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

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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?
- **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
- **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?!
  - …