



AgEcon SEARCH
RESEARCH IN AGRICULTURAL & APPLIED ECONOMICS

The World's Largest Open Access Agricultural & Applied Economics Digital Library

This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.

Help ensure our sustainability.

Give to AgEcon Search

AgEcon Search

<http://ageconsearch.umn.edu>

aesearch@umn.edu

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

No endorsement of AgEcon Search or its fundraising activities by the author(s) of the following work or their employer(s) is intended or implied.

BOOK REVIEW: Ritson, C., and D. R. Harvey, eds. *The Common Agricultural Policy*, 2nd edition. Wallingford, UK: CAB International, 1997, ix + 440pp., \$45 U.S./£24.50 paper. ISBN 0-85198-988-8.

Following the successful publication of a collection of essays titled *The Common Agricultural Policy and the World Economy: Essays in Honour of John Ashton*, editors Ritson and Harvey, in collaboration with a range of specialists, have developed more than just a conventional second edition. They have added eight new chapters, three chapters have been completely rewritten by different authors, and the remaining seven chapters have received revisions and updates. This book is a product of the scholarship of 16 authors, all experts on various aspects of the common agricultural policies about which they write.

The book is organized into five major parts: (I) "Understanding the CAP," (II) "Mechanisms and Analysis of the CAP," (III) "The CAP and the European Union," (IV) "The CAP and the World," and (V) "The CAP and the Future." Aware that the first edition was widely adopted as a textbook, the editors note that they "have deliberately attempted to produce a textbook." The addition of Part II on mechanisms and analysis constitutes the primary effort in this edition toward the textbook approach.

An excellent introductory chapter by Ritson provides a succinct explanation of the objectives, principles, and core policy mechanisms of CAP. Four chapters contribute to Part I. Fearné's essay on the history and development of CAP (chapter 2) presents a clear outline, but unfortunately ends with 1990. However, the important Mac Sharry reforms in 1992 and some aspects of the GATT agreement are addressed in chapter 5, "The New CAP," by Swinbank. Still, given that Fearné focuses heavily on the member-state expansion and national situation and interests on CAP, the omission of a discussion of the accession of Austria, Finland, and Sweden on

January 1, 1995, is disappointing. Remarkably, this development is ignored throughout the book. Further, a surprising error is found in table 2.5, which reports that the UK had the smallest average farm size in the EC-9! (Surely someone must have identified this error in the first edition.) The remainder of Part I includes a thorough discussion (chapter 3) by Swinbank on the formal institutional framework of the CAP policy process. Chapter 4 is a brief but useful essay by Hubbard and Ritson, which contrasts the formal academic approach to reform—based on implementation of a similar number of both policy instruments and policy objectives—with a reality that CAP reform is now fundamentally a budget-driven process, much as agricultural policy reform in the U.S. has become.

Part II begins with chapter 6, which seeks to explain the daunting subject of "green money." Ritson and Swinbank have collaborated to provide a helpful explanation of its origin, evolution, importance as a national price policy tool, and hopefully its end. Chapter 7, by Buckwell, offers a clear graphical presentation of the economic welfare effects of the price intervention, variable levy, and export restitution policies. Effects of the Mac Sharry reforms and the GATT accord also are explained, and Buckwell concludes by presenting the aggregate measures of support (AMS) concepts and estimates. Harvey extends the analysis of CAP in chapter 8 by exploring why CAP has persisted, given its large economic and budgetary costs. Emphasizing the distributional aspects, he provides a critical review of the public choice approaches to explain the persistence of CAP. The final chapter in Part II, "The CAP and Technological Change," by Oskam and Stefanou, adeptly examines the basic concepts and measures of

technological change. The authors apply the theory with an empirical assessment of CAP on technological change, including estimates allowing for external environmental effects.

The EU farmer, consumer, food industry, and environment within CAP are the thrust of Part III of the book, with a chapter dedicated to each. The farmer under CAP was a topic curiously missing in the first edition. A sketchy remedy is offered by Keane and Lucey, who explain the structural dimensions of declining farm employment, the large variations in farm size and farm incomes across member countries, the growing dependence on off-farm income, and the relative importance of farmer co-operatives. Ritson's chapter on the consumer effects of CAP (food prices, availability, security, and quality) is a balanced assessment of the costs (15% implicit tax) and benefits (healthier diet and secure availability). Chapter 12, detailing the effects of CAP on the food industry, is nicely revised and well written by Harris and Swinbank. Their views on the challenges placed on the food industry by the "farmer-oriented" CAP underscore the economic importance, structural adjustments required, and tactical role played by this segment of the food sector. The final chapter in Part III is written by Lowe and Whitby on the topic of CAP and the European environment. They make clear that agricultural intensification in the EU and transformations in CAP, especially the 1992 reforms, have given environmental objectives and initiatives an emerging prominence. Their insightful essay reviews changing resource use patterns, identifies environmental pressures, and reflects on CAP responsibilities and responses.

CAP and the world are the focus of four engaging essays in Part IV. Given the preoccupation of European agricultural economists with the issue of Central and Eastern Europe integration with the EU, it is not surprising that this is the lead chapter for this section of the book. Buckwell and Tangermann (chapter 14) do a masterful job of reviewing the agricultural situation of the PECO (Pays

d'Europe Centrale et Orientale, the French term used in their chapter for this group of countries). The authors provide a rather pessimistic analysis of the accession constraints and options for dealing with these problems. Price-depressing and price-instability effects of CAP's cereals policies on developing countries are the focus of chapter 15 by Lingard and Hubbard. Josling's essay (chapter 16)—wrongly titled in this edition "The CAP and North America"—extends his valuable commentary on EU-U.S. trade relations from the first edition. His revision adds discussion on the GATT Round conflicts, U.S. responses to CAP reforms, and the significance of changes in attitudes on both sides of the Atlantic toward trade and farm policy. The final chapter in this section, "The GATT, the WTO, and the CAP," by Harvey, is a brief but solid outline of the history of GATT, the Uruguay Round agreement, and unresolved issues for future rounds. A reflective and forward-looking essay by Harvey, "The CAP and the 21st Century," concludes the book.

Each chapter in this book makes a significant contribution to our understanding of CAP. There is a consistently high standard of writing throughout. I strongly recommend this book for anyone with even a passing interest in EU agricultural policy. The revised and new chapters fill important voids in the earlier edition. That said, it is curious that no single chapter was dedicated to structural policy or rural development (only briefly mentioned in three chapters). As policy textbook authors in the U.S. have discovered, the 1990s have been remarkable for both national and international agricultural policy reforms. Keeping abreast of the ongoing WTO and CAP Agenda 2000 reforms and EU expansion with future editions of this textbook will be beneficial, but challenging, given the number of collaborators. Clearly, as reflected in the admirable contributions to this book, the editors have the framework and talent firmly in place to carry forward the update and revision process.

Eric J. Wailes
University of Arkansas