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The Political Economy of Agri-Environmental Policies in the US and EU

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Slide 1





***The political economy of agri-environmental policies
in the US and the EU***

John Bensted-Smith

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Slide 2




European Commission
Agriculture and Rural Development


Conclusions?

- **Drivers for Ag-Env policy**
 - Externalities (+ve EU; -ve US); public goods
 - Paradigm: EU old ag landscape; US pristine landscape
 - EU: focus on inputs; US focus on outputs
- **But public perception ≠ policy drivers. Why?**
 - Cairns (old ag policy distortions)? Multifunctional? Cynical (maintain rents)?
- **Policy design**
 - Targeting, Efficiency, Cost Effectiveness
 - EU: linked with institutional/decision-making/financing framework
 - US: Land Retirement/Working Land as policy instrument target?
nuanced distinction?

May 28, 2005

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Slide 3




European Commission
Agriculture and Rural Development

- **Policy experience**
 - ESP example: a policy which does not appear to reflect what MS wants. Why?
 - Decision-making?
 - Structure/institutions?
 - Regional/MS actors?
- **US**
 - Keen eye on regional allocation of funds
- **Political Economy**
 - EU: failure of co-production & stewardship; new actors; uncertain future new MS, voting etc
 - US: Targeting: Cost, Benefit, Benefit-Cost, Benefit Maximising

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Slide 4



The slide header features a landscape photograph of a green field under a blue sky with clouds. To the right of the photo is the European Commission logo, which includes the text "European Commission" and "Agriculture and Rural Development" below it.

- **Ag-Env policy and WTO**
 - Viewed with suspicion with respect to protectionist instincts
 - US in same position as EU pre McSharry reform
 - EU ag-env policy Green Box: level of aggregation for costs incurred/ income foregone, (SFP: factors of production employed?)
- **Conclusion**
 - More research?!
 - ...

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