Economic Policy After 1992
David Gowland and Stephen James (eds)¹

Britain, Germany and 1992: The Limits of Deregulation
Stephen Woolcock, Michael Hodges and Kristin Schreiber²

The academic market for books on 1992 and related topics is now so oversupplied that new books on this familiar theme require a specific justification. By and large Economic Policy After 1992 succeeds in fulfilling this requirement. Editors David Gowland and Stephen James have assembled five additional contributors to a stimulating series of articles on aspects of the current EC debate covering financial policy, taxation, public purchasing, budgetary policy, industry policy and macro-economic strategy. Nonetheless the quality of the contributions varies widely.

Keith Hartley’s excellent short article on public purchasing forcefully argues that the EC Commission ‘needs to be vigilant and active in repeatedly reminding its member states of the extra costs involved in using government contracts to support national champions’. Andrew M. Jones’ thoughtful consideration of tax harmonisation carefully balances the opposing viewpoints concluding that advocates of harmonisation must recognise, inter alia, that substantial costs will be imposed on member states.

* Bruges Group publication (1999).
David Gowland’s authoritative article on financial policy is a model of analytical brevity although repudiating the case for leaving the ERM in ten lines is perhaps too brief to carry intellectual conviction. Stephen James, in an otherwise excellent chapter on industrial policy, is too ready to dismiss fears of a protectionist Fortress Europe. In April 1991 both GATT and the IMF castigated EC protectionism, the latter arguing that ‘the trade wall around the EEC has risen and will rise even further in the years ahead’.

On the other hand the editors’ choice of Giovanni Palmerio to provide ‘1992: an Italian perspective’ fails dismally. His plea for regional policy plus protectionism shows no awareness of the complexity of that particular debate not least in Italy where Antonio Martino has powerfully argued the opposite case. Palmerio’s article lacks any scholarly edifice containing only one reference – and that to the Cecchini report.

Equally unconvincing is the contribution by Profs Georgakopoulos and Hitiris on the EC budget. The damaging inconsistencies of the Common Agricultural Policy receive scant attention; its £17 per week per household burden of costs on domestic consumers is disregarded.

Overall, however, this collection of articles is worthy of recommendation. The topics considered are treated in a concise and rigorous manner which will particularly appeal to undergraduate readers.

By contrast to the broad approach of Gowland and James the Chatham House Paper, *Britain Germany and 1992: The Limits of Deregulation* is a highly specific and detailed study of international political economy. The authors, Stephen Woolcock, Michael Hodges and Kristin Schreiber have produced a very impressive analysis of the different approaches to 1992 of Britain and Germany which covers mergers, public procurement, technical standards, telecommunications and financial services. The authors write with clarity and authority and the book will have no trouble justifying itself in the congested ‘1992’ market. Although the study identifies some areas of policy convergence it is the difference in style and substance across a range of policies which stands out. British policy leading to 1992 is identified as being more voluntarist and market based than Germany’s consensual selec-