

Book Review

Floor Brouwer (ed.) *Sustaining Agriculture and the Rural Environment: Governance, Policy and Multifunctionality*. Cheltenham, UK: Edward Elgar. 2004 (Reprinted 2016). Xi+360 pages. U.K. £98.10 (Hardback).

The edited book, “Sustaining Agriculture and the Rural Environment”, is largely a European contribution to the Ecological Economics. It provides a useful review of ‘multifunctionality’ as the central attribute of the European Model of Agriculture (EMA) and its applied value to other developing countries. Brouwer introduces the book (in Chapter 1) with a premise that jointly with food and fibre, the European farmers also produce ‘public goods’ such as landscapes and biodiversity management, cultural heritage, and viable rural communities. He warms up the reader to digest what follows in the book with a quick overview of the market for these positive externalities and strategies for their continuous supply in the European Union’s Common Agriculture Policy. This paves the way for rest of the book, which is organised into four parts and seventeen chapters.

Part I consists of three chapters. Chapter 2 by Clive Potter unpacks the idea of ‘multifunctionality’, its conceptual and contextual roots, underlying assumptions, linkages with European Model of Agriculture (EMA) and its implications for and vulnerability to the WTO negotiations. The key message, which also emerges from various empirical chapters, is as follows: owing to the high chances of market failure to reward positive externalities, the governments’ support for agriculture under the EU’s ‘Common Agriculture Policy’ (CAP) is merely rewarding farmers for the continuous supply of these positive externalities. Chapter 3 by Peter L. Nowicki basically gives a cost and benefit comparison of EU’s approach to multifunctional agriculture with its alternatives in ‘market-oriented approaches’. The author points towards the limits to procure public goods through tax-money, proposes to rely on consumer demand for public good (as if it exists or can be created and is free of commons problems), and reminds that a rational farmer would automatically capture such market and maintain the quality of their land, if they intend to remain in the business. Chapter 4 by Eirik Romstad brings in a theoretical discussion about the nature of public and private goods, production possibility frontiers of public goods in terms of their relative prices. Based on his analysis and quite contradictory to Nowicki’s suggestion, he warns that compliance with WTO prescriptions may cause a major drop in the relative commodity prices of public goods produced through agriculture and thereby may justify price support.

The contributions in the first part together develop a strong conceptual basis to comprehend the various manifestations of ‘multifunctionality’ in Part II, elaborated through eight regional and country-specific empirical case studies chapters. In Chapter 5, Karlheinz Knickel and colleagues assess the socioeconomic relevance of

multifunctionality in European agriculture and recommend developing linkages of agriculture and rural change with various functions of agriculture, including agri-tourism and nature and landscape management, and impact assessments of policy changes across the diversity of European farms. Chapter 6 by Erling Andersen and colleagues also has a regional focus and provides both conceptual and empirical insights on multifunctionality of the European livestock systems. They also identify the diversity of EU's livestock systems and highlight data limitation to appreciate this in policy processes. The remaining six chapters in this part provide country cases studies. Chapter 7 by Thomas Dax and Gerhard Hovorka and Chapter 8 by Leonidas Louloudis and colleagues give somewhat similar analysis of multifunctional agriculture in naturally sensitive mountain regions of Austria and Greece, respectively. They advocate for policy support to local survival and production of public goods in these marginalised and remote regions. Chapter 9 by Pierre Dupraz and Pierre Rainelli discuss the French way of dealing with multifunctional agriculture and elaborate societal values and the political and institutional arrangement that govern it. Their message is to introduce simple and manageable schemes to encourage farmers to diversify their farming activities and joint production of public goods. Chapter 10 by Roel Jongeneel and Louis Slangen report Dutch farmers' strategies and willingness to produce green services, but warns that in the absence of appropriate incentive structure the supply of green services may be limited. Chapter 11 by Joke Luttkik and Bareld van der Ploeg brings in a sociological aspect to examine the declining levels of joint production of agriculture due to urbanisation in the Netherlands and advocate a transformation from economies of scale to economies of scope, and a broader orientation in agricultural production of green services and rural amenities to support the declining incomes of farmers. Chapter 12 by Lourdis Viladomiu and Jordi Rosell examines non-agricultural functions of olive gardens in Spain and shows the impact of incentive structure on multifunctionality of production systems.

Four chapters in Part III of the book are devoted to emerging perspectives on multifunctionality of agriculture outside the EU. Chapter 13 by Franz Gatzweiler shares the experience of EU candidate countries with institutional engineering for sustainable agriculture and shows how Central and Eastern European countries compromised over environmental goals in their hurry to join the EU. Chapter 14 by Jørgen Primdahl and Simon Swaffield provides a defence against neoliberal attack on EMA, and shows how spatial segregation policies and political disinterest in agriculture-environment integration cause the underperformance of the most monofunctional landscapes in New Zealand. In Chapter 15 Fabrizio Bresciani and colleagues compare FAO and OECD approaches to multifunctional agriculture and argues that policymakers in developing countries increasingly appreciate the role of agriculture such as employment generation, poverty alleviation, hunger prevention, and direct linkages with other sectors of economic growth, but still discriminate against it in their preference for industrialisation. Chapter 16 by Chantal Carpentier, *et al.* reveals that despite multifunctionality, never has been a formal theme in agricultural policy debate in North America, the principles underling the concept can be traced in the case of trade and environment. They appreciate the multifunctional role of agriculture, but demand a more transparent and less trade-distortive implementation.

Part V has just one chapter (Chapter 17) that synthesises and concludes the book. Ian Hodge emphasises on the need to choose agri-environmental policies based on economic rationalities and concludes that both agricultural sustainability and agricultural multifunctionality offer a narrow outlook for future policy development. He convincingly argues that public goods are provided through countryside multifunctionality rather than agricultural multifunctionality and give new directions to the conceptualisation of multifunctionality.

This book is a highly informative collection of material related to policy and governance of agricultural multifunctionality in the EU context and beyond, yet has left some grey areas for the reader. The book pays inadequate attention on identifying the actual beneficiaries of public goods produced by multifunctional agriculture. Oftentimes, it is not merely an issue of production of public good, but also one of who pays and who benefits from these public goods. Even in terms of the production of public goods, the book does not evaluate any alternatives to farmers as producers of public goods. Furthermore, the book hardly talks about negative externalities generated by multifunctional agriculture. With similar observations, a reader would perceive the 'multifunctionality of agriculture' as a power discourse generated within EU merely to defend its agricultural support and prevent WTO progress on agricultural deregulation. I would highly recommend this book to those having interest in ecological and natural resource economics not only because of the theoretical and empirical understanding of multifunctional landscapes but also for understanding the politics and discourse that shape our understanding of these interesting concepts.

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