started in September 1998 in Brussels by the multilateral screenings for the Luxembourg group of candidate countries and were concluded by the final agreement made by the Member States and the candidate countries at the Copenhagen European Council on 13 December 2002. This period can be divided into three stages:

1. 1998-1999: drafting of negotiating positions by the Luxembourg group of candidate countries;
2. 2000 - 2001: negotiations on the implementation of the *acquis* and “catching up” process for the Helsinki group of candidate countries⁹;
3. 2002: negotiations on financial issues.

The first stage (1998-1999) was a period of intensive learning about Common Agricultural Policy (“screenings”) and drafting of the negotiating positions. The process started with *screenings* of the *acquis* in individual chapters of negotiations, in the form of multilateral and bilateral meetings of the candidate countries and the European Commission. At the bilateral screenings the candidate countries presented their legislation, described the steps they planned to undertake to harmonise their legislation with the *acquis* and at the same time they pointed out the areas where they might have special requests. This was followed by technical meetings and internal coordination in the candidate countries, in particular as regards the implementation of the *acquis* and the necessary changes. The European Union did not raise any financial issues of negotiations at the technical level, as they were more a subject of political negotiations. Equal treatment was one of the requests pointed out by all candidate countries.

In their negotiating positions, candidate countries concentrated largely on formulating the requests on quotas and reference quantities, which was also a

⁹ Lithuania, Latvia, Slovakia and Malta.

subject of widespread internal political debate and harmonization.¹⁰ The candidate countries formed large groups responsible for preparation of negotiating positions in agriculture, which were headed by persons from line ministries. The European Commission had an incentive for organising the activities and structuring of the process but gave at this stage only restrained responses to the negotiating requests of the candidate countries. The accession negotiations in agriculture still needed a solid political mandate on the EU side. It became clear that the accession process would be a long-lasting one, as was also the case with the accession of Spain and Portugal (**Preston**, 1997).

The second stage (2000-2001) brought about a slowdown in the progress of negotiations of the Luxembourg group. The negotiations proceeded mainly in the form of the exchange of Common Positions and Additional Clarifications, the number of technical meetings was down to only a few a year. Although there were some negotiating activities, their dynamic was importantly slower than in the first two years. The candidates of the Helsinki group, on the other hand, went rapidly through the first stage of negotiations. Regardless of the slowdown, at that time enlargement became an increasingly realistic fact also politically. However, throughout this period, financial issues of agricultural negotiations were not raised. In its Common Positions, the EU formulated clear questions about the implementation of the *acquis* and thereby forced the candidates to reveal their plans for harmonising with the *acquis* and setting up the necessary institutions. This process was particularly intensive in the veterinary and phyto-sanitary area. As regards the questions of CAP, the negotiations focused on the implementation of the control (IACS system) and quality standards. In the area of veterinary and phyto-sanitary issues, the European Commission required of candidate countries a guarantee that they would be capable of a harmonised practice, which would calm furthermore the fears of Member States in this area. The candidate countries were differently successful in responding to these requests and some important issues, such as public health and animal welfare, were still open at the end of the period. In this period, the European Commission consistently rejected most of the demands for derogations from the *acquis* or requested additional clarifications. Candidate countries were intensively preparing the answers and at the end of this period they also progressively withdrew less-realistic requests. Some candidate countries of the first round tried by various incentives and political discussions to start the financial round of negotiations, but apparently it was too soon for that.¹¹

¹⁰ Some countries (Slovenia, Cyprus) put the issues of the quotas and reference quantities off to later stages and focused largely on the implementation of the *acquis*.

¹¹ The demands for equal treatment came from all candidate countries, but politically with strong voices from Poland in particular. At this time, Slovenia made an incentive to top-up direct payments from the national budget and in this manner to overcome the problem of a too scarce budget of the 2000-2006 financial perspective and the political orientations of Member States that the candidates would not be allocated any funds for direct payments.

The financial part of negotiations in the area of agriculture began when the Commission (2002a) on 30th January 2002 published its enlargement strategy.

The main elements of this strategy were as follows:

- quotas and reference quantities were based on the statistical data of the period 1995-1999, which led to a wide gap between the demands of the candidates and the EU offer;
- gradual rising of the level of direct payments from 25 % in 2004 to 100 % in 2013;
- a possibility of topping up the direct payments from the national budgets (reference year 2001)
- “a simplified scheme”, because of implementation problems, the candidates would be over a limited period of time able to apply direct payments in the form of decoupled single area payments;
- the distribution of funds for rural development (Guarantee section) according to objective criteria (later on, a reserve was added).

This proposal triggered fierce reactions from the candidate countries. The European Commission's proposal, which applied equal criteria for all candidate countries (horizontal approach), lowered the expectations of the candidate countries but also failed to take into account the opinion of some Member States which supported the reform of CAP (Great Britain, Germany, Sweden and the Netherlands), and which did not wish that the system of agricultural supports applied also to candidate countries, as this would reduce the possibilities of a more thorough reform and reducing of funds for CAP. These reforming countries objected to any direct payments for candidate countries with an argument that this was not agreed upon in the EU budget plan for the period 2000-2006. On 19th March 2002, an expanded Council of Ministers convened together with the ministers from candidate countries to discuss the proposals of the Commission. At the same time, DG Agriculture presented a study (**Commission**, 2002b) showing that the economic position of agriculture in candidate countries would be improved after accession even without direct payments.¹²

This introductory part was followed by an intensive period of closing up the technical part of negotiations and by preparations for the final phase of negotiations and this lasted from April to the end of October. It was also marked by the preparation of the final Common Position of the EU. In several versions of the Draft Common Position, a politically sensitive issue of direct payments was excluded, whilst in the meantime an intensive debate took place between the Member States and the candidate countries, which allowed closing of politically less sensitive issues. The European Commission succeeded in defending in the majority of issues its original proposals in relation to Member States. The candidate countries were able to respond to all the versions of draft common positions and in this manner to close the negotiating issues. Numerous technical

¹² Except for Cyprus and Slovenia.

meetings contributed importantly to clarification of some issues.¹³ This was also a time of intensive diplomatic lobbying within the European Commission and the Member States and this is confirmed also by the number of visits and a high profile of the enlargement issues in the media of both sides.¹⁴

In the public relatively heated and contradictory debates about direct payments were exchanged between the Commission and the reforming Member States. In Germany, CAP reform was also a subject of pre-election campaign, but at the same time, Germany was also one of the greatest supporters of enlargement. On the contrary, France kept a very low profile in public, but wanted to get assurances before the enlargement that it would continue to benefit greatly from CAP also in the long run. In fact, the process waited for the outcome of the elections in Germany and the agreement between the two "large" actors. The decisions were taken in the week from 20 to 25 October, starting with the meeting of the French President Jacques Chirac and German Chancellor Gerhard Schroeder and later on by the endorsement of their agreement at the Brussels European Council. With regard to direct payments, the proposal of the European Commission was fully accepted, but at the request of France, on the condition that high real levels of supports are preserved till 2013. On the basis of this agreement, negotiations could enter the final stage. This was also made possible by the European Commission, which completed the technical part of negotiations with the candidates by the end of October. Only politically sensitive issues thus remained on the table, i.e. the level of direct payments and topping up, all important quotas and reference quantities (which differed across candidate countries), rural development funds and some more sensitive technical issues.¹⁵

It seems that the final stage of negotiations in fact ended before it actually began. Denmark, the presiding Member State, in agreement with the Commission and on the basis of individual meetings with candidate countries, prepared a compromise final offer containing solutions in all the remaining issues. This offer contained slightly changed last offers of the Common Positions in the points

¹³ Those candidate countries which managed to close a majority of issues in the area of implementation and derogations from the *acquis* in the previous years, could now focus on the financial issues, and in particular to determining data bases for quotas and reference quantities, and partly also to the manners of topping up direct payments. Cyprus and Slovenia tried and partially also succeeded - with the new statistical data and methods of calculations (e.g. direct sale of milk at farms, number of suckler cows, topping up direct payments) - in convincing the European Commission to change its original proposals.

¹⁴ On the basis of various statements of the politicians and negotiators made at that period, one might have concluded that the decision-makers in most candidate countries expected that negotiations would eventually go beyond only formal procedures and lead to more direct confrontation of negotiators. This was also one of the reasons why the candidate countries fiercely rejected the given proposals of the EU.

¹⁵ One of them was classification of wine zones, where the candidates objected to the stricter conditions that applied for them than for Member States. The first European Commission's opinions were surprisingly very unfavourable for the candidates.

where candidate countries disagreed the most. In the area of direct payments, the original offer concerning the level of payments from the EU did not change, but the level of topping up was raised. It also brought about some horizontal solutions in the area of quotas and reference quantities, based largely on the incorporation of more up-to-date reference data and some reserves. In addition, some additional funds for rural development were allocated to the Czech Republic, Slovakia and Slovenia. The offer did not go beyond the given methodological and political outlines.

Institutionally, the exchange of offers and their responses took place in four rounds of short bilateral meetings between individual candidate countries and the representatives of the European Union (presiding Member State, DG Enlargement, DG Agriculture). The position of the Presidency was rather uncompromising saying that this was all the EU could offer. The candidate countries gradually silently reconciled with the most options that had been offered, so that agriculture, apart from some rare issues for selected candidates, was in fact closed even before the final stage of negotiations which took place in Copenhagen on 12 and 13 December at the level of Heads of State or Government. In these last days of negotiations, some slight corrections were made in the offer for agriculture¹⁶. Regardless of fierce political rhetoric that was present throughout the whole period of accession negotiations on the side of the candidate countries, they eventually accepted favourably the outcome of negotiations, which was confirmed also by highly positive results of the accession referendums in 2003.

2.3 *Negotiating issues and the role of institutions*

Formulating implementation solutions was a demanding part of negotiations and it involved mostly the European Commission and the national line ministries. The agricultural ministries had to negotiate discussions on the harmonised content of acts and on establishing of institutions first internally, primarily inside the state administration, and then also externally, with the European Commission. By incorporating the planning and monitoring of the implementation of the *acquis* in the accession negotiations, the European Commission had gained time before the real negotiations issues matured. However, undoubtedly, the fact that the candidate countries made commitments to Brussels did contribute to faster integration and easier understanding and transposing of the *acquis*.

Because of a high degree of regulation, the deviations from the *acquis* in the area of agriculture, played only minor role in the final agreement, although the candidate countries submitted a large number of requests. Most requests were turned down by the European Commission, whose attitude to the levels and types

¹⁶ A possibility was offered to shift the funds from rural development to direct payments. Poland succeeded in rising within the unchanged total milk quota, the quota for the sale to dairies at the expense of direct sales (changed the structure of milk quota).

of deviations was rather conservative. Eventually, all the accepted deviations were largely of technical nature, without any significant impacts on economic or political interests of some Member States. The deviations that were eventually granted to candidate countries: a transitional period for the production plants for foodstuffs of animal origin, setting of wine -zones, labelling of wine and alcoholic beverages, milk-fat content (**Treaty**, 2003). At the beginning, the candidate countries gave a lot of attention to defining these requests, but in fact they were unrealistic if one takes into account the bargaining power of the European Commission - an institution which defends and explains the EU legal system. It seems that similarly as for the implementation also this was a part of “preparations and education” of the candidates to be able to function and play by the EU rules.

The three financial issues of accession negotiations were given mixed attention by the institutions involved in the negotiations. The issue of direct payments was an important political issue and therefore triggered many debates at the level of political elites of candidate countries and importantly also internally, within the European Union. In the candidate countries, the national debates focused largely on the issue of quotas and reference quantities. The area of rural development was given much less attention than the other two financial issues, even though the EU offered relatively the most funds for this area.

The issue of direct payments was dealt with and resolved politically. This issue determined the timing and conclusion of negotiations, despite a rather modest substantive-technical debate. After the **Commission’s negotiations strategy** (2002a) had come out, the debates focused largely on the proposal and the CAP reforming Member States never articulated their options but only asked questions of principle. Also in the final stage, there was no change of the original proposal.¹⁷ The question of direct payments narrowed to intensive debate about topping up direct payments from national budgets. And here the European Commission had quite a restrictive approach. Some candidates were ready to shift some funds earmarked for rural development to the funds for direct payments and in this manner to lower the expectations of domestic public. The Commission succeeded in keeping the control and preserving its original proposal despite the strong political imperative of the issue and many contradictory interests. However, the Commission failed to take into account the specific features of candidate countries¹⁸, which would call for a differentiated approach and different levels of financing.

In the candidate countries, the quotas and reference quantities got a symbolic meaning of an EU attempt to limit the production and discriminate against the

¹⁷ There were numerous assumptions which circulated the diplomatic circles that the European Union would eventually raise the level of CAP financing.

¹⁸ According to OECD (2002) protection levels, price and budgetary supports vary across candidate countries. This is confirmed also by other sources.

agricultural sectors of candidate countries.¹⁹ In the candidate countries, the requests for quotas and reference quantities were based on their production potentials rather than the existing statistical data, as was the rule when these measures were introduced into the CAP. Hopes were raised in the candidates that these “justified requests” could be fulfilled in the negotiations if the negotiators were “good”. The first offer of the European Union, which was based on the statistical data for the period 1995 – 1999, was thus received with great disapproval in the candidate countries, in particular by the agricultural representatives who could not come to terms with it by the very end of negotiations. The European Union first succeeded in lowering the expectations and then opened a wide technical discussion about the data, reference years and definitions, which altogether led to the results that were eventually much more favourable than the original offer. It should be stressed that the basic methodological frameworks for setting the quotas were not changed.

Member States were rather sensitive to this issue and – also because their own problems²⁰ - never allowed the candidates – regardless of the strong technical arguments - to be given greater concessions than themselves. Also in the area of quotas and reference quantities one cannot speak of any real negotiations in the accepted meaning of the word. This was an area where the role and the power of sectoral experts was decisive, be it on the side of the EU or the national ministries.

Most candidate countries had no tradition of EU typical rural development policy or any similar measures. Therefore, its political importance was smaller than in the present EU. Adding to this the fact that implementation of these measures requires an adequate implementation infrastructure, programmes and competent beneficiaries, as well as own resources, one can easily understand why most candidate countries were not very eager to expose this policy in negotiations.²¹ The European Commission distributed the proposed funds on the basis of objective criteria (economic development and the role of agriculture). The protests of a few (Slovenia in particular) were so strong that eventually DG Agriculture set apart some funds as a special reserve for solving critical cases. These reserve funds were of particular interest to Slovenia, the Czech Republic

¹⁹ To some extent, these arguments are justified, in particular looking from the perspective that the agricultural sectors of some Member States were developing in much more favourable economic conditions than that in candidate countries. In the same conditions, the agricultural sectors of candidate countries could achieve much higher levels of intensity and would have different production structures. A particular problem was increased production in some sectors after the expiry of the reference period (sugar for Poland, milk for Estonia and Slovenia).

²⁰ For example, Italy and Spain in the area of milk quotas.

²¹ In this regard it should be asked whether the policy of rural development was not overly tailored to the preferences of the most developed existing Member States and can as such not be transposed efficiently to the environments of candidate countries. The answers to this question would deserve some academic attention!

and Slovakia, which in the end got them.²² DG Agriculture tackled the distribution of rural development funds autonomously and confirmed its predominant role in accession negotiations.²³

3. Evaluation of the decision-making process

3.1 Accession negotiations performed as EU multi-level decision making

Accession negotiations were a complex process taking place in a specific multi-level institutional environment. In accordance with the rules and norms of the EU, a particular relationship was established between the EU and the candidate countries on the formal, technical-expert, diplomatic and political negotiating levels. These levels intertwined and acted in a synchronised manner to achieve simple goals and to enable the accession. The negotiations were not so much about bargaining in the classical sense of the word, but were more about the candidates' integration into the EU legal system and decision-making. In the area of agriculture, this process was particularly intensive as it meant a gradual integration into political and economic sensitive Common Agricultural Policy.

Negotiations between candidate countries and the EU were conducted by the exchange of negotiating positions²⁴, by convening technical meetings and formal meetings of the Accession Conferences. A special Council working group was set up where the Member States could deal with positions prepared exclusively by the European Commission. This system had major characteristics of the EU decision-making process²⁵ and formed part of the usual functioning of the EU-institutions and Member States.

The organisation of negotiations on the side of the candidate countries in fact reflected the organisation on the side of the EU. Candidate countries gradually organised in a manner compatible with the organisation of EU institutions.

²² It should be added that in particular the Czech Republic and Slovenia have relatively unfavourable balance of inflows and outflows with Brussels and, therefore, the rural development funds have to be taken also as a contribution to improved financial flows of these countries. In this particular case, negotiations took place at the diplomatic level, with technical experts from ministries having to prove their experience and implementation capability. The results in terms of funds for agriculture for these three countries are therefore slightly different that one could conclude only on the basis of agricultural output.

²³ According to some members of the negotiating group from DG Agriculture, it was Commissioner Franz Fischler who made a final distribution of rural development funds.

²⁴ How extensive paper work this was can be the most clearly explained by the information that Slovenia during the negotiations submitted around 500 pages of negotiating documents for agriculture, which were previously approved by the government bodies and the National Assembly.

²⁵ This organisation was upgraded by additional institutions or methods of work (DG Enlargement, Enlargement Unit at DG Agriculture, working groups, special teams at the line ministries of Member States), although all with the characteristics of the EU institutional system.

Special government coordination bodies were established, as well as special EU units within the national ministries, and some ministries even went through thorough reorganisations to comply with the EU system. This was especially the case in agriculture, where the integration into CAP and the veterinary and phyto-sanitary issues required new staffing²⁶ and functional structure of ministries. Although candidate countries started from different backgrounds and originally deviated from typical methods of EU decision-making and state functioning, by the end of negotiations also “the opposite side” had all the characteristics of EU-multi-level decision-making.

The negotiations, however, were not conducted only between the EU and candidate countries, but also among the Member States, within the Member States and on the side of candidate countries, among the candidate countries and especially, within the candidate countries. These negotiations were conducted largely on the political-diplomatic levels, which makes them less evident and more difficult to cover objectively.²⁷ Among the Member States, there were typical political negotiations about the direct payments for candidate countries, which contained elements of negotiations on CAP reform, and also on the timing and quality of enlargement. In some Member States (Germany and Austria), there was great public opposition to enlargement by the representatives of agricultural professional organisations, who warned against “dangerous competition from the East”. These fears gradually calmed down and had no significant influence on the outcome of negotiations. On the side of the candidates, it seems that there was a constant tension between the candidates which decided for tactically tough relations with the EU (especially Poland) and others. The EU’s reaction to fierce reactions of some candidate countries was that in the key issues it left no room for manoeuvre in negotiations, but rather proposed horizontal compromised solutions, not taking into account specific features of candidate countries. Thus, in fact it pursued the factual interests²⁸ of the largest and the loudest countries.

Quite typical for the process was also internal activities in candidate countries, although these had less pronounced effect on the final outcome of negotiations. The agricultural non-governmental organisations exerted constant

²⁶ In Slovenia, around 150 people participated in the negotiations for agriculture, of which around forty were full-time civil servants who gradually took over all the key tasks related to implementation of the *acquis* and thereby also the tasks related to implementation of the national agricultural policy.

²⁷ Diplomatic network played a role also in the formal and technical part of negotiations. Mostly the representations of countries to the EU in Brussels had most difficult tasks. They tried to influence the process through Member States, but in the area of agriculture their influence (or interest) was too small to achieve more than only slight corrections of the Common Positions. The most influential proved to be cooperation and lobbying with the European Commission, and even this only in concrete technical issues of negotiations.

²⁸ These real interests were often defined mostly from the side of the EU institutions.

and very strong pressure on the governments of candidate countries to protect their agricultural sectors and to assure equal treatment in negotiations and achieve best possible results in quotas and reference quantities. They chose various forms of demonstration of power. Political representatives of the agricultural ministries and the government negotiators were thus under pressure and also often used it in their communication with the EU institutions. Regardless of how insignificant this influence was in the final outcome of negotiations, the relations between government and non-government organisations in the candidate countries had all the characteristics of these relations in Member States. In this regard as well, the candidate countries experienced a gradual integration into an EU-typical organisation of interests and multi-level decision-making. There were, however, great differences among the candidate countries in the manner of conducting the negotiating process internally.

Regardless of the fact that in form these accession negotiations were bilateral negotiations, the institutional organisation of accession negotiations lead us to the conclusion that the general assumption made at the beginning of the paper was correct. The accession negotiations in agriculture have all the characteristics of EU multi-level decision-making. They were pursued in a manner to assure the most efficient possible integration of a candidate country into a legal and institutional system of the EU, which in turn also led to similar methods of acting and decision-making.

3.2 *The role of institutions*

The Inter-Governmentalist Theory – the rule of large countries

According to the inter-governmentalists, the results of accession negotiations would have to be decisively related to the decision-making process between the large countries, particularly between Germany and France on the side of the Member States and Poland on the side of candidate countries. This theory only moderately explains the complex process of negotiations. The answer can be affirmative only as regards the main strategic decisions about enlargement and perhaps the issue of direct payments. The agreement made between the French President and the German Chancellor in October 2002 had a decisive influence on the conclusion of negotiations but was less decisive for the substance of the negotiating agreement. Political agreements and decisions at the highest levels in this process served as a kind of traffic signals, opening and closing the issues, thus dictating the tempo and dynamic of negotiations. Also, the role of Poland as the largest candidate country is difficult to define, but it should by no means be overestimated.²⁹ On the other hand, substantive negotiations and the very execution of the process were left to the EU institutions.

²⁹ The fact that Poland persisted so long in its unrealistic demands and thus raised the expectations in the domestic political arena shows that the political leadership overestimated for too long the role of its country in negotiations or was in fact not aware

Multi-level governance model – the bargaining resources of EU institutions

Unlike the inter-governmentalist concept, accession negotiations can to a large extent be explained by multi-level governance model. This model does not deny the role of large Member States but stresses that decision-making competencies are shared and that the EU institutions through strong bargaining resources increase their power and competences. The European Commission in particular has - according to the primary EU legislation - the role of negotiator for international treaties. The Commission fully exploited and particularly exposed this role. It was largely built on the power conferred to it by its function in the procedures, especially in the leading procedures and formulating proposals for negotiating documents as well as in the norms of operations. European Commission was the one which through DG Enlargement in the sense of negotiating procedures and through DG Agriculture in the sense of the substance of agricultural negotiations to some extent controlled the process and imposed its proposals, although they were, as regards some more politically sensitive issues, in the first phase already designed as compromises between the interests of large (important) Member States and somehow also the candidates. As a master of the „rules of the games”, it affected greatly the decision-making in the accession negotiations.

The negotiating positions of candidate countries in fact played no significant role in negotiations. Instead, negotiations were conducted on the basis of the proposal of the Commission, in most cases almost fully approved also by Member States. Moreover, direct influence of Member States on the very substance of negotiations was not very significant. This assertion can be confirmed by the comparison of draft common positions proposed by the European Commission and Common Positions confirmed by relevant bodies of the Council. The differences lie only in some technical details and less so in the very substance or in solutions of negotiation issues. According to the information obtained from some participants of the Council Enlargement working group, Member States opened a very limited number of issues, most of which were aimed at protecting their own interests and not making any concrete substantive changes that could modify the proposals.³⁰ It seems that in the EU institutional system, the Commission also acted as a guardian of the interests of candidate countries. The latter neither had any possibility of advocating their interests in a direct formal contact with the working group nor were they informed directly

of their real chances. However, it seems that the interests of this largest candidate were in a way taken into account in the proposals of the European Commission.

³⁰ The decision-making process in a working group had a demanding timing. Member States in this manner had a possibility to influence the dynamic of accession process. In the area of agriculture, the Member States had to come to terms with the idea of enlargement first. Participating in working groups thus helped Member States to prepare internally-politically for enlargement.

about the contents of discussion in the working group³¹, therefore it was only the Commission which could protect their interests. This also importantly strengthened its role in accession negotiations.

European bureaucratic politics – agricultural administrations as quasi-autonomous actors

The concept of *European bureaucratic politics* allows us to explain the role of agricultural administration in the accession negotiations. The concept proved particularly useful when explaining certain level of decision-making in negotiations. The negotiations strengthened the role of agricultural bureaucracy on both negotiating sides. On the side of the EU, DG Agriculture, which is an autonomous decision-making authority in case of CAP (Swinbank, 1997, Tracy, 1997), came out as the key negotiating decision-maker on the contents of negotiating issues, not only in relation to candidate countries, but also to Member States, other EU institutions and other DG's within the Commission. In addition, it established special technical and political links with national ministries, which during accession negotiations - directly through exclusive communications and indirectly through formulating of negotiating issues – strengthened also their role in decision-making about agricultural policy. This leads us to the conclusion that accession negotiations perhaps also strengthened the role of DG Agriculture in CAP decision-making.

On the side of the candidate countries, an important change occurred in the autonomy and role of national agricultural bureaucracy during the negotiations. Before the accession, the decision-making about agricultural policy was shared by several ministries and the ministry of agriculture usually had only weak legal, financial and political competencies. The agricultural *acquis* called for a change in the institutional organisation and a new distribution of powers and rights among the ministries.³² In many cases finding proper solutions and reaching consensus about certain issues of the *acquis* required a lot of coordination, which often made this process politically particularly sensitive. In the opinion of some participants in the process, internal negotiations were often tougher and more exhaustive than negotiations with the European Union, which were conducted according to well-established mechanisms and by the principle that the most conflicting issues should be put off to the end of the process. Internal tensions within the government administration often remained hidden from the public. The fact is that transposition of the *acquis* in the area of agriculture required also

³¹ Such pieces of information had to be obtained informally through diplomatic channels, and also the attempts to influence the debate in the working groups were made in the same manner. Such examples were only rare.

³² Before the accession negotiations began, the issues of foreign trade fell within the competence of economic ministries, whereas the competences in the area of finance and safety of food were shared. The *acquis*, on the other hand, requires one competent authority for these various areas, which largely meant a shift of powers to the agricultural ministry.

a changed role and tasks of the state and thereby a redefined role of individual decision-makers, which in turn caused conflicts of interests within the administration. Moreover, the role of national ministries was enhanced also by the growing importance of non-governmental organisations which in their search for one common interlocutor usually turned to their sectoral ministry.

CONCLUSION

1.The negotiations between the candidate country and the EU were conducted through the exchange of formal negotiating documents, by convening technical meetings, and by meetings of the Accession Conference at the Ministerial and Deputy levels. On the EU side, a special system was set up (working groups), which allowed the Council to address and draft Common Positions prepared exclusively by the European Commission.

2.Some new lessons about EU decision-making could be learned from the accession negotiations. The process exhibited typical features of EU multi-level decision-making. On the EU side, negotiations were incorporated in the usual decision-making system, whilst the candidate countries only gradually took on the organisation and functioning methods typical for the EU.

3.The role of large states in accession negotiations was limited to confirming previously drafted decisions and to the timing of the process, which only partly proves the concept of inter-governmentalist theory, and is most likely also a sign of a further division of decision-making powers.

4.More profound explanations of decision-making can be given using a multi-level governance model, which helps understand how the European Commission took advantage of its strong bargaining resources in negotiations in the area of agriculture, in particular DG Agriculture, by guiding the process and giving proposals. The process was led fully and in a rather conservative manner – although taking into account appropriate political moments given by large Member States – by the European Commission. Also, as a result of less pronounced interest of Member States, the decision-making powers of DG Agriculture grew beyond its usual powers.

5.Furthermore, the accession negotiations confirmed the validity of the European bureaucratic politics concept in explaining decision-making. Except for the decisions of strategic political importance, negotiations were mostly an interaction between agrarian bureaucracy on the EU side (DG AGRI) and candidate countries (national ministries), which as a consequence of accession negotiations, also considerably strengthened their roles.

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***THE DECISION-MAKING PROCESS IN THE EUROPEAN UNION
ACCESSION NEGOTIATIONS FOR THE CHAPTER ON AGRICULTURE***

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Summary

The institutional framework importantly affected the outcome of accession negotiations in agriculture for CEE candidate countries. The objective of this paper is – on the basis of descriptions of the process and the analytical framework applied to decision-making on the agricultural policy and European integration – to determine the role of individual multinational and national agricultural organisations. Negotiations were formally conducted through the exchange of negotiating documents and had features typical of European Union (EU) multi-level decision-making.

The role of large states was limited to confirming previously drafted decisions and to timing the process with strategic decisions, which only partly confirms the concept of inter-governmentalist theory. In accordance with the multilevel governance model, the role of EU institutions was strengthened, in particular the role of the Directorate-general of Agriculture (DG AGRI), (currently called Agriculture and Rural Development) of the European Commission, which efficiently exploited its strong bargaining resources. Negotiations were mostly an interaction between agrarian bureaucracies on both sides, which, as a consequence, also considerably strengthened their roles.

The negotiations between the candidate country and the EU were conducted through the exchange of formal negotiating documents, by convening technical meetings, and by meetings of the Accession Conference at the Ministerial and Deputy levels. On the EU side, a special system was set up (working groups), which allowed the Council to address and draft Common Positions prepared exclusively by the European Commission.

Some new lessons about EU decision-making could be learned from the accession negotiations. The process exhibited typical features of EU multi-level decision-making. On the EU side, negotiations were incorporated in the usual

decision-making system, whilst the candidate countries only gradually took on the organisation and functioning methods typical for the EU.

The role of large states in accession negotiations was limited to confirming previously drafted decisions and to the timing of the process, which only partly proves the concept of inter-governmentalist theory, and is most likely also a sign of a further division of decision-making powers.

More profound explanations of decision-making can be given using a multi-level governance model, which helps understand how the European Commission took advantage of its strong bargaining resources in negotiations in the area of agriculture, in particular DG Agriculture, by guiding the process and giving proposals. The process was led fully and in a rather conservative manner – although taking into account appropriate political moments given by large Member States – by the European Commission. Also, as a result of less pronounced interest of Member States, the decision-making powers of DG Agriculture grew beyond its usual powers.

Furthermore, the accession negotiations confirmed the validity of the European bureaucratic politics concept in explaining decision-making. Except for the decisions of strategic political importance, negotiations were mostly an interaction between agrarian bureaucracy on the EU side (DG AGRI) and candidate countries (national ministries), which as a consequence of accession negotiations, also considerably strengthened their roles.