

# Economics, Social, and Environmental

RICHARD N. COOPER

*Measuring the Costa of Protection in Europe; European Commercial Policy in the -2000s.* BY PATRICK A.

MESSERLIN. Washington: Institute for International Economics, 2001, 408 pp. \$25-00 (paper).

*Constructing a European Market: Standards, Regulation, and Governance.*

BY MICHELLE P. EGAN. New York: Oxford University Press, 2001, 365 pp. \$60.00,

Two excellent and complementary books on European commercial policy, The French economist Messerlin provides really two books in one. He first estimates the costs of protection in the European Union (Eu) in the late 1990s, finding that these costs are significantly higher than what tariffs alone suggest. In fact, the bill comes to around seven percent of European GDP--equivalent to the entire output of Spain. Each protected job costs about \$200,000 a year, or ten times the average wage in the protected sectors. Second, Messerlin analyzes current EU policies and its stance toward trade negotiations, offering both devastating critiques of some EU practices as they have evolved as well as constructive suggestions for altering those policies and trade-negotiating positions. He is especially critical of the Common Agricultural Policy and antidumping practices, but he also foresees significant changes in agricultural policy as the structure of farm output changes. His book is applied economic analysis at its best.

One function of the modern state is to set health and safety standards to protect the public from dangerously poor quality or outright fraud. Egan describes the EU's emergence as a regulatory state, increasingly mediating among states and shaping national laws to remove those regulations that serve as a source of protection for national producers. Liberal trade sometimes requires more rules. Of course, such regulations can be used to inhibit competition from outside the EU, so outsiders must understand and learn to influence the rule-setting process, which has been progressively delegated to private-sector organizations. Useful illustrative case studies on toys, machinery, medical devices, and construction products are also offered.