

cover in a short period of time, as you may drown in detail. Instead, try dipping in from time to time and read to better experience the pleasure Italian grape varieties can give and enjoy the Italian culture as it can be experienced through its wine varieties. While there are no illustrations apart from color drawings of a voluptuous Nebbiolo cluster on the front jacket cover and the sparse bearing Picolit grapevine on the back jacket cover, the use of illustrations would not have added significant value. Varieties cannot always be readily identified by morphologic depictions, illustrations would have made the book prohibitively expensive, and D'Agata's descriptive writing abilities are superb. There are three tables covering topics such as varieties planted, acreage planted, regions planted, and planting trends. There is an expansive glossary, a 20-page bibliography of scientific literature, a 16-page general index, and a 9-page index of grape varieties. I highly recommend this book to all who are interested in learning about Italian varieties, from beginner to expert.

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Reference

Anderson, K. (2014). Changing varietal distinctiveness of the world's wine regions: Evidence from a new global database. *Journal of Wine Economics*, 9(3), 249–272.

DAVIDE GAETA and PAOLA CORSINOVI: *Economics, Governance, and Politics in the Wine Market: European Union Developments*. Palgrave Macmillan, New York, 2014, 253 pp., ISBN 978-1-137-39849-9 (hardcover), \$110.

Wine policy in the European Union (EU) can look back on a history of more than half a century. This was not a period of legislative restraint. Rather, more than 50 years of regulatory activism have left behind a formidable volume of regulations, all drafted in quaint legal idiom, that attempted to remedy both alleged failures of wine markets and the evident failures of earlier regulations. Few economists have a taste for wallowing through such material. Those economists who venture into EU wine policy and legislation often come from Mediterranean countries with large wine industries, and they mostly write in their native languages. An up-to-date English-language account of EU wine policy is therefore welcome.

The two authors of the book are wine business economists. Davide Gaeta is an associate professor who teaches economics of wine firms and wine policy at the University of Verona, Italy, and CEO of Chianti Classico Company. Paola Corsinovi is a wine business consultant in Brussels; she holds a Ph.D. in wine

economics. In the Acknowledgments, the authors name Alison Matthews, a freelance interpreter at the European Union, as the translator of their text.

In my own professional work, I have shied away from EU wine policies and legislation, and I can claim no expertise in this area. I therefore approached this review as someone intent on learning something about EU wine policies. My attitude toward EU policies and its style of governance is, however, not totally neutral. For too long I have observed from the sidelines the economic folly that was the EU's Common Agricultural Policy.

The Book's Content

The book is not a rigorous economic analysis of EU wine policy. Rather, it is an essay by two wine business experts who guide their readers through the EU wine legislation thicket and who interpret EU wine policy. Whereas policy analysis usually pays a great deal of attention to policy objectives and quantitative economic outcomes, wine policy objectives are not systematically scrutinized in the text, and economic policy outcomes are largely ignored. The authors have arranged their material in three sections and eleven subsections in total. Section 1 is concerned with EU governance institutions and their legislative and policy output related to agriculture and wine. Section 2 is focused on some economic aspects of EU wine market regulations, and Section 3 highlights the role of interest groups in the evolution of EU wine policy.

In a preface, Gaeta and Corsinovi (G&C) motivate their concern with EU wine policy, state the aims of the book, and identify their intended readers. Their motivation for writing the book is the intensity of wine market regulation and their concern over the amount of bureaucratic red tape that comes in the wake of this legislation. Moreover, the authors characterize the wine sector as "one of the most highly regulated markets" and suggest that "we should ask ourselves whether this is done in a fair and effective manner" (p. xiii).

The aims of the book are "to examine the wine production sector" and "to cover the ... relationship between the state and the market, and more specifically between public choice and pressure groups" (p. xiv). The authors have targeted the book at two groups of readers: university students and readers who are novices with regard to EU wine policy. Moreover, the authors perceive their book as a non-Eurocentric "European manual" (p. xiv).

The four subsections of Section 1 introduce readers to the legislative machinery of the European Union, the evolution of EU agricultural policy in which EU wine policy is embedded, EU wine regulations since 1962 and associated policy measures, and, finally, the flow of finance that these policies have engendered.

In Subsection 1.1, G&C provide an overview of major EU governance institutions and the legislative processes that tie the institutions together. Here the authors also

inform their readers about the five types of acts to which the European Union is subject: regulations, directions, decisions, recommendations, and opinions. The acts with which the book is concerned are predominantly regulations passed by the European Union and are binding in all member states. Subsection 1.2 is a historical abstract of the evolution of the Common Agricultural Policy. This section probably contains more details about the several metamorphoses of agricultural policy of the European Union and its predecessor organizations than many readers interested in EU wine policy want to know. Subsection 1.3 is the core of Section 1, and, in my opinion, it is the most useful part of the whole book. Here G&C outline the evolution of the EU wine policy in terms of the regulations and the policy measures laid out in the regulations. I counted in this section some 26 different regulations and 60 policy measures. The numbers suggest that popular allegations of excessive regulatory activism by EU institutions may be well founded. In the closing subsection of Section 1, G&C analyze how the EU wine budget is spent. Here the authors also espouse an attitude toward EU spending that I find irritating. They suggest that EU spending is too low on two accounts: in relation to the economic value generated by the wine sector and compared to spending in other agricultural sectors. Such arguments suggest that spending priorities are best set according to congruence criteria that allocate budget spending in proportion to the size of the recipient sectors. The distribution of budget resources that results from such a rule may be unrelated to policy priorities but the rule has the advantage for administrators that it can be implemented by applying mechanically elementary arithmetic.

Economic aspects of wine supply, demand, and foreign trade are the topics of Section 2. The section opens with a discussion of sources of market failure which may justify market interventions by the state. As in most accounts of market failure, a complementary discussion of the sources of government failure is not provided in this section even though a sizable share of regulatory activity by the European Union is intended to remedy failures of earlier wine policies. Having justified government interventions in markets, G&C introduce several market diagrams in which they try to show how some select market interventions affect market prices and the quantities traded. I was unable to parse some of the text accompanying the graphs. Whether this failure is due to my imperfect command of English, the authors' command of economics, the translator's ability to translate economics text from Italian to English, or any combination of these deficiencies, I am unable to say. A clear problem does occur, however, in one of the market diagrams, in which price is allowed to do two things: change the quantities demanded along a given demand function and shift the demand function. In real-world markets, prices can sometimes perform miracles. But in a two-dimensional price-quantity world, prices cannot shift demand curves. Also in this section, G&C discuss Marc Nerlove's supply model and hedonic demand analysis.

In the rest of the section, the authors leave the theories and models behind and turn to matters of fact, in particular, the historical development of production, quantity supplied, and quantity demanded, prices, and wine trade issues. I was surprised

by the authors' aim in the section on trade, which is "to demonstrate how international trade ... finds itself increasingly threatened and facing a series of obstacles, all of which are directly linked to the wine sector" (p. 126). There certainly are serious obstacles to trade, such as tariff barriers, nontariff barriers, and technical barriers to trade, which the authors all duly discuss. Not mentioned are, however, the huge reductions in international trade costs due to innovations in shipping, air transport, and international voice and data communications. Perhaps the latter developments help to explain why world wine exports and imports, which the authors report in this section, do not show any evidence that international trade in wine is seriously threatened.

In the final section, G&C relate how lobbying groups have invaded EU wine policy making. The authors begin the section with a synopsis of public choice theories from Duncan Black and Kenneth Arrow onward. Here they also introduce their readers to Robert Putnam's "gaming table," which appears to be a single-issue, two-person bargaining model in which the bargaining issue is evaluated in a single dimension. After this theoretical warmup, the authors identify 12 key lobbying issues in the EU wine sector, which they organize into four groups: (1) market management, (2) production rules, (3) quality policies, and (4) consumers, trade, and simplification. Moreover, G&C identify 13 organizations—most are known by a nonmnemonic acronym—from agriculture and from the wine sector that are involved in wine policy lobbying. Having identified major lobbying issues and important lobbying groups, they set the stage for short accounts of lobbying group positions and lobbying activities in relation to each of the 12 major lobbying issues. This section has certainly benefited from Gaeta's unique characteristic of being an academic and the CEO of a wine firm.

The text ends when the last lobbying issue has been dealt with—there is no summary, no conclusions, no grand finale. The book ends with notes and a useful bibliography.

Appreciation

I have organized my appreciation of the book into three parts. I first assess the extent to which the aims of the book have been attained, and I consider whether the book is suitable for its intended readership. I then turn to the book's strengths and weaknesses.

Does the Book Achieve Its Aims?

In the Preface, the authors state three aims of their book: (1) "to examine the wine production sector," (2) "to cover the ... relationship between the state and the market, and more specifically between public choice and pressure groups"; and (3) the book should be a non-Eurocentric "European manual" (p. xiv).

The authors have missed their first aim by such a wide margin that one must suspect that this was not really an aim at all. An examination of the wine production sector is nowhere to be found in the book. With the exception of land, the book has no information on production factors employed in wine production, nothing on the technologies used in the vineyard or in the winery, and nothing on the organization of production. The authors present, however, some tables showing vineyard area and others showing production of wines of protected designations of origin (PDO) and wines of protected geographic indications (PGI), two legal quality categories that seem to have sprung from the minds of EU bureaucrats.

The authors have covered the relationship between the state and the market in some measure. The motivation of the European Union to intervene in the wine markets, in contrast, is addressed only incompletely. In some sections of the book, in particular in Subsection 2.1, the authors seem to suggest that the state intervenes in markets to remedy alleged market failures. In Section 3, in which the public choice approach is introduced, state action is, to some extent, driven by lobbyists and special interest groups. The relationship between the two views of state action, a challenging yet important topic, is not explored by the authors.

Finally, is the book a non-Eurocentric “European manual” on wine policy? Unfortunately, I think they misuse the word “manual.” Among the several definitions that the *Oxford English Dictionary* offers for the noun “manual,” two are pertinent here: (1) “A handbook or textbook, esp. a small or compendious one; a concise treatise, an abridgement. Also in extended use”; (2) “A set of instructions or procedures (not necessarily concise) for using a particular piece of equipment or for carrying out a particular operation” (www.OED.com, accessed on July 10, 2015). The book is not a handbook: it is neither sufficiently comprehensive in scope nor brief in exposition to be considered one. Nor is the book a textbook: it lacks the systematic organization and comprehensiveness that one would expect of a textbook on EU wine policy. Finally, is the book a set of instructions and procedures for implementing and influencing wine policies in the European Union? No, it is not. Perhaps, rather than a “manual,” the authors’ aim was simply a “European overview.”

Is the Book Suitable for Its Target Audience?

The authors have targeted the book at two groups of readers: university students and readers who are novices with regard to EU wine policy. It is always easy for professors to name students as their target readers—their own students may not have the option to decline the privilege. I therefore asked myself whether I would have recommended the book, or parts thereof, to the students in the wine economics course that I used to teach at my university. I think I would have recommended parts of it. In particular, I would have recommended Section 1.3 (“The Development of European Wine Policies”) and, for illustrations of lobbying activities, Section 3.3 (“Lobbying in the Wine Sector”). At the same time, I would have cautioned my students to stay clear from Section 2.1 (“Economics and Market Instruments in a Few

Examples”) and Section 3.1, where the authors outline the public choice approach. For the contents of both sections, there are other sources that I regard as more suitable for students.

Is the book suitable for novices with regard to EU wine policy? Perhaps it is for some novices, but not all of them. Here we have to consider three types of novices: those who are unfamiliar with both the wine industry and EU wine policy, and those who are unfamiliar with either the wine industry or EU wine policy. I consider myself an EU wine policy novice from the latter camp: I know a little bit about the wine industry and about EU agricultural policy, but I have never worked on EU wine policy. For people like me, it is useful to have a book whose authors took it upon themselves to penetrate the thicket of mind-numbing EU regulations and to bring into some intelligible order what they have bagged in their regulation and policy hunt. Such work is much appreciated and valuable. For people who are only novices with regard to the wine market but are familiar with EU agricultural policy, the book lacks background information on the peculiarities of wine as a product and an industry. Novices with regard to wine and to EU policy making are unlikely to read far into the book—there is not sufficient background information for them in the book.

Strengths and Weaknesses

The book’s main strength is the number of facts that the authors have assembled and presented in a coherent way: the account of the historical sequence of EU wine legislation and of the entangled linkages between the various acts, the description of the evolution of wine policies of increasing complexity, the details about the new wine quality categories that have been invented by EU bureaucrats and about which wine consumers seem to know next to nothing, the roster of wine lobbying groups, and the list of wine policy issues that trigger lobbyists’ rent-seeking reflexes.

There also are weaknesses. First, which some policy economists are likely to bemoan, the authors emphasize regulations at the expense of a more detailed treatment of the objectives and the consequences of the policies that are cast into legal terms by the regulations. A detailed exploration of the economic consequences of EU wine regulations, however, would have required a different book. Policy objectives are briefly mentioned. For example, we learn early in the book that EU wine policy, like the rest of the EU’s agricultural policy, was meant to stabilize market prices and to boost producer incomes. The question of whether the objectives were in any way justified is, however, not addressed, nor do we learn whether wine prices were so volatile that intervention by the state was justified. The focus on regulation and the frequent quotations from them also introduce into the text the sort of mind-numbing idioms that are characteristic of EU legislative documents.

Another weakness of the book is the tenuous liaison between its theoretical and factual sections. In particular, Sections 2 and 3 remind me of a sauce whose fat and water components have separated. In each of the two sections, the insights from theory are only loosely blended with the facts that follow, if at all, and I was left wondering whether the theoretical sections are needed.

Finally, the text contains many passages that are written, or perhaps translated, in a style that is difficult to read, and there are a fair number of distracting little errors like misspellings, unexplained abbreviations, and instances in which the wrong table number is used in the text. I do not think the book represents the best editing effort by the publisher, Palgrave Macmillan. Given the book's considerable retail price, readers are entitled to a more carefully edited text.

Be that as it may, the book is the best currently available entry point into the forbidding realm of highly complex and entangled EU wine regulations. Scholars who need to venture into that realm are well advised to pay the book's high price and to put up with its idiosyncrasies. The book will give them an impression of the complexities that await them and provides some orientation through the entangled pathways of EU wine regulation development.

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