

11.7. Agricultural Policies in the 20th Century

Panel organiser: Federico, Giovanni, EUI Florence, Italy // Spoerer, Mark, University of Regensburg, Germany

No economic sector has experienced a structural change like the one which takes place in agriculture since the last 150 years. In countries with less favorable production conditions like in most parts of Europe, agricultural producers have lobbied for protection and were, at least in most European states and the EEC/EU, quite successful. The interpretation of this fact differs from "agricultural exceptionalism" to successful rent-seeking behavior or more or less veiled welfare measures for rural areas. Interestingly, the semantics of agricultural support have changed. While it seemed perfectly legitimate throughout the first three quarters of the 20th century to protect farmers' incomes, nowadays the proponents of agricultural support stress positive external effects of agriculture (preservation of the landscape, biodiversity etc.) that would not be rewarded in unregulated markets. The papers deal with the early 20th century wine markets in Spain and France (Jordi Planas), the discussions on agricultural policy in Italy (Federico D'Onofrio), the Turkish tobacco market in the mid of the century, and the costs of Europe's Common Agricultural Policy (Mark Spoerer). The papers will be commented by Giovanni Federico.

Chair: Spoerer, Mark, University of Regensburg, Germany

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11.7.1. Lobbies and state intervention in wine markets in the early twentieth century. Why were Spain and France so different?

Planas, Jordi, University of Barcelona, Spain

In the early twentieth century, winegrowers had to tackle an international overproduction crisis, with steep falling prices of wine while wages and production costs increased. They responded asking for state intervention, as markets did not show any signs of correcting themselves. Large winegrowers' associations were created that lobbied the government to achieve the regulation of domestic wine markets through tariffs, regional appellations, bodies to control fraud in winemaking and other measures to increase genuine wine consumption. In major wine producer countries like France and Spain the institutionalization of winegrowers' lobbies was effective enough to pave the way for the creation of specialized associations in other agricultural sectors, which asked for similar policies to defend their particular interests. The result was, generally in Europe, an increasing regulation of agricultural markets and protection of farm incomes, a trend that winegrowers' mobilization had started in early twentieth century. However, policy responses to their demands were not quite the same everywhere: while in France winegrowers were highly successful and obtained government support to protect their market interests, in Spain the legislation was much more eclectic, willing to satisfy both winegrowers and alcohol producers and consumers. This paper aims to explain the differences in the wine market regulation of these two major producer countries.

11.7.2. From data to policy: statistics, enquiries, and monographs in the 1930s

D'Onofrio, Federico, University of Utrecht, Netherlands

With the 1900s, the basic focus of agricultural economics shifted from the modernization of large properties to a broader understanding of the economy of peasant life. The "questione agraria" had both a productive and a social dimension: it concerned ways to expand agricultural production, and ways to raise the living standards of agriculturalists. Enquiries, statistics, and monographs (including budget studies) explored both dimensions, providing information on the living conditions of peasants, on the organization of farms, on the productivity of factors. Investigations prepared an array of possible answers to the problems of agriculture. The paradigm of response that emerged in the first decades of the 20th century centred on small farming and the defence of peasant families: defence from external market forces and from the inner disruptive forces of the families themselves. In this paper I intend to show how the information collected by means of the different methods had a lasting effect on the debate over agricultural policies, far into the 1930s and 1940s. In particular, I will discuss the debate over smallholdings that dominated the Italian agricultural discourse after the First World War. Small properties formed one of the main concerns of agricultural economists and politicians after the war, when they rapidly multiplied. The information available was mobilized to answer the fundamental questions: could smallholdings improve production systems and increase the overall output? Should the Italian state favour the creation of smallholdings? How could smallholdings be protected from fragmentation?

11.7.3. The Institutionalization of Support Purchases in the Turkish Tobacco Market, 1940-1961

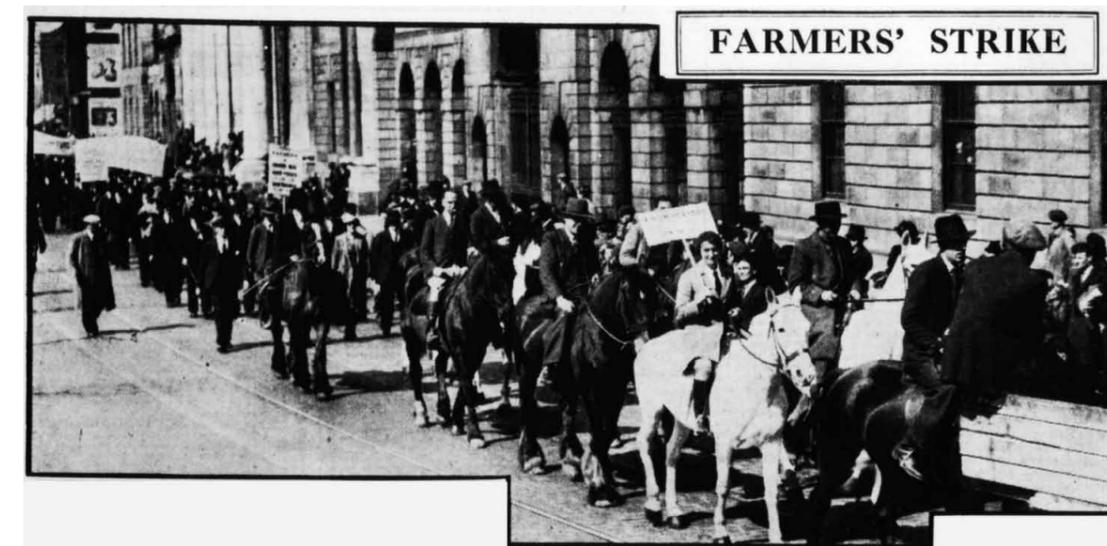
Gürsoy, Özgür, Leiden University, Netherlands

This paper analyzes the introduction and institutionalization of support purchases in the Turkish tobacco market between 1940 and 1961. Tobacco, the most important export crop of Turkey, was taken under state monopoly by special legislations in the 1930s. In 1940, the Turkish government initiated support purchases in the tobacco market to "protect producers and regulate the market". Since the support purchase policy found its legal basis in an extraordinary wartime law, actors of the tobacco market thought at first that the policy was temporary, a view that was corroborated by the very narrow scope of such a policy – indeed, wheat was the only crop ever supported by government purchases at that time. However, the policy gained permanence in the post-war period due to not only oversupply problems but also wide popular support. Despite the skeptical attitude, and sometimes severe criticism of tobacco merchants, the support purchase policy was institutionalized by Turkish governments in the 1950s. As an interesting example of "agricultural exceptionalism" from a developing country, I discuss the support purchase policy for tobacco to find out when, where and why it was implied and how it was financed. In addition, I focus on different reactions to the policy by different market actors – producers, merchants and experts. Revealing the contingencies of the policy process including alternative and counter agendas, I will historicize the institutionalization of support purchases in the Turkish tobacco market as a cumulative result of various struggling policies of different actors, not just a manifestation of state interventionism.

11.7.4. Agricultural Protection in the European Economic Community, 1962-1992: Rent-seeking or Welfare Policy?

Spoerer, Mark, University of Regensburg, Germany

The European Economic Community's Common Agricultural Policy (CAP) has found a lot of scholarly attention. While economists stress the irrationality of the CAP and explain its persistence by rent-seeking behavior, a prominent interpretation among historians is that the CAP should be interpreted as welfare policy for farm households. We subject the latter hypothesis for the period 1962-1992 to an empirical test and find that the combined benefits from subsidies and political prices gave much more support to European agriculture than any welfare policy could have done.



Participants

Federico, Giovanni

Giovanni Federico is author of "Feeding the world: an economic history of agriculture, 1800-2000", Princeton Univ. Press. 2005.

Gürsoy, Özgür

Özgür Burçak Gürsoy is a PhD Candidate at the Atatürk Institute for Modern Turkish History, Bogazici University, Istanbul-Turkey. She has been working on her dissertation titled "The Struggling Tobacco Policies: The Political Economy of Tobacco in Turkey, 1938 -1984". Her areas of interest include political economy, rural and agrarian history, peasant politics, and modern Turkish history.

D'Onofrio, Federico

Federico D'Onofrio is a former student of Scuola Normale Superiore in Pisa. He earned a Master's degree at the University of Pisa in 2007. He studied Economics at Cori-Perpiemonte and defended his doctoral thesis at the faculty of Law, Economics, and Business of the University of Utrecht. The title of the thesis is "Knowing to transform: three ways for agricultural economists to observe Italy".

Planas, Jordi

Jordi Planas is Senior Lecturer at the University of Barcelona (Department of Economic History and Institutions). His main research interests have been institutions of collective action in agriculture, with special attention to the cooperative movement, and the evolution of agricultural estates in 19th and 20th centuries. His publications include: *Els propietaris i l'associacionisme agrari a Catalunya (1890-1936)*, Girona 2006; and *The management of agricultural estates in Catalonia in the nineteenth and early twentieth century*, in: *Agricultural History Review*, 60 (2012), together with R. Garrabou & E. Saguer).

Spoerer, Mark

Mark Spoerer holds the Chair for Economic and Social History at the University of Regensburg. Recent publications include: "The imposed gift of Versailles: the fiscal effects of restricting the size of Germany's armed forces, 1924-9", in: *Economic History Review* 2010 (with M. Hantke); "Fortress Europe" in Long-term Perspective: *Agricultural Protection in the European Union, 1956-2003*, in: *Journal of European Integration History* 2010; "Agricultural policies in Western Europe since 1945", in: J.O. Hesse et al. (eds.): *Wirtschafts- und Sozialgeschichte Europas nach 1945*, 2013.