

The Evolution of the Common Agricultural Policy and Social Differentiation in Rural Ireland

ETHEL CROWLEY*

Trinity College Dublin

Abstract: This paper investigates the contribution of the Common Agricultural Policy (CAP) to the process of social differentiation in contemporary rural Ireland. It traces the evolution of the CAP from its inception in 1962, and evaluates the social implications of two rounds of CAP reform and the recent introduction of agri-environmental schemes. It is argued that the underlying productivist rationale of the CAP has exacerbated the marginalisation of smaller farmers, especially in marginal areas. The recent introduction of the Rural Environment Protection Scheme (REPS) has cast these farmers in the role of environmental managers, while productivist agriculture continues unabated in other regions of the country.

I INTRODUCTION

Survival is becoming more and more difficult for many Irish farmers, with many now either leasing or selling their land. Their numbers have been dropping steadily, from 280,000 in 1960 to 123,400 in 1999. Of these, only 33,600 are full-time viable farmers (Teagasc, 1999). The average farm income dropped 18 per cent in one year, due to a fall in cattle prices and a decrease in direct payments (*ibid.*). This paper argues that the operation of the CAP has been instrumental in exacerbating social differentiation in rural Ireland. It will show that both before and after the reform of the CAP, a distinction has been made at state level between development and non-development farmers, or commercial and subsistence farmers. It is argued that this distinction has intensified the marginalisation of smaller farmers. It begins by outlining the

* I would like to thank an anonymous reviewer for some very helpful comments on this paper. Contact email address: crowlee@tcd.ie or Department of Sociology, Trinity College, Dublin 2.

development of the CAP, and then focuses upon the impact of its modernising rationale upon farming in Ireland. It follows by contextualising the first and second rounds of CAP reform and the eventual introduction of agri-environmental policy. The Rural Environment Protection Scheme (REPS) has been the main policy instrument of the latter, which, it will be argued, fosters the continuation of the long-established ideological and financial differentiation between development and non-development farmers.

II THE PRODUCTIVIST ETHOS OF THE COMMON AGRICULTURAL POLICY (CAP)

It has been argued that *productivism* is the underlying ideology which has bolstered commercialised agriculture in the EU since the establishment of the CAP (Commins, 1990; Ward, 1993). Buttel defines productivism as:

... the notion that a desirable agriculture is one in which there is progressive, self-reinforcing improvement in its total factor productivity through agricultural research and organisational upgrading of farms and agro-food firms. (Buttel, 1994, p.20)

The effects of productivism are as follows:

- * capital-intensive technologies progressively replacing human labour and the consequent raising of production and productivity,
- * farming activities coming under the influence of agri-industrial systems in terms of both inputs and outputs or “upstream” and “downstream”,
- * production becoming concentrated in fewer and larger units, and also becoming more specialised. (Commins, 1990, p.45)²

Two additional aspects of productivism are first, that commercial farmers are provided with financial credit by banks. Second, Irish farmers are becoming increasingly closely connected to large commercial co-operatives, especially in the dairy sector (see Tovey, 1992). Both of these factors, access to credit and vertical integration, are key elements which transform agriculture into agribusiness. It will subsequently be argued here that EU agricultural policy has been a strong advocate of productivism, and that this is what caused the crisis of the CAP in the mid-1980s.

² He uses the term productionism, but the difference between the two seems to be a matter of style rather than meaning.

This productivist ideology underlies the modernisation discourse which was fundamentally guided by the idea of *progress*. This concept originated in Enlightenment thought, and implies advancement, moving forward, leaving the past behind, and making way for the new. Each new stage brings with it new elements which are an inherent improvement on what went before (Sztompka, 1990, p. 247). The ascription of the broad characteristics of *traditional* or *modern* to certain social groups and their activities has been central to post-WWII modernisation. According to this perspective, the modern were worth investing in, while the others, the traditionalists, were a problem to be solved either by changing them or dispensing with them. This division was made according to US ideological biases and has permeated development policy worldwide ever since. This philosophy was epitomised in the diffusion-of-innovations approach which was very evident in the 1960s and 1970s. With the tremendous confidence that characterised the modern era, it was assumed that modernisation would inevitably abolish all vestiges of traditional life. This highly ideological approach aimed to eradicate tradition, making way for modern methods and the consumption of modern biochemical products. However, it could be argued that it is more realistic to suggest that no social group, or indeed place, is wholly one or the other, traditional or modern, as those characteristics appear simultaneously in all societies, presenting themselves in many wonderfully varied combinations. Rural producers may, for example, combine the most rudimentary farming methods, the consumption of the latest biotechnology and a postmodern seasonal migration pattern.

EU agricultural policy is based on the premise of only one linear path to economic progress, and that people everywhere respond to the same profit maximisation logic. It was argued in 1983 that "...Irish and EEC agricultural policy and interventions...broadly reflect the modernisation perspective" (Kelleher, 1983, p. 145). EU policy-makers view the farmer as a *homo economicus* who is free to, and does, act in the most rational manner to maximise his/her gains. Places and people who do not meet their requirements are deemed to be backward or "lagging behind in development" (van der Ploeg, 1994, p. 10). Advocates of productivism and modernisation do not recognise that farmers may have other interests at heart besides profit maximisation, or may interact with their land and the overall environment in more culture-specific ways than those dictated by economism. This became the officialised policy of the EU with regard to agriculture, aided by a highly ideological set of language which categorised farmers as development and non-development. In this dominant development discourse, modernisation has been deemed the tide that will raise all boats, bringing all participants in line with a certain standard of progress through the market mechanism.

This productivist ideology has been very evident in the CAP. Article 38 of the Treaty of Rome formed the basis of a common policy for agriculture. At this time, many of those in the large European agricultural labour force experienced very low standards of living (Bonanno, 1991). Article 39 outlined the aims of the Common Agricultural Policy (CAP) as being to increase agricultural productivity; to ensure a fair standard of living for the farming community; to stabilise markets; to guarantee regular food supplies; and to ensure reasonable prices for consumers (Brunt, 1990, p. 21). It is perhaps only in retrospect that we can see that these five aims were in conflict, and the CAP “became a series of political compromises reflecting the different capacities of organised interests to influence the policy agenda” (Commins, 1995, p. 181).

When the CAP was established in 1962, food security was prioritised, as the EEC was then producing only 80 per cent of its food needs (European Commission, 1996, p. 2). Understandably, in retrospect, this concern led to the encouragement of highly intensive farming methods. The CAP, which has been the main financial and ideological influence on agriculture in the Irish state since the early 1970s, may be read as a modernisation manifesto. The language encountered in EEC documentation from the 1960s and 1970s contains many references to stages of development, economic take-off and economic modernisation. This productivist approach became hegemonic, and as a result of this, agricultural production increased by 2.5 per cent per annum between 1960 and 1980 (European Commission, 1980, p. 2). It was founded upon the guarantee of high prices for agricultural goods, and it was clear that it was unsustainable in the long run. The CAP, therefore, presented an archetype of a productivist development policy, with its inherent aims of expansion and intensification (Ward, 1993, p. 357; Scott, 1995, p. 105). The mechanisms used to increase production were high internal agricultural prices, tariff protections and preference for European produce (European Commission, 1996, p. 2). An EU policy document boasts:

Within one generation, the Community was producing two to three times as much with two to three times fewer people, and from a considerably smaller surface area devoted to agriculture. Farming has developed more in the last 50 years than it did in the previous 2000. (European Commission, 1996, p. 3)

However, one of the perhaps unintentional effects of this policy was that a distinct regional pattern emerged throughout the Community, in which most of the benefits accrued to intensive farmers in the more prosperous EC core regions (Scott, 1995, p. 104). This directly contradicting the EC’s regional development objectives (*ibid.*). Considering that only 25 per cent of EC farms accounted for over 80 per cent of its total production at this time, one can

easily see how reliance upon price measures as the main policy thrust could exacerbate the already-existing immense social inequality within the EC (Bonanno, 1990, p.165). 800, 000 agricultural holdings, or 10 per cent of total EC farms, disappeared between 1970 and 1987 (Scott, 1995, p. 107). Bonanno asserts:

Designed to aid small producers, these policies [of the CAP] have disproportionately benefited large producers, the most productive regions, and the budgets and profits of agro-food conglomerates. (Bonanno, 1990, p. 177.)

One can only speculate as to whether this pattern would have been replicated in free market conditions. It could even be argued that in the hypothetical absence of financial supports, it may have meant that even more would have left farming. The next section goes on to investigate the effect of this productivism on the social landscape of rural Ireland in particular.

III THE CAP AND RURAL IRELAND

The commercialisation of agriculture was already underway in Ireland by the 1970s. During the 1960s, small farmers' problems were recognised by the state, and they had been encouraged to stay on the land by combining farming with off-farm employment. For example, the Second Programme for Economic Expansion (1964) initiated such schemes as the Small Farm (Incentive Bonus) Scheme, which was aimed at developing the potential of small farmers (Breen *et al.*, 1990, p.198). This was to be facilitated also by the dispersalist industrial policy initiated after the Buchanan Report of 1968, and incomes were to be augmented by direct supports for farmers who owned under 30 acres (*ibid.*). Accession to the EEC in 1973 meant that many of these schemes were withdrawn, and there was a more direct focus on payments for production rather than structural change, which have been shown by several previous researchers to have primarily benefited the larger producer (see Breen *et al.*, 1990; Commins, 1995; Matthews, 1981; O'Hara, 1986). Since this time, the Irish state has been a very clear advocate of productivist capitalist agriculture, with the assumption that farmers' welfare needs would be met by the EU.

This dominant productivist ethos has emanated primarily from the Department of Agriculture, Food and Rural Development (DAFRD), and Teagasc (meaning "teaching" or "instruction" in the Irish language), who were formed in 1988 from a merger of its predecessors, An Foras Talúntais (AFT) and An Chómhairle Oiliúna Talmhaíochta (ACOT) (Dooney, 1988). Their main

aim has been to modernise Irish agriculture, seeking to rationalise farms into larger, more efficient and competitive units. They have encouraged a productivist rationale in Irish farmers and a respect for and knowledge of scientific methods. The use of scientific knowledge has been very important in legitimising their existence in the public eye and also in consolidating their symbolic power within Irish agriculture (see Arce, 1993). Tovey deems Teagasc to be:

...the institution most directly charged by the state for many years with the task of eradicating all but economic rationality in Irish farmers' considerations of how to manage their farms. (Tovey, 1997, p. 131)

Leeuwis (1989) argues that farmers who are slow to take up the suggestions of farm advisory bodies such as Teagasc are "ideologically marginalised" and their way of life undermined in public discourse. That said, Teagasc have been somewhat reflexive over the years, with some of their staff producing reports that can be read as a critique of their own *modus operandi* (see An Foras Talúntais, 1985; Kelleher and O'Hara, 1978; Kelleher, 1983). They also produce a useful journal for their subscribers called *Today's Farm*.

EEC aid money poured into Ireland in the 1970s, with 81 per cent of all funding received from Europe going to agriculture. This had dropped somewhat to 66 per cent by the mid-1990s (Commins, 1995, p.180). CAP remittances represented 4.4 per cent of GDP in 1993 (Laffan, 1999, p.94). The 1970s had been the most prosperous years in the history of Irish agriculture, with real farm incomes doubling in 1978 compared to 1970 (*ibid.* p.182). However, the remainder of this section will show that it was mostly those larger farmers living in wealthier farming areas who benefited from European financial assistance throughout these years.

EEC/EC/EU agricultural funding has been distributed through the European Agriculture Guarantee and Guidance Fund (EAGGF), which is divided into Guarantee Funds, or price measures, and Guidance Funds, or structural measures. 95 per cent of funds went to price measures, which guaranteed support for certain commodities, especially cereals, beef and milk products, and which ensured fair prices for these goods through selling into intervention. Of these, milk has been by far the most profitable commodity, leading to the hegemonic status of dairy farmers in Irish agriculture (Power and Roche, 1996). This development strategy tends to favour the larger producer because they possess larger acreages and can adapt more readily by increasing their scale of production, while the smaller farmer often does not have the resources for substantial investment and risk (Breen *et al.*, 1990, p.194). One economist found that the top 17 per cent of farmers gained 40 per cent of Guarantee funds in the 1970s (Matthews, 1981).

The second type were Guidance funds, which were to fund structural measures. These were less popular, perhaps partly because they operated on the principle of co-financing (Commins, 1995, p.181). Social differentiation was also evident here, as the development farmers in the better-off eastern half of Ireland were allocated most of the monies for farm improvement, while the poorer west secured nearly all of the headage payments in the 1970s and early 1980s (Cox, 1985, p. 12; Matthews, 1981, p. 129). Between 1975 and 1983, Less Favoured Areas funding (headage payments) comprised one-third of the total structural funding measures, and these payments also went to larger farmers, encouraging higher stock numbers. 54 per cent of structural funding went to a broader aid scheme for the west, termed the “western package” (Commins, 1995, p. 186).

It is argued here that both price measures and structural measures disproportionately benefited those farmers who already owned the most resources – put simply, the more you had, the more you got. Most non-price, or structural, measures were concentrated on the young, business-oriented commercial farmer, so it could be argued that smallholders were discriminated against in this period (O’Hara, 1986, p. 39). Aid from the Farm Modernisation Scheme (FMS) was given only to those farmers who acquired development status by aspiring to being commercial farmers. Simple income maintenance went to the rest, which serves as a complete contrast to attempts by the Irish state to improve the structure of small farms in the 1960s (Breen *et al.*, 1990, p.197). This creates a particular social and spatial pattern, with the gap between richer and poorer ever-widening. Between 1955-1983, the incomes of farmers with between 5-15 acres increased seven-fold, while the incomes of those with over 200 acres increased sixteen-fold (Breen *et al.*, 1990, p.199). This social polarisation is exacerbated by the decline of social services such as transport, health and education, which is in evidence in many rural areas (see Cawley, 1999; Storey, 1994). It began to be recognised that this severe social imbalance both within Irish agriculture, and throughout Europe, had to be rectified by subsidising with direct payments smaller farmers and those living in peripheral areas. The following section discusses reform of the CAP in the mid-1980s.

IV CAP REFORM I: BUDGETARY CONCERNS

While productivist agriculture continues more or less unabated in the EU, it has nevertheless been questioned since the mid-1980s because of the perceived economic inefficiency, environmental destructiveness and social injustice that it has conferred upon certain sectors within rural Europe. However, there is evidence that this realisation dawned long before this.

A European Commission report from 1980 demonstrated a recognition of the growing tendency both toward surplus production and social inequality. This report proposed the implementation of co-responsibility levies and a readjustment of structural policy (European Commission, 1980). However, it was several years before action was taken on these concerns. When asked why he thought CAP reform took so long, a DAFRD civil servant responded:

Political change is slow. In order to convince people of the need for change, you have to create the right atmosphere in order to get people on side. To get a political decision passed in the Commission, you can't go in like a bulldozer or you'll encounter opposition. You have to do your homework first. If a suggestion is defeated, it's a lot harder to get it off the back-burner in future. (Interview, June 2000)

In the mid-1980s, it was recognised that more farmers existed than were necessary for the EC's food needs, so the definitions of the uses of the countryside had to be broadened accordingly (O'Hara, 1986, p. 44). As she shows, the land was not now supporting as many people as before and was now also used in many different ways. It was now becoming a diversified space, with competing demands being placed upon it (see Crowley, 1998; Curtin *et al.*, 1996). It could also be argued that farming as a profession had begun (and continues) to lose respect in public discourse. Since then, agriculture has no longer enjoyed the monetary and ideological primacy that it did in the past. In some countries, notably Ireland and France, peasants or small farmers had been constructed as "the cement of the nation" (Deverre, 1995, p. 232). However, this ideology of rural fundamentalism was undermined by the growth of a largely EU-sponsored wealthy farming class. The nationalist-inspired sympathy that farmers formerly attracted wore thinner as they became more capitalist. New sets of actors, such as counter-urban former city-dwellers, also began to place new demands on an increasingly diverse countryside (Halfacree, 1997, p. 72). There also has been an ongoing battle between rural and urban political representatives, and the long-established rural bias of Irish political life is now constantly being challenged, most recently in relation to the construction of roads.

This change of emphasis serves as the cultural context for the reform of the CAP. Commins lists the factors leading to CAP reform as follows: the burden of the high costs of storing food surpluses, political dissatisfaction with the high consumer costs for food, and the international political tensions that resulted from the EC's financial support of its exports (Commins, 1990, p. 66). Clark and Lowe argue that the first of these factors, the expense of storing and disposing of the food surpluses generated by EC protectionism and

productivism prior to the mid-1980s, was probably the key factor which produced this sea-change (Clark and Lowe, 1992). This is verified by an EC report from 1987, which states:

...the Community bodies have thrown themselves into the task of restructuring the CAP, *which has been made urgent by the accumulation of surpluses and the critical budget situation.* (my emphasis) (European Commission, 1987, p. 9)

This era has been termed “post productionist” or “post-productivist” by some authors (see Commins, 1990; Ward, 1993). However, this may not be a precise account of this phase. A Department of Agriculture civil servant asserts:

The first round was more market-driven than anything else, as a way of coping with over-production. Concern for the environment didn't come into it at that stage.... The economy came first, before people or the environment. (Interview, July 2000)

This suggests that budgetary issues took precedence over a more fundamental problematisation of the EC's productivist mission. All evidence, therefore, points to the centrality of the fiscal crisis in the reform process.

By the mid-1980s, the CAP was absorbing 70 per cent of the EC's budget, which was completely disproportionate to this sector's relative economic importance to the EC (Whitby, 1996, p. 233). Productivist EC policy had led to the over-production of many commodities such as cereals, beef, milk and wine by the late 1970s, and transformed the EC from a net importer to a net exporter of food. By 1987, the EC had an estimated ECU12.3 billion worth of food in storage (*ibid.*). Understandably, an EC report from 1985 said that:

The Community can no longer afford to allow EAGGF expenditure to rise unchecked as it has done in the past, by 25-30 per cent between 1975 and 1980. (European Commission, 1985, p. 21)

The increase of these surpluses led to drops in prices paid to farmers for goods produced. The world market price paid for cereals and oilseeds exported by the EC fell by 40 per cent between 1980 and 1987 (Scott, 1995, p. 113). This obviously increased pressure upon farmers to produce more in order to stay in business. The EC had to reduce the production of the goods that were already in surplus, in order to render farming more efficient (Commins, 1995).

The amount of EC money going to farming had to be reduced, despite

lobbying from the farming organisations and individual member states' Agriculture Ministers (Commins, 1990, p. 66). Vail *et al.*, argue that there was also an accumulation of frustration among the environmental groups and the public at large about the power exerted by élite groups in order to obstruct meaningful CAP reform (Vail *et al.*, 1994, p. 241). The main function of CAP reform was, therefore, to cut the cost of maintaining farming, thus reducing the burden on the European taxpayer, who "...was no longer prepared to underwrite capitalist accumulation in the agro-food system" (Ward, 1993, p. 357). The "crisis of legitimacy" from which agriculture was now beginning to suffer had to be addressed (*ibid.*). The international political stage cannot be ignored either, as the CAP had become a major problem in the EC's input to the GATT negotiations, and the US began to demand its reform (Laffan, 1999). The protectionist bias of the CAP was "...sharply at odds with the US goal of complete liberalization by the year 2000" (Philips, 1990, p.167). The overall result was a "conservative change", as the Guarantee Section of the EAGGF remained the primary agricultural support mechanism, but yet it did place limits upon agricultural production for the first time (Bonanno, 1990, p. 174).

Preservation of the environment was also becoming a concern at this time. Policy-makers began to recognise that commercial farming had been seriously harming the environment because of the increased dependence upon chemicals and heavy farm machinery. The use of technological and biotechnological inputs increased by 60 per cent in the twenty years between 1966-1986, and the consumption of nitrogenous fertilisers almost doubled in the same period (European Commission, 1987, p. 9). This growing use of environmentally aggressive farming methods had led to the undermining of farm animals' welfare, destruction of bird and animal habitats, water pollution, pesticide residues in food and soil erosion (Ward, 1993, p. 357). These environmental costs, including the outright extinction of many plant and animal species, had been externalised, or in other words, borne by the broader society (Commins, 1990, p. 65). This awareness of the environmental ill-effects of capitalist accumulation and exploitative land use constituted "a major cultural shift" (Whatmore, 1990, p. 252).

While a 1985 European Commission Green Paper proposed a "decoupling" of commodity prices from farm income and rural development objectives, powerful lobbies representing agribusiness interests vetoed this for several years, until the early 1990s (Vail *et al.*, 1994, p. 35). As a result of these protests by powerful agro-food lobbies, these concerns were set aside in favour of controlling rates of production, rather than addressing serious environmental concerns (Bonanno, 1990, p. 175). This first round of CAP reform aimed to place quotas on surplus products and to levy excess production, to divert "headage" payments to disadvantaged areas; to introduce

new environmental and diversification strategies, and to introduce an enhanced farm retirement package (Commins, 1995, p.189). However, since this round was primarily concerned with cutting down on surpluses, the environmental content remained rather underdeveloped at that stage. This did not become entrenched in policy until the second round of CAP reform, which is discussed in the following section.

V CAP REFORM II: ENVIRONMENTALISATION

Following these changes which were brought about by Ray McSharry, then EU Agricultural Commissioner, a second round of reform proved to be necessary. Those designing the 1992 CAP reform had to handle and ameliorate the structural dualism and environmental destruction that had become the norm both in Irish and broader European agriculture. The Maastricht Treaty also extended the EU's range of concerns, to incorporate industry, science, technology, the environment, security and defence, and social security and education (Portela, 1994, p. 34). The farming lobby was, therefore, formally overtaken by the environmentalist one, among others. Overall, it constituted an attempt to delink the types of support that went to farmers from the market mechanism. Buttel has suggested that a key feature of this era was the "environmentalisation" of agricultural policy (Buttel, 1994, p. 29). EU agri-environmental policy resulted from this second round of CAP reform in the early 1990s, which in turn resulted from wider international developments in agricultural restructuring. By this time, the public had probably become more environmentally-aware and more aware of their rights to information.

This restructuring of agricultural policy has been explained by Commins as being motivated by:

...the need for the state to strike a new balance between the continuing requirements of capital accumulation in agriculture and the necessity of maintaining the social conditions – minimum levels of political consensus and quiescence – under which accumulation in general can occur. (Commins, 1990, p. 71)

A concrete result of this was that funding had to be cut for production, and simultaneously an alternative source of income had to be provided for those who could not compete in an increasingly deregulated market, in order to preserve the fabric of rural society. Environmentalism was used as a key framing device to achieve these goals. One agricultural economist provides us with a clear statement of the underlying economic thinking behind agricultural restructuring when he states that:

A sentimental attachment to the idea of the 'family farm' (whatever that might be) and a reluctance to abandon the land to the wild are flimsy justifications for the enormous expenditure involved [in supporting agriculture]. *The redirection of significant areas of land to forestry and manmade wilderness might prove more appropriate for the needs of the late twentieth century.* (My emphasis). (Marsh, 1991, p.50)

Henceforth, it could be argued that agricultural policy was as concerned with the recreational needs of the urban population as it was with the needs of small farmers. The EU, from this economic perspective, needs a much smaller number of farmers than it does at present. Commins argued as early as 1990 that a pattern of land use was being established throughout the EU, including Ireland, "...whereby a category of productive farms co-exists with a growing proportion of holdings that must be 'allocated other roles' as 'resource managers' in the rural economy" (Commins, 1990, p. 71). In light of developments since then, this was prophetic indeed.

We are now witnessing a stated concern in policy about the transition from the productivist, protectionist model to open competition on the world market, and a new concern for food security, environmental conservation and social welfare in the countryside (Symes, 1992). Yet farming is not quite like any other industry, where workers can simply be entreated to seek alternative work outside of an unprofitable sector. This is only an option for those with ready access to training and/or employment. An alternative is for the majority of them to use their land for the production of "environmental goods", and let the most intensive and efficient large farmers produce the "food goods" at lower cost. Arguing from within a British context, Ward suggests that the designation of some areas as environmentally sensitive, and others as cores of efficient agricultural production, could produce a "two-track countryside" (Ward, 1993, p. 362). This paper argues that in the Irish context also, rural space, and the people who occupy it, is now being zoned into agricultural and environmental uses, and that agri-environmental policy is used towards the achievement of this goal.

There are three ways in which the amount of funding farmers get can be reduced in a protectionist system like the EU. These are first, to rely on the *pricing mechanism* to exert control over goods produced. However, many agricultural commodities are insensitive to price because of their long production cycle (Marsh, 1991, p. 40). Results from this are therefore, more, visible in the long term than the short term. Second, *limits are placed on the volume of output* through such policies as set-aside. In Ireland since the 1992 reforms, farmers cannot use 10-15 per cent of their land from January 15–September 1. However, it has been found elsewhere in Europe

that farmers usually set aside their least productive land, therefore production is not in fact cut back very much (Marsh, 1991, p. 44). It appears that set-aside has had limited success in satisfying the minimalist EC objective of controlling the supply of agricultural goods to the market (Scott, 1995, p. 119). Logically, farmers whose production is already limited by set-aside will be extremely reluctant to allocate even more land to agri-environmental programmes, or if they do so, they would need substantially higher payments than currently exist (Potter, 1998, p. 98).

The designation of environmentally sensitive areas is also part of this second strategy. First, Natural Heritage Areas (NHAs) have existed in Ireland since 1994, containing rare wildlife habitats and endangered species of flora and fauna. A second type of conserved area are the Special Protection Areas (SPAs), which arose specifically from the Birds Directive. Under this directive, the protection of bogland became a major priority (Murphy and Lally, 1998, p. 88). The last designation is Special Area of Conservation (SAC). Together these comprise what are now known as Natura 2000. In all, these cover 5 per cent of total national land area and affect 10-15,000 farmers (*ibid.*, p. 90).

The third approach towards reducing agricultural funding involves *limits being placed on amounts of agricultural inputs*. This incorporates cutting back on the consumption of biochemical inputs such as fertilisers, which enhance production levels, and at a broader level, encouraging farmers to speed up the process of extensification. This policy endorses ecologically friendly farming methods, which is also compatible with the aspirations of those seeking to further develop rural tourism. Agri-environmental policy in Ireland has been the product of intensive negotiations between the various bodies involved in farming and the environment. These include representatives of EU states, the EU Commission and environmentalist lobby groups.

While the foundation was laid earlier, environmentalists have had a significant impact upon European agriculture since the early 1990s. Fiscal and environmental reform were compatible. Environmentalists advocated cutting back production which helped with the over-spending problem. Lowe argues that this change came about "...not necessarily through any deep convictions", but rather as a cost-cutting exercise for the CAP (Lowe, 1992, p. 7).³ This resulted in an unusual alliance between proponents of ecology and advocates of productivist agriculture. Because the latter were so powerful politically and could not realistically be confronted by the Green lobbyists, it could be argued that a political compromise occurred which meant that ecology

³ This cost-cutting produced a steady decrease in the amount of money spent on supporting farming. The proportion of overall EU expenditure spent on the Guarantee Section of EAGGF dropped from 64.2 per cent in 1988 to 50.5 per cent in 1996 (European Commission, 1996, p. 4).

was superimposed upon the practices primarily of those farmers who were relatively powerless, namely, those at the smaller end of the scale and those living in peripheral areas like the west of Ireland. The strategy, therefore, of compartmentalising the land into zones which are designated for environmental protection and commercial farming, suits both groups equally well. Each places higher value on their own preferred type of land use, but each also is forced to tolerate the existence of the other.

VI AGRI-ENVIRONMENTAL POLICY

MacSharry's approach to CAP reform yielded the most important regulation legislating for agri-environmental policy: EU Reg. 2078/92. It recognised that it was neither economically or politically feasible to continue to support agricultural production (Commins, 1995, p. 189). As well as fiscal concerns, consumer concerns over food quality were becoming an important factor in agricultural policy formulation at that time (Ward, 1993, p. 357). EU Reg. 2078/92 was an adjunct to the previous 1980s regulations on set-aside, extensification and protection of environmental zones, but which had not been taken seriously by member states (Baldock and Lowe, 1996).

Ecology is central to the *raison d'être* of this compulsory Council Regulation, 2078/92. This emerged in tandem with two other important voluntary regulations, EU Regs. 2079/92 (early retirement) and 2080/92 (forestry aid) (Baldock and Lowe, 1996, p. 18). Because Reg. 2078/92 was compulsory, it could not be ignored by member states. This regulation outlines an aid scheme which aims "to encourage agricultural production methods compatible with the requirements of the protection of the environment and the maintenance of the countryside". This exemplifies the EU managerial approach which operates with "...a specific scientific-bureaucratic construction based on farm management" (Billaud *et al.*, 1997, p. 23). It aims to provide aid for farmers who undertake to farm organically, to reduce their farm inputs, to farm more extensively, to reduce stock, and to maintain the ecological integrity of the countryside (European Commission, 1992, pp. 86-87). This was an attempt to integrate environmental concerns into the second round of CAP reform.

The environmentalisation of EU farm policy has led to funding being provided for agri-environmental schemes in all EU member states, of which REPS is the Irish version. REPS is the main agri-environmental scheme operational in Ireland, agreed on 30th June, 1992 in Luxembourg, and initiated two years later in 1994. The first phase of REPS is now complete and REPS II has begun, incorporating some changes from the original scheme. In REPS, farmers are encouraged to adopt new environmentally-friendly farming

methods, such as adopting a Nutrient Management Plan, protecting water-courses and field boundaries, preserving wildlife and heritage features. In REPS I, farmers were paid a basic rate of £50.67/acre for keeping to these measures, with a maximum of 99 acres or 40 hectares (DAF, 1999). In REPS II, this is now reduced to £48.12/acre, due to Euro devaluation. Says one civil servant in the REPS office:

In REPS, the average is about 37 hectares, it is geared toward the smaller farmer because its harder for them to survive in farming ... we try to compensate farmers to keep people on the land and to keep them more viable. (Interview, June 1998)

This is therefore clearly designed as an income support for the smaller farmer. The maximum any farmer can earn (outside of the supplementary measures) is c. £5,000 per year. The average REPS participant has 37 hectares or 92 acres and an average annual payment of £3,800 (Nugent, 1997).⁴ This by no means represents the smallest farmers, but rather medium-sized farmers. This is the group with most to gain from REPS, and also with more financial capacity to take risks with new ventures. Emerson and Gillmor (1999) highlight the following characteristics of REPS: universal availability; voluntary nature; comprehensiveness; limited payments encompass total land holdings; tailored to individual farm circumstances, and the fact that training is included in it.

The number of farms in the country turned over to REPS at the end of the first 5-year term (1994-1999) stood at over 46, 000, out of the current overall total of 123,400 farmers. The Department of Agriculture hope that 75 per cent of farmers will be in it within the next few years (DAF, 1999, p.10). The Department's target is 70,000 farmers by 2006. However, the current total thus far in REPS II has dropped to 35,000, which is well short of this target (MacConnell, 2002). Teagasc's own evaluation of REPS in 1999 found that the REPS payment increased farmers' gross output from £641/ha to £745/ha, and comprised one-third of family farm income on REPS farms; REPS farmers' costs were 90 per cent higher than non-REPS farmer; and only 12 per cent of dairy farmers had joined REPS in 1999.

⁴ This does not include commonage, which are covered by a separate arrangement in the supplementary measures of the scheme. It was only in 1998 that farmers whose land was held entirely in commonage qualified for the scheme (Mooney, 1998). This average figure is confirmed in Lafferty, Commins and Walsh (1999). The total number of REPS farms in Ireland in 1999 was 40,154, with a total area of 1,543,087 hectares, giving an average of 38.4 hectares. In the West, where the uptake was by far the highest, the number of REPS farms was 11,836 with a total area of 441,037, giving an average of 37 hectares.

It is argued here that REPS maintains the division between development and non-development farmers which has pervaded EU agricultural policy since its inception. The structural dualism within Irish agriculture remains unaffected by this policy (see O'Hara, 1986). Productivist agriculture is still enthusiastically encouraged in the wealthier farming heartlands of the south-east of Ireland, and it is those farmers and regions who previously had been labelled "non-development", that are now delegated the task of providing environmental goods within the restrictive REPS regime. These farmers are now primarily thought of as custodians of the land rather than as producers of food. They are becoming publicly accountable in new ways and caught up in a complex nexus of state control. Those larger farmers who produce the bulk of Irish food are potentially subject to environmental bye-laws in only eight out of twenty-six counties, largely those around the Border, where serious water pollution has been attributed to intensive pig and poultry production (*Farmers' Journal*, Vol. 53, No. 29). Those counties of the south-east in which intensive dairy production is common are as yet unregulated, and the take-up of REPS is also low in that region (Lafferty, Commins and Walsh, 1999). Following their analysis of farm size, type and intensity, Emerson and Gillmor argue that "...from an environmental perspective, the farms which it would be most desirable to have in the REPS are those that are participating least (Emerson and Gillmor, 1999, p. 242). One senior Teagasc farm adviser interviewed for this research agreed with this view:

...the REPS farmer isn't intensive, so he's probably not polluting anyway...this doesn't really reach the intensive farmer...those that are using lots of slurry and fertilizer. (Interview, October 1997)

This evaluation does not preclude the possibility of stricter rules applying to intensive farmers in the future. However, relying on this type of managerialist environmental strategy means that the most influential actors on the European stage, either the large commercial farming lobby or the environmentalists, are not alienated. It helps to maintain productivist agriculture, with its environmentally aggressive farming methods and its intensification of social inequality. It has been argued that REPS ultimately intensifies the structural dualism that characterises Irish agriculture, because it does not challenge productivist farming *per se* (Tovey, 1997, p. 36). Potter argues that since just 2 per cent of total CAP farm spending is allocated to agri-environmental programmes to date, this would suggest that the "greening" process has been largely cosmetic so far (Potter, 1998, p. 98). However, this phase of the CAP is likely to last for some time, and no doubt will evolve to some extent.

VII CONCLUSION

At its inception, the CAP was motivated by the ideology of productivism. This led to the commercialisation and intensification of European and Irish agriculture since the 1960s. This process remained unquestioned until the 1980s. It is argued here that the first round of CAP reform in the mid-1980s was motivated by the economic need to rationalise European agriculture and to cut fiscal costs. The second round, in the early 1990s, sought to continue along broadly similar lines, but to frame the policy changes in environmental terms, by agreeing regulations which approved the provision of “green” funding to farmers. It was assumed that the goals of capital accumulation in farming and the protection of the rural environment were compatible and harmonious.

However, it is argued here that the new environmental regulations do not in themselves constitute a fundamental re-evaluation of productivist agriculture, as is implied by the use of the term “post-productivism”. Environmental and welfare concerns have been added on to the basic productivist price policy, rather than actually replacing it. Instead, these regulations have legitimised a means of zoning farmers into two broad categories, which are undoubtedly internally differentiated. Farmers are viewed either as market-oriented food producers, or as primarily responsible for environmental conservation, using only extensive farming methods. In this way, the impression is created that both of these goals are actually compatible, that sustainability has become a key goal of EU agricultural policy. In fact it would appear that commercial farmers are continuing to farm more or less as usual, and that smaller farmers are being paid by the EU, and the Irish state, to try to merely survive rather than to diversify and/or expand their enterprises.

While agri-environmental schemes like REPS might appear to constitute a panacea for rural Ireland at first glance, the question remains as to their real social and environmental impact. The aforementioned fact that 10,000 REPS farmers have now dropped out of the scheme may indicate either that REPS was ineffectual in preventing their departure from the land, or that they felt it did not meet their needs. While only thorough qualitative research of these farmers’ experiences can give us a conclusive answer to this question, it is incumbent upon us to monitor these developments. A representative of the Irish Farmers’ Association has warned that without “radical readjustments”, farmers will refuse to join REPS and that agri-environmental funding would remain underspent (MacConnell, 2002). Without real state consultation with the recipients of this aid, a sense of ownership of its fate will inevitably be lacking on their behalf. Also, without overtly demonstrable results being achieved in relation to farm pollution, farmers will be seen in public discourse

as “only in it for the money”. If necessary agri-environmental controls are not implemented in a democratic fashion, strictly according to the Polluter Pays Principle, it will ultimately reinforce farmers’ lack of social legitimacy among Irish and European urban-dwellers, bolstering a “them and us” mentality on issues of countryside management, which can only be negative for long-term prospects for negotiation.

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