

Technical Annex

Scientific description of the project

Title: Public Policies and Demand for Organic Food: An International Comparison of Policy Effects and Policy Determinants

Acronym: COP (Comparative Organic Policy)

Duration: From: 1 January 2007 to: 31 December 2010

Participating scientists:

(Titles, names and brief institutional affiliations of scientists in the project. Head of project is written in bold, participants responsible for work packages are underlined).

Associate professor Carsten Daugbjerg, Department of Political Science, University of Aarhus, Universitetsparken, 8000 Aarhus C, e-mail: cd@ps.au.dk, ph.: 8942 1283, fax: 8613 9839.

Professor Gert Tinggaard, Department of Political Science, University of Aarhus, Universitetsparken, 8000 Aarhus C, e-mail: gts@ps.au.dk, ph. 8942 1304, fax: 8613 9839.

Associate professor Jan Holm Ingemann, Department of Economy, Politics and Public Administration, University of Aalborg, Fibigerstræde 1, 9220 Aalborg Ø, e-mail: ingeman@socsci.auc.dk, ph.: 9635 8185, fax: 9815 5346.

English summary (1 page, suitable for publication):

Policies aimed at market development can be designed in various ways. Basically, they can concentrate on creating demand among users/consumers, induce producers to supply a new product, or be a combination of both. This project analyses how various policy designs affect demand in the market for organic food sector and the political and institutional conditions under which various policies were adopted. The overall aim is to provide recommendations for organic farming policy at both the national, EU and international level.

A limited share of the policy literature on organic farming policy addresses the question of the extent to which national organic farming policies assist the creation of demand for organic produce. Further, in

relation to the question of which political and institutional factors and processes facilitate the adoption of effective organic farming policies only very little research has been produced.

Thus, the two major research questions analysed are:

1. Do organic farming policies make a difference in increasing demand in the market for organic food, and if so, which policy design is the most effective?
2. Which political and institutional factors and processes at national, EU and international level facilitate the adoption of effective organic farming policies?

Across the EU, member states have designed their policies differently. This enables us systematically to evaluate the effects of various combinations policy measures aimed at increasing demand and identify the most effective policies. We have selected Denmark, Britain and Sweden (or Germany) as core cases in our comparison. However, one should take into consideration that public policies may have limited *intended* effects, if any at all. Therefore, the evaluation includes a comparison of European experiences with Australian and New Zealand experiences. These have very limited state intervention in the organic food sector

The research project also includes the broader policy context of organic farming policies, in particular the Common Agricultural Policy (CAP) and WTO/GATT agreements. It is analysed whether the re-nationalisation of the CAP which has occurred as a result of the 2003 CAP reform has created new opportunities for national organic farming policies. Furthermore, the research project analyses the opportunities to promote international organic food trade under current WTO rules and whether future trade rounds would allow a set of rules for organic food trade which acknowledge the principles of organic farming.

A.0 Introduction, state of the art and objectives of the project (max. 3 pages):

Introduction

Policies aimed at market development can be designed in various ways. Basically, they can concentrate on creating demand among users/consumers, induce producers to supply a new product, or be a combination of both (Padel et al. 2002, 186). This project analyses how various policy designs affect demand in the market for organic food sector and the political and institutional conditions under which various policies were adopted. Further, the project analyses whether lessons from wind power policy can be applied in organic farming policy. The overall aim is to provide recommendations for organic farming policy at both the national, EU and international level.

State of the art and objectives

Research on organic farming policy has produced insights into which policy measures are applied and what are their impacts. A substantial part of the literature is concerned with analysing the extent to which organic farming policies have motivated farmers to convert their farms into organic production. In relation to creating demand in the market, conversion subsidies can be conceptualised as policy induced push effects. Many industrial economists argue that bringing innovations (e.g. new products) to the market has an independent effect on demand (Klein & Rosenberg 1986).

A limited share of the policy literature addresses the question of the extent to which national organic farming policies designed to increase demand assist the development of the market for organic food. The main characteristic of this part of the literature is that it provides extensive and detailed review on the demand-side orientated policy instruments applied either in a single country or across countries. Throughout the literature, there are some suggestions on the effects of these instruments on demand, but these suggestions are not the result of systematic comparative analysis; rather they originate from intuition and common sense considerations (e.g. Padel et al. 1999).

Attempts to design systematic comparative analysis isolating the effects of various policy instruments suggested to have demand effects are very rare in the literature, and therefore the conclusions of the policy reviews do not rest on solid scientific ground and thus they are of little use for policy makers. Most importantly, the systematic control for alternative explanations changes in demand for organic produce, that is factors not part of organic farming policies (e.g. retailer behaviour, see Michelsen, 1996), is absent. Clearly, this questions whether statements on the effects of policies on demand are valid at all.

If different policies have different effects, the question of which political and institutional factors and processes facilitate the adoption of various types of organic farming policies becomes crucial provided that one wants to develop recommendations for future policy. Only very little research have been produced on this question (Michelsen 2002, 108) and what has been produced is, at best, partial. For instance, Michelsen (2002, and Michelsen et Al., 2001) argues that important factor influencing the development of organic policies is the existence of a specific relationship between organic and conventional farming associations ('creative conflict'). Albeit relevant, the explanation addresses only one element in the complex process of policy making.

Objectives

The two major research questions analysed are:

1. Do organic farming policies make a difference in increasing demand in the market for organic food, and if so, which policy design is the most effective?
2. Which political and institutional factors and processes at national, EU and international level constrain or facilitate the adoption of effective organic farming policies?

Most studies have a strong focus on organic food's share of the total food market when addressing the issue of demand in the organic market. Clearly, this dimension is central to the concept, but we think

the concept of demand ought also to include a dimension which addresses the vulnerability of the market for organic food and the potential for market growth. More specifically, we want to assess the degree of consumer preferences for organic food products. The degree to which consumers hold green (or organic) values strongly influences the vulnerability of demand for organic produce. Further, the larger share of consumers which hold green (or organic) values, the larger the potential for growth in demand. Thus, the concept of demand for organic produce consists of three dimensions.

- Market share
- Share of consumers who holds green or organic values (extensity)
- The degree to which consumers hold green or organic values (intensity)

Structure of Project

The research project is structured on the basis of the three major research questions

Policy evaluation (research question 1)

Across the EU, member states have designed their policies differently. From a methodological perspective, we are fortunate that both policies and market developments vary significantly across Europe because to produce robust conclusions, the research design should attempt to maximise variation (Peters 1998, Yin 1994). For instance, the organic foods' share of total food sales varies considerably, and while some countries provide subsidies for marketing of organic produce, others do not. This enables us systematically to evaluate the effects of various combinations policy measures aimed at increasing demand for organic food and identify the most effective policies. We have selected Denmark, Britain and Sweden (or Germany) as core cases in our comparison. These countries operate their national organic farming policies under the auspices of the CAP, but have adopted very different organic farming policies and have different degrees of organic market development (Michelsen et al. 1999, 31-34, Latacz-Lohmann and Foster, 1997).

However, one should take into consideration that public policies may have limited *intended* effects, if any at all (Winter 1994). Therefore, the evaluation includes a comparison of European experiences in the development of organic food markets with those of countries which have none, or very limited, state intervention in the organic food sector. Australia and New Zealand fulfil this requirement and therefore are included in the study as core cases (Halpin and Brueckner 2004, Mason 2004). Within the group of OECD countries, the two countries have the most commercial and competitive approach to the agricultural sector and have traditionally pursued liberal trade policies (e.g. OECD, 2004).

The suggested design enables us to compare effects on demand from policies pushing supply and effects on supply from policies pulling demand.

Policy determinants (research question 2)

The variation in policy contents and effects across countries provides opportunities for analysing which political and institutional factors and processes determine the choice of organic farming policy measures. Such analyses must include more factors than currently found in the literature on organic policies.

We focus on three explanatory variables, identified by the literature on comparative public policy analysis as important policy determinants. Firstly, the state in itself is a major factor in policy making since it possesses financial resources, administrative capacities and democratic legitimacy (see Skocpol, 1985, Weiss, 1998). Secondly, we analyse the state's relationship with the farming, consumer and corporate interest groups) affected by organic policies (usually referred to as a policy network, see e.g. Daugbjerg 1998 on the concept). Finally, the way in which organic farming is framed politically is an important factor influencing the specific policy design (e.g. Baumgartner and Jones, 1993, Stone 1988). For instance, if organic farming is viewed as an agri-environmental measure, policies might be strongly focussed on the area of farmland converted rather than on market development.

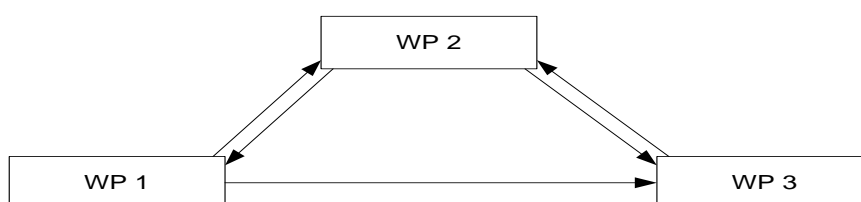
Organic farming policies are embedded in a wider policy context such as EU agricultural policy and international trade agreements. This project also analyses whether the renationalisation of the CAP resulting from the 2003 reform has created new opportunities for organic farming in the member states, and if so, how have state capacity, policy networks and framing of organic farming influenced new CAP 2003 initiatives on organic farming? Organic farming emphasises many non-trade concerns and rejects comparative advantages as the major determinant of trade. Instead, fair trade and ecological justice are seen as important concerns of organic food trade. This part of the project analyses the opportunities for creating an organic box in the WTO given the prevailing paradigm of the Agreement on Agriculture and the strength of this paradigm in the WTO. Further, the opportunities embodied in the WTO current rules to provide special treatment of organic food trade are assessed.

Our analysis would enable us to understand more generally which political and institutional conditions and processes provide the best opportunities for adopting the most effective organic policies. Finally, we may also be able to suggest how the conditions for the adoption of effective policies can be improved.

A.1 Technical content of the research activity

(The work plan should be divided into work packages (WP1 to WPn), each with different objectives, milestones and deliverables.

Pert diagram showing interconnection of work packages (WP)



Gantt diagram showing time table of work package 1 (month no.)

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
Literary review	█	█	█	█																				
Country reports			█	█	█	█	█	█	█	█	█	█												
Data, market shares												█	█											
Survey							█	█	█	█	█	█	█	█	█									
Survey analysis																█	█	█	█	█	█	█	█	█
Establish the causal relationship between organic farming policy design and market development																█	█	█	█	█	█	█		
Lesson drawing from other infant industries																							█	█

	25	26	27	28	29	30	31	32	33	34	35	36
Literary review												
Country reports												
Data, market shares												
Survey												
Survey analysis	█	█	█	█	█	█	█	█	█	█	█	█
Establish the causal relationship between organic farming policy design and market development												
Lesson drawing from other infant industries												

Gantt diagram showing time table of work package 2 (month no.)

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
Conceptual framework	█	█	█	█	█	█	█	█	█	█	█	█												
Country reports			█	█	█	█	█	█	█	█	█	█												
Evaluation of data												█	█	█										
Establish the causal relationship related to organic push policy design																█	█	█	█	█	█	█	█	█

	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48
Conceptual framework	█	█	█	█																				
Country reports	█	█	█	█	█	█	█	█	█	█	█	█												
Evaluation of data											█	█	█	█										
Establish the causal relationship related to organic push policy design																█	█							
Dissemination workshops																█	█	█	█	█	█	█	█	█

Gantt diagram showing time table of work package 3 (month no.)

	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48
Country reports	█	█	█	█	█	█																		
Analyse state capacity							█	█																
Analyse policy networks									█	█														
Analyse framing											█	█												
Relate supported theoretical explanations to each other												█	█	█										
Analyse renationalisation of the CAP and organic farming																					█	█		
Analyse WTO and organic farming																	█	█	█	█				
Cooperation with work package 2 policy recommendations.																							█	█
Dissemination workshop																								█

Work Package list

WP No.	WP title	Responsible scientist	Budget (FØJO funding) DKK	Start	End	Deliverable No.
1	Comparative evaluation of demand-side policy instruments	CD	3.631.033	1/07	12/09	D1.1-D1.5
2	Supply-side policies and demand	JHI	833.101	1/07	12/10	D3.1-D3.2
3	Designing organic farming policies	CD	2.535.866	1/09	12/10	D4.1-D4.3
Total			7.000.000			

(Please give month and year for start and end)

CD: Carsten Daugbjerg

JHI: Jan Holm Ingemann

Deliverables list

CD: Carsten Daugbjerg

JHI: Jan Holm Ingemann

GTS: Gert Tinggaard Svendsen

Deliverable No	Deliverable title	Lead scientist	Delivery date	Allocated scientific person months (VIP) *) (**)	Type of deliverable
D1.1	Analysing organic farming policies: a review the literature	CD	5/07	2,5	S
D1.2	Comparing organic farming policies	CD	12/07	7	S/P/O
D1.3	Social capital and organic farming	GTS	7/08	7	S
D1.4	'Organic farming policies and the market for organic produce: a comparative analysis	CD/GTS	6/08	4	S
D1.5	The effectiveness of organic farming policies: do policies matter?'	CD	9/08	3	S
D1.6	Policy transfer in organic farming? Comparing policies for organic farming and for other sustainable industries.	GTS/CD	12/08	2,5	S
D1.7	Can social capital help explaining the success and failure of organic farming policies?	GTS	6/09	2,5	S
D1.8	Ecological labelling and social capital: An international comparison.	GTS	12/09	2,5	S
D1.9	A package of 2 articles for Økologisk Jordbrug, 3 FØJOenet articles and 2 DARCOFenews articles.	CD/GTS	1/08-12/08	0,8	
D2.1	Establishing a conceptual framework for policy driven push and pull effects	JHI	1/08	6	S
D2.2	Demand effects from push policies	JHI	6/10	3,5	S
D2.3	The lessons from the WP in paper for dissemination workshops	JHI	9/10	3,5	R/C
D2.4	A package of 1 article for Økologisk Jordbrug, 2 FØJOenet articles and 1 DARCOFenews articles	JHI	1/08-12/10	0,6	O
D3.1	State capacity, policy network and organic farming policies	CD	1/10	8	S
D3.2	Framing organic policies	CD	3/10	6	S
D3.3	The 2003 CAP reform and the prospects for organic farming	CD	12/10	4	S
D3.4	The rise and fall of multifunctionality in the WTO and the implications for organic farming	CD	9/10	8	O (book chapter)
D3.5	WTO rules and the opportunities for special treatment of organic food trade	CD	9/10	8	O (book chapter)
D3.6	A package of 1 article for Økologisk Jordbrug, 2 FØJOenet articles and 1 DARCOFenews articles	CD	1/09-12/10	0,8	O

(The nature of the deliverables must be indicated by S = publication in scientific journal with peer review; P = publication in journals without peer review; R = reports; C = presentation at meetings and congresses or O = other types of deliverables, e.g., prototypes, models, websites, etc.).

*) Includes data collection and analysis. Time estimations also include the work of a PhD student.

**) The allocated months are very rough estimations of the time expected to be spend.

Description of work packages (this page should be copied for each WP)

WP No.: 1 Comparative evaluation of demand-side policy instruments

		Start date or starting event: (please give month and year) 1/07							
Partner id.	Dept. of pol. Sci., Aarh Univ								
Person-months per participant	31,8 VIP (incl. PhD stud.) 3,6 TAP								
Total PM VIP:	31,8								
Total PM:	35,4								

(Please give Institution or Department as partner id.)

Objectives:

- Produce a paper on the state of the art
- Establishing the causal relationship between organic farming policy design and market development and reveal the most effective policies, controlling for other policy and non-policy impacts.
- Establish the link between social capital and success and failure of organic food consumption.
- Establish whether lessons for organic farming policies can be learned from other infant industries in which public policies are applied to promote such industries

Description of work:

(Planning and technical description of the work to be done to achieve the objectives. The work package can be divided into separate tasks)

As a hypothesis, we suggest that the demand for organic food is improved if organic farming policies:

- specify desired markets shares for organic food or in other ways emphasise that policy should not only focus on the desired share of farmland to be converted to organic farming,
- direct a substantial share of subsidies towards marketing,
- target marketing subsidies for campaigns providing information on organic food to consumers and attempts to influence their values,
- provide the conditions for the development of a trustworthy and transparent certification system, and
- design a policy institution in which producers, processors and retailers are represented in order to provide good conditions for coordination of the actions of the major actors in the food chain.

The more of these requirements are fulfilled, the more likely a positive organic market development will result. The hypothesis is tested in a comparison of Denmark, Britain, Sweden (or Germany), Australia and New Zealand.

The stages of the work package are:

- Review the available literature and data about organic farming policies and demand.
- In collaboration with national researchers produce country reports on the historic development of organic farming policies and the market and political contexts within which they were developed (in collaboration with WP 2).
- Provide data for the historic development in market shares for organic produce (in collaboration with WP 2).
- Undertake survey. Produce data on the degree to which consumers hold green or organic values and on the share of consumers which hold green or organic values and compare this across countries. Search for other surveys measuring consumer values in order to produce evidence for the historical development in consumer values where possible.
- Establish the causal relationship between organic farming policy design and demand for organic food, including control for the influence of non-policy factors on demand.
 - To undertake this part of the evaluation, we, firstly, rank organic farming policies according to their degree of *demand-side orientation*. Secondly, we construct an index of the three dimensions highlighted as key indicators of demand (see A.0). Thirdly, we examine whether there is a correlation between the degree of demand-side orientation of policy and demand.
 - A number of non-policy factors can be argued to be potential alternative explanations for market development. Firstly, food scandals (BSE and mouth and foot disease) have had a negative impact on consumers' confidence in conventional food production, and consequently the most sceptical consumers have turned to organic food. Secondly, the sales channels for organic produce vary across countries and this may affect demand for organic produce. Thirdly, the way in which retailers market organic food also has an impact. Fourthly, impact of non-organic farming policies. These may have positive or negative impacts. Finally, and importantly, the degree of social capital may influence the trustworthiness of organic products.
- A crucial question is whether organic farming policies could have been more effective than they currently are: could politicians have done otherwise? To answer this question we undertake an analysis of other infant sustainable industries which public policies attempts promote in order to establish whether experiences from such industries can be transferred to organic agriculture.

Deliverables:	
D1.1	‘Analysing organic farming policies: a review the literature’. To be submitted to <i>American Journal of Alternative Agriculture</i>
D1.2	‘Comparing organic farming policies’
D1.3	‘Social capital and organic farming policies’
D1.4	‘Organic farming policies and the market for organic produce: a comparative analysis’
D1.5	‘The effectiveness of organic farming policies: do policies matter?’
D1.6	Policy transfer in organic farming? Comparing policies for organic farming and for other sustainable industries.
D1.7	Can social capital help explaining the success and failure of organic farming policies?
D1.8	Ecological labelling and social capital: An international comparison.
D1.9	A package of 2 articles for Økologisk Jordbrug, 3 FØJOenet articles and 2 DARCOFenews articles.
Milestones:	
M1.1	Literature review
M1.2	Report: overview of national organic farming policies
M1.3	Undertake survey
M1.4	Undertake survey analysis
M1.5	Report: Ranking of countries according to market orientation of organic farming policies and demand for organic produce

WP No. 2: Supply-side policies and demand

	Start date or starting event: (please give month and year) 1/07								
Partner id.	Dept. of Econ, Pol, and Pub Admin, Aalb Univ								
Person-months per participant	13,6 VIP 3,6 TAP								
Total PM VIP:	13,6								
Total PM:	17,2								

(Please give Institution or Department as partner id.)

Objectives:	
•	Analyse preconditions for effective supply-side policies inducing demand effects, considering adequate incentives and institutional set ups
•	Create a basis for policy recommendations concerning push effects

Description of work:

(Planning and technical description of the work to be done to achieve the objectives. The work package can be divided into separate tasks)

Agricultural policies have traditionally had the primary focus on the supply-side. Thus, it has been obvious to engage such policies to reinforce organic production. However, to expand the market for organic foods by means of push effects might imply certain preconditions if the policies should be effective. Our suggested hypothesis is that the preconditions are:

- The push policies engaged has to be closely coordinated with adequate pull policies assuring that supply does not exceed demand,
- The push policies are only effective if the institutional setup is adequate, that is policy networks including organic farmers' associations, certification agencies and public authorities,
- The push policies have– if effective – to include provision of targeted R&D as well as educational efforts (*know how*), and finally
- The push policies must include measures to ensure that converting farmers develop a focus on the values related to organic farming (*know why*).

The work tasks of the WP are:

- Review the available literature and data about organic farming policies related to push effects and their causal relationship to demand side. Based on these studies it is the task to shape a conceptual framework based on industrial economics supplemented with relevant elements from agricultural economics and policy theories.
- In collaboration with WP 1 and 2 ensure the needed information in the country reports.
- Evaluate the data provided by means of the country reports.
- Establish the causal relationship between organic push policy design, evolution of supply, stability of supply, market development on one side and institutional setup, R&D/education and value-diffusion on the other.
 - At this stage we rank the supply development and compare it to a ranking of engaged policies according to an index based on coordination with demand side, focus on monetary incentives to farmers, policy driven initiatives regarding networking, know how, and know why.
 - Control for non-policy factors will be conducted by means of control for initial GFI for organic versus conventional farming and initial institutional capacity.

The WP will be based on data collection and analysis. The data collection will be conducted in collaboration with WP 1 and WP 4 and follow the same steps as described in relation to WP 1 and WP 4

Deliverables:

D2.1 Establishing a conceptual framework for policy driven push and pull effects

D.2.2 Effects on demand from policies pulling supply

D 2.3 The lessons from the WP in paper for dissemination workshop

D 2.4 A package of 1 article for Økologisk Jordbrug, 2 FØJOenet articles and 1 DARCOFenews articles

Milestones:

M2.1 Submission of article on conceptual framework

M2.2 First country reports produced

M2.3 Finish first evaluation of data

M2.4 Established causal relationship based on first set of data

M2.5 Second country reports produced

M2.6 Finish second evaluation of data

M2.7 Established causal relationship based on second set of data plus synthesis

M2.8 Submission of article on effects on demand from policies pulling supply
M2.9 Contribution submitted to dissemination workshops

Description of work packages (this page should be copied for each WP)

WP No. 3: Designing organic farming policies

		Start date or starting event: (please give month and year) 1/09							
Partner id.	Dept. of pol. Sci., Aarh Univ								
Person-months per participant	34,8 VIP (incl. PhD stud.) 3,6 TAP								
Total PM VIP:	34,8								
Total PM:	38,2								

(Please give Institution or Department as partner id.)

- Objectives:**
- Explain variation in policy design across countries
 - Produce a statement on the national conditions for the adoption effective policies for organic farming
 - Produce policy recommendations
 - Analyse the international policy and institutional context of organic farming, focusing in particular on the EU and the WTO.
 - Produce policy recommendations, recognising the constraints and opportunities embodied in the broader policy context such as the CAP and WTO agreements

Description of work:

(Planning and technical description of the work to be done to achieve the objectives. The work package can be divided into separate tasks)

The working package consists of two major tasks: data collection, analysis and policy recommendation.

Data collection

- Produce country reports on the political process and the institutional settings in which organic farming policies were decided in collaboration with national researchers (in collaboration with WP 3).

Analysis

Initially, we assume that the adoption of effective organic policies cannot be explained by a single independent variable. We shall apply 'statist' theories focusing on state capacity, policy network analysis and agenda setting theories. From these theoretical approaches, three initial hypotheses on the design of organic farming policies can be developed. These define the stages of the latter part of the WP.

Stage I: State capacity

We suggest that the higher the degrees of centralisation of authority and autonomy of public authorities involved in organic farming policy, the more likely it is that policy formulation and implementation can stay free of special interests. Thus, state officials are in a better position to leading agricultural production in the direction of sustainable production, which is the overall aim of organic farming. Since fulfilling this aim requires that market shares in the food market are switched from conventional to organic farming, conventional farm associations may become a constraint in formulating and implementing organic farming policy unless the state has capacity to act autonomously.

Tasks

- Analyse sectoral state capacity in each country and rank them according to the degree of state capacity.
- Analyse whether the ranking of state capacity correlate with the ranking of organic farming policies in term of their market orientation (policy ranking undertaken in WP 1). To qualify as explanation of policy variation, state capacity must be highest in countries with the most market orientated organic farming policies and *vice versa*.

Stage II: Policy networks

Most network analysts use the policy community concept to characterise and describe a tight, closed, highly integrated and highly institutionalized network in which membership is very restricted. The other extreme on the continuum is an issue network in which access is relatively open and in which the degrees of integration and institutionalization are low. Therefore, the network is basically unstable.

We suggest that the closer the organic farming policy networks policy community can be formed in relation to policy formulation, the adoption of market orientated organic farming policies is facilitated. The policy network should include the core stakeholders in organic market development. These are farmers' associations, retailers, a hegemonic state actor and consumer associations. For a policy community in organic farming policy to develop, organic and conventional farm associations, should be able to articulate coherent policy proposals. They must have the capabilities to reach genuine compromise when their interests are conflicting and they must be equal parties within the network

Tasks

- Classify national organic farming policy networks by the use of policy network continuum developed in Daugbjerg, 1998 (p. 40-44, see also Grant, 2000, 48-51).
- Analyse whether the location of organic farming policy networks along the network continuum correlate with the ranking of organic farming policies in terms of their degree of market orientation

(policy ranking undertaken in WP 1) as predicted by the hypothesis. For the network hypothesis to qualify as explanation of policy variation, organic farming policy networks in countries with the most market orientated organic farming policies must resemble a policy community.

Stage III: Framing

In public policy studies, it has long been recognised that the way in which a policy issue is framed, or defined, has significant influence on policy design (e.g. Baumgartner and Jones 1993, Stone 1988). Thus, the way in which policy makers define organic farming influences policy design. Initially, two images of organic farming can be identified. It can be defined as an agri-environmental policy instrument or as an infant industry entering an emerging market. On the basis of the two images, we suggest that in the former situation, policy makers are likely to focus attention on creating incentives for farmers to convert land and to downgrade efforts to develop a market for organic food. Subsidies are then likely to be supply-side oriented. In contrast, seeing organic farming as an infant industry entering an emerging market is more likely to focus political attention on policy measures facilitating the increase in demand.

Tasks

- Develop methods to reveal dominant image of organic farming in the policy making process.
- Rank countries according to dominant image.
- Analyse whether the ranking correlates with policy design in the way predicted by the hypothesis.

Stage IV: Relation between the three explanatory models

Task

- If two or more of the hypotheses are supported, this stage of the project examines how the two (or three) explanations of policy variation are related.

EU and international context of organic farming policies

Stage I: Organic farming policies and the re-nationalisation of the CAP

The reform of the CAP in 2003 was a break with the principle of avoiding renationalisation. The reform is often referred to as an *a la carte* reform. In implementing the reform, it allowed member states to choose among various options. Compared with earlier reforms, the 2003 the reform package clearly indicated that to a large extent the principle *a common* policy had been traded off for national concerns.

Task

- Analyse whether the renationalisation has created new opportunities for organic farming in the member states, and if so, how have state capacity, policy networks and framing of organic farming influenced new CAP 2003 initiatives on organic farming?

Stage II: The WTO

Organic farming emphasises many non-trade concerns and rejects comparative advantages as the major determinant of trade. Instead, fair trade and ecological justice are seen as important concerns of trade. This part of the project analyses the possibilities for creating an organic box in the WTO given the prevailing paradigm and the strength of this paradigm in the WTO. This can be analysed by analysing the rooting of the competitive agriculture paradigm (growth-without- borders paradigm) and its robustness in terms of green challenges.

Tasks

- Analyse the EU's attempt to introduce multifunctional agriculture paradigm in the WTO to establish the rooting and robustness of the competitive agriculture paradigm in the WTO .
- On the basis of this analysis, the research assesses the opportunities for 'acknowledging the specific principles and rules within OA [organic agriculture] as the basis for a "green box" or [organic] trade rules' (Halberg. et al, forthcoming) within the WTO.

Organic food trade is not a separate issue discussed in the current WTO round and there have been no cases on organic food trade processed through the dispute settlement system, but there are a number of issues discussed in the Round and processed by the dispute settlement system which relate to organic food trade. The basic problem is non-discrimination of products which are physically alike. This issue has been a key issue in the debates about hormones in beef, GMO foods and is also a central concern in the discussion on eco-labelling. The key question of these disputes and discussions is how to balance sustainability with risks of allowing technical barriers to trade to be implemented in the disguise of sustainability.

Task

- The research project analyses these disputes and debates to assess the opportunities embodied in the WTO current rules to provide special treatment of organic food trade.

Policy recommendations

- Developing policy recommendations in cooperation with work package 1 and 2.
- Dissemination seminar.

Deliverables:

- D3.1 State capacity, policy networks and organic farming policies
- D3.2 Framing organic farming
- D3.3 The 2003 CAP reform and the prospects for organic farming
- D3.4 The rise and fall of multifunctionality in the WTO and the implications for organic farming
- D3.5 WTO rules and the opportunities for special treatment of organic food trade
- D3.6 A package of 1 article for Økologisk Jordbrug, 2 FØJOenet articles and 1 DARCOFenews articles.

Milestones:

- M3.1 Country reports produced
- M3.2 Analysis of correlation between ranking of state capacity and type of organic farming policy
- M3.3 Analysis of correlation between ranking of policy network types and type of organic farming policy
- M3.4 Analysis of correlation between dominate image and type of organic farming policy
- M3.5 Analysis of renationalisation and the opportunities for organic farming in member states
- M3.6 Analysis of the fate of multifunctionalism within the WTO
- M3.7 Analysis of WTO disputes
- M3.8 National dissemination seminar

A.3 Project resources and budget overview

Table for person months (VIP) allocated on WP's and partners

Partner WP	1 Dept. of pol. Sci., Aarh Univ	2 Dept. of Econ, Pol, and Pub Admin, Aalb Univ	3 (name)	4 (name)	5 (name)	6 (name)	n (name)	Total
WP1	31,8							31,8
WP2		13,6						13,6
WP3	34,8							34,8
Total	66,6	13,6						80,2

(Please give Institution or Department as partner id.)

Table for breakdown of total budget (FØJO funding) on partners and different cost categories (DKK)

Participating institution	Responsible scientist	Salaries		Equip-ment	Operational expenses (overhead included)	Total budget DKK
		Academic	Techn. adm.			
Department of Political Science, University of Aarhus	Carsten Daugbjerg	3.118.316	170.000	40.000	2.838.583	6.166.899
Department of Economics, Politics, and Public Administration, Aalborg University	Jan Holm Ingemann	526.293	60.000	20.000	226.808	833.101

A.4. Dissemination of scientific results

A position for a Ph.D student would be set up the Department of Political Science, University of Aarhus. The Ph.D student is expected to participate in international conferences and workshops in accordance with the guidelines of the department.

In relation to the production of national contributions to the overview reports (deliverables D1.2 and D2.1), there will be short stays (1-2 weeks) at foreign research institutions and guest lectures would be offered. A provisional agreement on a guest lectureship for Darren Halpin, lecturer, Robert Gordon University, Scotland has been made.

The strategy for dissemination of research findings is to publish in international journals with peer review. Research findings will also be disseminated by participation in international conferences and workshops. Relevant conferences could be the annual conference of the British Political Studies Association (PSA), Nordic Political Science Association (NOPSA), European Consortium for Political Research (ECPR), but also more specialised conferences and seminars for instance within auspices of the European Association of Agricultural Economists, EAAE.

As is indicated in the deliverables list, the research project has prioritised publication in international scientific journal with peer review in order to ensure quality control. In the final stages of the project a national workshop will be arranged. The purpose is to disseminate research finding to practitioners and the purpose of the international workshop is to discuss the main conclusions of the research project.

A.5. Scientific collaborations

Cooperation with international research institutions is essential for the project. To provide data for and insights into national organic farming policies it necessary to cooperate with national research institutions and researcher who can assist in producing country reports which will form part of the overview reports (deliverables D2.1 and D8.1). Besides cooperation will take place with researchers and research institutions which have experiences with comparative research on organic farming policies. These would in particular be Richard Tranter of the Centre for Agricultural Strategy, The University of Reading, UK. Lutz Laschewski, University of Rostock, Darren Halpin, Robert Gordon University. The head of the project has previously been cooperating with these persons.

A.6 Other issues

A.7 References

(List of references cited in the application).

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A.8 Curriculum vitae

(CV's of central persons describing their key qualifications for the project. The CV for each person should be 1 page, including a list of the most significant publications during the last five years).

Carsten Daugbjerg

Personal data

Born 12 August 1962. Married. Four children. Part-time organic farmer.

Education

MSc (political science), 1993

Ph.D (political science), 1997

Academic positions

1997-1998: Assistant professor, South Jutland University Centre,

1998-2000: Assistant professor, Dept. of Political Science, University of Aarhus.

2000- : Associate professor, Dept. of Political Science, University of Aarhus.

Research interests

Policy network theory, historical institutionalism, agricultural policy (in particular reform of the Common Agricultural Policy), environmental policy, EU and trade negotiation in the WTO, EU food safety policy, government-interest group relations

Administrative positions

2000-: Head of the Public Policy Section, Dept. of Political Science, University of Aarhus.

2000-2004: Member of Board of Studies, Dept. of Political Science, University of Aarhus. (Deputy director of studies 2000 and 2004)

2004: Member of the policy committee, Department of Political Science, University of Aarhus.

Referee

Norwegian Research Council: 1999, 2000, 2001, 2002, 2003 and 2004.

International scientific journals: Public Administration, Environmental Politics, Journal of Common Market Studies, Scandinavian Political Studies, Comparative European Politics, Journal of Public Policy, and British Journal of Politics and International Relations.

Books published since 1999

Daugbjerg, Carsten og Gert Tinggaard Svendsen (2001), *Green Taxation in Question: Politics and Efficiency in Environmental Regulation*, Basingstoke: Palgrave

Blom-Hansen, Jens og Carsten Daugbjerg (red.) (1999), *Magtens organisering: Stat og interesseorganisationer i Danmark, Aarhus: Systime*.

Selected articles in peer reviewed international journals

Daugbjerg, Carsten (1999), "Reforming the CAP: Policy Networks and Broader Institutional Structures", *Journal of Common Market Studies*, vol. 37, no. 3, pp. 407-28.

Svendsen, Gert Tinggaard, Carsten Daugbjerg, Lene Hjöllund, Anders Branth Pedersen (2001), "Consumers, Industrialists and the Political Economy of Green Taxation: CO2 Taxation in the OECD", *Energy Policy*, vol. 29, no. 6, pp. 489-497.

Daugbjerg Carsten (2003), "Policy Feedback and Paradigm Shift in EU Agricultural Policy: the Effects of the MacSharry Reform on Future Reform" *Journal of European Public Policy*, vol. 10, no. 3, pp. 421-437

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Daugbjerg, Carsten, Richard Tranter, Philip Jones, Jonathan Little, Thomas Knapp, Leonardo Costa, Miguel Sottomayer and Alan Swinbank (2005) 'The visibility of agricultural subsidies and market illusions in the CAP: some evidence from farmers' views in Germany, Portugal and the UK'. *European Journal of Political Research*, vol. 44, no. 4, forthcoming.

Jan Holm Ingemann

Born: 1955

Marital status: Single, two children (15 and 23)

Education: M.Sc. (Economics); Ph.D. (Agricultural Economics and Policy)

Present occupation: Head of Department, Department of Economics, Politics, and Public Administration, Aalborg University

Other current professional activities

Research Co-ordinator, Agricultural Economics, Aalborg University

Member of the Executive Board, National School of Organic Agriculture

Referee for the Swedish research council FORMAS

Member of the Executive Board, Centre for Environment and Development, Aalborg University

Research Co-ordinator, EEA Project, Center for Environment and Development, Aalborg University

Member of the Board, Natural Science Group, Open University

Member of The Strategic Forum for Industrial Development, Danish Center for Rural Research and Development

Member of the Board, Consumer-owned Cooperatives Project

Present activities as Ph.D. facilitator

Project "New relations between consumers and producers of organic foods" (Aalborg University, main facilitator)

Project "The Recent History of Organic Farming" (Aarhus University, associated facilitator)

Prior work experience

Educational Director (Economics, Aalborg University; Political Science, Roskilde University)

Member of the Study Board, Faculty of Social Sciences, Aalborg University

Member of the Bichel Committee (The Ministry of Environment and Energy)

Member of the Commission for Structural Development in Agriculture (The Ministry of Food, Agriculture and Fisheries)

Member of the Ecological Council of Denmark

Project leader, various research projects

Organic farmer

Selected publications

Jan Holm Ingemann: Agricultural Policy. Chapter 10 in H.Jørgensen: Consensus, Co-operation and Conflict - The Policy Making Process in Denmark. Edward Elgar, London 2001

Jan Holm Ingemann: Food and Agricultural Systems Development. In Theme 1.46, Principles of Sustainable Development, edited by Giancarlo Barbiroli in Encyclopedia of Life Supporting Systems, EOLSS Publishers, Oxford, 2001

Jan Holm Ingemann: The Institutional and Structural Design of Sustainability. Paper presented at 5'th Nordic Environmental Research Conference. Working Paper 2001:2 Dept. of Economics, Politics and Public Administration. Aalborg University.

Jan Holm Ingemann: Rural - Urban Co-development - Challenges to Post-industrial Society. NJF Seminar no 327.

Jan Holm Ingemann: New Paradigms for Rural Development. Proceedings from 5'th Annual Conference - Nordic Scottish University Network for Rural and Regional Development

GERT TINGGAARD SVENDSEN (One-Page CV)

<http://www.ps.au.dk/gts>

Current position: Professor in Public Policy, Aarhus University. PhD (econ.), MSc (Pol.Sci.).

Born: August 31, 1963, in Holstebro, Denmark.

Marital status: Married, three children.

Languages: Danish, English, German and French.

Education: B.S., M.S. in Political Science, University of Aarhus, 1991. PhD, Department of Economics, Aarhus School of Business, 1996. Visiting scholar at University of Maryland, Economics, College Park, United States, 1994-95.

Professional activities:

Director, Social Capital Project (SoCap). Financed by the Danish Social Science Research Council.

Member of the Editorial Board of *Public Choice*.

Chair of the Danish Public Choice Association (DPCA).

Member of the Policy Committee, Aarhus University.

Member of the Danish Energy Board of Appeal, Danish Ministry of Energy.

Consultant to the World Bank. Member of Social Capital Steering Committee, 1997-99.

Executive Board Member, EPCS: The 2003 Annual Meeting of the European Public Choice Society in Aarhus, Denmark.

Referee for fourteen international journals.

Selected publications since year 2003 (in English):

Paldam, M. and Svendsen, G.T. (eds.): *Trust, Social Capital and Economic Growth: An International Comparison*. Edward Elgar, Cheltenham, UK. Forthcoming.

Svendsen, G.L.H. and Svendsen, G.T. (2004): *Entrepreneurship and the Creation of Social Capital: Co-operative Movements and Institutions*. Edward Elgar, Cheltenham, UK.

Svendsen, G.T. (2003): *Political Economy of the European Union: Institutions, Policy and Economic Growth*. Edward Elgar, Cheltenham, UK.

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Brandt, U. S. and G. T. Svendsen (2005): 'Climate Change Negotiations and First-Mover Advantages: The Case of the Wind Turbine Industry.' *Energy Policy*. Forthcoming.

Markussen, P. and Svendsen, G.T. (2005): 'Industry lobbying and the political economy of GHG trade in the European Union.' *Energy Policy*, 33, 245-55.

Brandt, U.S. and Svendsen, G.T. (2005): 'Hot Air as an Implicit Side Payment Arrangement' *Climate Policy*, issue 5.1. In Press.

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Poulsen, A. and Svendsen, G.T. (2005): 'Social capital and endogenous preferences.' *Public Choice*. In Press.

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Vesterdal, M. and Svendsen, G.T. (2004): 'How Should Greenhouse Gas Permits be Allocated in the EU?' *Energy Policy*. Vol. 32, Issue 8 pp. 961-968.

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Kurrild-Klitgaard, P. and Svendsen, G.T. (2003): 'Rational bandits: Plunder, public goods, and the Vikings.' *Public Choice*, 117, 255-272.

Daugbjerg, C. and Svendsen, G.T. (2003): 'Designing Green Taxes in a Political Context: From Optimal to Feasible Environmental Regulation.' *Environmental Politics*. Vol. 12, No. 4, 76-95.

Svendsen, G.T. and Vesterdal, M. (2003): 'Potential gains from CO₂ trading in the EU.' *European Environment*, 13, 303-13.

Chloupkova, J., Svendsen, G.L.H. and Svendsen, G.T. (2003): 'Building and destroying social capital: The case of cooperative movements in Denmark and Poland', *Agriculture and Human Values*, 20, 241-52.

Vesterdal, M. and Svendsen, G.T. (2003): 'EU Emission Trading: Starting with Carbon Dioxide.' *Energy & Environment*, Vol. 14, No. 4, 397-406.