Short Communication

A tribute to Giovanni Anania: Scholar, Mentor, Friend

Giovanni Anania: Shaping the future of European agricultural policy

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Introduction

In today’s session we are remembering Giovanni Anania’s contribution as a scientist, but for many who are present we remember him even more for the person he was. Jean-Christophe first came to know Giovanni through mutual friends at Davis, whereas I came to know him relatively recently. Giovanni and I were participants in an EU FP6 project TradeAg coordinated by Jean-Christophe that began in 2005. Subsequently, we both participated in the EU FP7 project AgFoodTrade also coordinated by Jean-Christophe. During one of those projects Giovanni invited us to hold a project meeting in an agriturismo in Calabria. I remember well from that visit both Giovanni’s love of food and of his region. Then in my time as President of the EAAE 2011-2014 Giovanni was the Association’s Vice President and we worked closely together until Giovanni succeeded me as EAAE President in August 2014.

Giovanni’s work on EU agricultural policy can be characterised in a number of ways. He early on recognised the inadequacy of analyses of EU agricultural policy which looked at the domestic market alone as though this existed in isolation from the outside world. The growing importance of international agricultural trade flows, the creation of new rules governing agricultural protection and support in the 1994 Uruguay Round Agreement on Agriculture and Giovanni’s own interest in international agricultural policy issues meant that he always approached the analysis of EU agricultural policy with an international perspective in mind.

His approach to EU agricultural policy was also informed by a thorough understanding of local and sectoral issues. Giovanni saw no contradiction between devoting time to better understanding the development of agriculture in his local region of Calabria and analysing the rules governing international agricultural trade.

Although he strongly believed in the importance of rigorous scholarship in academic research, he also insisted on the importance of communicating the results of that research to policy-makers and using that research to influence policy. Giovanni was not only a modeller but also someone who could use the results and think about the bigger picture. He was always willing to patiently repeat his explanation of complex economic issues, and

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1 This is an extended version of the tribute which was delivered by Alan Matthews at the special session organised to honour the memory and contribution of Giovanni Anania to the agricultural economics profession at the 29th International Conference of Agricultural Economics, Milan, 9-14 August 2015. We would like to thank many friends and colleagues of Giovanni who contributed to the preparation of this tribute: Filippo Arfini, Federica Demaria, Fabrizio De Filippis, Tassos Haniotis, Jonathan Hepburn, Koen Mondelaers, Krijn Poppe, Luca Salvatici and Margherita Scoppola.
was known for starting this repetition with a gentle “Now once again...”. Indeed, he recognised that the research-policy interaction was a two-way street, and some of his more important papers were originally prompted by a request to explore a policy question, as we will see.

**The Italian debate on the CAP**

Giovanni’s earliest work related to the structural problems of agriculture in the Calabria region and his master’s thesis was on different issues related to part-time farming in Italy. As a result of this interest he participated in the well-known Arkleton Trust study on farm household adjustment in Western Europe in 1992 which strongly highlighted the role of pluriactivity in contributing to farm household income on smaller farms. Giovanni participated in this project with a number of colleagues who would become important collaborators in his later work, including Fabrizio De Filippis. De Filippis was interested in agricultural policy analysis, and particularly the Common Agricultural Policy, to which he had been introduced by Michele De Benedictis, while Giovanni had returned from his PhD studies in the United States with a strong background in agricultural trade policy, influenced by Alex McCalla. This project began a fruitful collaboration over the following decades.

At the beginning of the 1990s the debate in Italy on shaping the future of the CAP was in full swing. An early outcome of Giovanni’s collaboration with De Filippis was a book which they jointly edited on *The GATT Agreement and European Union Agriculture*, in Italian, published in 1996. This book was the final outcome of a research project financed by the Italian National Research Council which also included many other younger Italian agricultural economists. It was during this project that the second IATRC meeting was held which led to the publication of the book edited by Anania, Carter and McCalla, *Agricultural Trade Conflict and GATT - New Dimensions in North American - European Trade Relations*. During the period 1997-2000 Giovanni was a member of the INEA research team *Osservatorio delle Politiche Agricole dell’Unione Europea* led by De Filippis which produced a number of reports on EU agricultural policy developments. In the 1997 volume Giovanni wrote the chapter concerning international trade and the GATT negotiations.

In 2000 Giovanni put together a team of young Italian researchers to examine the state of the art in quantitative modelling of the CAP, a project which was also supported by the Italian National Institute of Agricultural Economics. The names of the people that Giovanni gathered to work on this project are well-known in the profession today in both

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academic and policy circles. The overall objective of the research program was to provide a comprehensive analysis of modelling issues and applications related to the CAP. The results of the study were published in 2001 in a volume *The contribution of some quantitative research to the evaluation of their effects on the Italian agriculture*.6

Giovanni’s contribution to the project was, not surprisingly, a chapter on modelling agricultural trade liberalisation and its implications for the European Union. This paper remains a superb overview of the state of play of global agricultural trade models as of the 1990s. His critique of existing studies is thorough, exhaustive and compelling. His conclusion was that the efforts to model agricultural trade and trade policies, taken as a whole, were not fully satisfactory and left much to be desired. Giovanni’s recommendations for improvements were based on the observation that effective solutions already existed to many of the problems he identified, but that “greater care and attention must be paid to tailoring models to answer the specific questions addressed, and abandoning once and for all the claim that, once it has been set up, a model can be used to simulate any change in the policy scenario whatsoever”. His manifesto for improved modelling practice consisted of five points, and these principles also underpinned his own modelling work particularly on bananas as we will see:

- First, make use of a model which has a structure and specific features which are coherent with the question to be addressed.
- Second, think about integrating the use of different models instead of trying to adapt a model to do things it was never designed to do.
- Third, model the functioning of market and trade policy instruments more effectively and more realistically.
- Fourth, strive for more effective coordination and greater cooperation between modelling efforts, through joint projects and the sharing of information on models and data bases.
- Fifth, put effort into the construction of reliable data bases, which supply the information needed to model both market agents’ behaviours and policies.

Indeed, these are precisely the directions that simulation modelling has taken, and Giovanni was both prophetic and prescient in identifying these needs.

During the period 2000-2002, Giovanni was the national coordinator for a “Scientific Research Program of National Importance” under the Italian Ministry for University and Research on the topic *WTO negotiations on agriculture and the reform of the Common Agricultural Policy of the European Union*. This project resulted in the book, published in Italian, *Reform of EU agricultural policy and the WTO negotiations*.7 The chapters in

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this book, many of which were published in English in international journals, applied the modelling methodologies which had been described in the earlier project to Italy. Many of those involved recall the satisfaction of being able to apply empirical models to policy questions and to make a contribution to the policy debate. Giovanni also contributed to the 2004 book edited by De Filippis written in the wake of the partial decoupling introduced by the Fischler Mid-Term Review of the CAP, *Towards the new CAP: The Reform of June 2003 and its Application in Italy*. Giovanni was again the national coordinator of an Italian Scientific Research Program of National Importance, together with Luca Salvatici, Margherita Scoppola and Fabrizio De Filippis, on *European Union Policies, Economic and Trade Integration processes and WTO negotiations* during the years 2008-2010.

We have remarked that an important feature of Giovanni’s approach was his capacity to link academic rigour with political debate and dissemination of research results. All the researchers working in the projects that he coordinated were strongly encouraged in take part in dissemination and participate in the political debate. The link with INEA in these projects with its institutional relationships with the Italian Ministries of Agriculture and Foreign Affairs and with the Italian Government gave Giovanni the opportunity to offer support to Italian policy-makers on these issues. During this period Giovanni and Fabrizio were often consulted with regard to the Italian position on the CAP reform process, especially for the CMOs that were most important for Italy (e.g. olive oil). Also as part of his insistence on linking scholarship with the real world, between 2007 and 2009 Giovanni was a member of the steering committee of “Gruppo 2013”, an Italian think tank active on themes related to CAP, markets, and international relations coordinated by De Filippis and sponsored by Coldiretti, the principal Italian farmers’ organisation. In 2008 he prepared a paper for this group with Alessia Tenuta on the effects of regionalisation of aid in the single payment scheme on its spatial distribution in Italy.

**European interventions on CAP**

Around the same time as the INEA project on CAP modelling got under way, Giovanni took part in the first of many discussions on shaping the future of the EU’s agricultural policy. The MacSharry reform of the CAP in 1992 had shown that change in the CAP was possible, albeit with strong prodding from external pressures such as the need to be able to respond to criticisms from trading partners in negotiating the Uruguay Round agreement under the GATT. In 1996 an important conference in Cork, in which Giovanni participated as an invited expert and panel member, issued the Cork Rural Development Declaration which set out a ten-point rural development programme for the Union. In 1997 DG AGRI had published the report of the influential Expert Group chaired by Allan Buckwell *Towards a Common Agricultural and Rural Policy for Europe*. This opened up a

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vision of transforming the CAP from a policy of generalised direct support payments to a policy with specific targets for market stabilisation, environmental and cultural landscape payments, rural development incentives and transitional adjustment assistance. It was an important milestone in the evolution of the CAP and it opened the way for further reflections on the direction of reform.

In December 2000 another expert Working Group on the Future of the CAP and its implications for rural Europe co-chaired by Winfried von Urff and François Colson started as a joint initiative of the ‘Akademie für Raumforschung und Landesplanung’ (ARL, Academy for Spatial Research and Planning, ARL) and the ‘Délégation à l’Aménagement du Territoire et à l’Action Régionale’ (DATAR). The group was sometimes referred to as Buckwell II as it included some of the experts involved in the preparation of the Buckwell report, and Giovanni was also a member. The Vision for Sustainable Rural Economies in an Enlarged Europe produced by the group proposed a shift in funding from Pillar 1 to Pillar 2 of the CAP while recommending a more territorial, bottom up approach to the development of rural areas through Pillar 2. Giovanni prepared a paper assessing the extent of pressure for a change of the CAP to be expected from WTO in the light of the Doha Ministerial Declaration in 2001. The papers were completed in summer 2002, just after Commissioner Fischler proposed his Mid Term Review in July 2002, so it is hard to assess the influence of this report. It certainly fed into the demands for a stronger Pillar 2 which characterised the evolution of the CAP during the following decade.

Another area of Giovanni’s involvement with the CAP was his early contribution to helping to formulate priorities for future research. Already in 1998, he took part as an expert in a workshop on research activities priority setting for the 5th EU Framework Programme of RTD. In 2003 he participated in a workshop to review the draft work programme for “Scientific Support to Policies” for the 6th EU Framework programme of RTD. In 2006, he was a member of the group that undertook the first foresight analysis in the field of agricultural research in Europe for the Standing Committee on Agricultural Research (SCAR). The major task of the Expert Group was to review the available foresight studies relating to eight “major driving forces” which were to be considered together in the formulation of four future scenarios of the agro-food system evolution. Giovanni prepared the background paper on Economy and Trade. Giovanni later presented an extended version of this background paper at a Workshop on “Reflections on the Common Agricultural Policy from a long run perspective” organized by the Commission’s Bureau of European Policy Advisers in Brussels in February 2009. These reports (the fourth in the series was published in 2015) played an important role in the research planning / agenda setting process of the SCAR.

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He was a keen observer of the most recent CAP reform. He was an invited speaker at the conference on the public debate on the CAP post-2013 organised by the DG AGRI in 2010, and he participated in many organised sessions to discuss the reform at meetings of the Italian and European Associations of Agricultural Economists, taking a critical but even-handed view of the Commission’s proposals. Many of us will remember his technicolour slide presentations in which he dissected with exemplary precision the main elements of the reform. In his writings on the CAP, Giovanni had the rare gift of being able to maintain an appropriate balance between positive and normative analysis. In his interactions with farmers’ unions and policy makers, he always liked to be wholly independent from the most popular positions of stakeholders. Some CAP analysts heavily emphasize a normative approach to what is wrong with the CAP according to the economics textbook: this is correct but often irrelevant in the public debate. Other analysts accept too readily the status quo on the argument that it is the best (or least bad) possible policy given the political constraints. Giovanni was always realistic and pragmatic in his analysis but never gave up the dream of a better policy.

His last contribution on this topic is a magisterial summary of the 2013 CAP reform, written together with Maria Rosaria Pupo D’Andrea, which is the opening chapter of a book edited by Jo Swinnen on the political economy of the recent CAP reform. His final paragraph is worth quoting in full:

“It should be clear by now why an overall assessment of the reformed CAP remains difficult. The Cioloş reform brought positive innovations in the CAP as well as innovations which have brought the robust, consistent path outlined by the previous reforms since 1992 to a grinding halt. Those who hoped for a significant step forward along the same path, with the reform identifying a clear set of consistent strategic goals pursued by the CAP, a more targeted distribution of support and a significant portion of the financial resources devoted to increasing the market competitiveness of farms and promoting the production of public goods, probably have good reasons for being disappointed. Those who hoped the financial resources allocated to EU policies for agriculture and rural development would not be severely cut (as feared at the beginning of the decision process), and for the reformed CAP to bring as few changes as possible, are probably quite satisfied by the final result.”

In other words, CAP reform remains unfinished business. Sadly, with Giovanni’s much too early death, he will no longer be here to help to shape its future.

Research and policy advice on EU banana policy

I now turn to Giovanni’s research and policy work on EU banana policy. Giovanni started to work on bananas in 2004. The initial stimulus came from an Italian consulting company COGEA which had been commissioned to undertake an evaluation study on the banana CMO for the EU. Giovanni was one of a number of economists who were engaged as consultants on this study. The EU had been required to restructure its banana import

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arrangements in 1992 following the introduction of the single market which made the previous system of national import quotas inoperable. This import regime had been successfully challenged at the WTO by a group of Latin American banana exporters and the US. During the negotiations to start the Doha Round in 2001, the EU had been granted a waiver until 2006 after when it was required to introduce a tariff-only import regime for bananas. The Council adopted this regime in November 2005 to start in 2006 but it was immediately challenged at the WTO and once again the EU found itself as a defendant in a WTO banana case.

Giovanni had been struck by the existence of different tariff rate quotas (TRQs) applied by the EU to imports of bananas from different groups of countries: this was, in his view, a good example of the need to use a spatial model as the most adequate tool to properly model bilateral trade policies. In this context, he developed the first version of his spatial model for bananas to analyse the impact of the 2006 CMO reform. Subsequently, when the EU found itself yet again as a defendant at the WTO, Giovanni was thus the main source for the EU to know what would be the consequences for EU production and agricultural income of different options with respect to border protection in the bananas dossier. He assisted both in person and with his spatial model in the negotiations, not directly at the negotiating table, of course, but supporting in the background. Without his modelling support, it would have been much more difficult to assess the impact of the choices made.

His work on bananas led to a series of first-class papers, including one in *Food Policy* for which he was awarded the European Association of Agricultural Economists *Quality of Policy Contribution Award* in 2010. This work was not only policy-relevant but also contributed to methodological breakthroughs. One of the problems with spatial trade models is that they typically show a discrepancy between the observed and optimal (equilibrium) quantities. That is, there is typically a divergence between the realised quantities of the produced and consumed commodities and their trade flows, and the production, consumption and import-export patterns generated by the model for the same year. Previous researchers had tended to either ignore these discrepancies or to make ad hoc adjustments. In a 2011 paper in *Economic Modelling* with Quirino Paris and Sophie Drogué, Giovanni proposed a calibration procedure in which the calibrated models generate solutions that exactly reproduce quantities produced and consumed as well as trade flows.

However, he continued to worry about another dimension in which he felt his spatial model was unrealistic. He was conscious that perfect competition (assumed in his spatial model) was a heroic assumption particularly when dealing with trade in bananas. Two anti-trust reports by the EU Commission reporting evidence of non-competitive behaviour by banana traders were the final “push” to tackle this problem and, together with Margherita Scoppola, they further developed the spatial model to compare the results of

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trade policy change simulations under different market structures.\textsuperscript{20} The most important innovations from the modeling point of view were the inclusion in a spatial model of both upstream and downstream market power by traders and the consideration of a range of different oligopolistic structures instead of focusing only on Cournot competition. A further insight was that, in combination with the two step calibration procedure developed in the earlier paper, it was possible to derive an estimate for the degree of market power in the banana market from the observed trade outcomes.

In the run-up to the Geneva Agreement on Trade in Bananas in December 2008 which resolved the disputes between the EU and the Latin American banana exporters and the US, tensions had also arisen among developing countries over a broader issue in the Doha Round negotiations, namely, the extent and pace of tariff reduction on tropical and preference products. While there was a general agreement that tariff reductions should be deeper on tropical products, this was resisted by those countries which benefitted from special preferences and which would lose by deep reductions. Work at the International Centre for Sustainable Trade and Development (ICTSD) in Geneva had identified that the dispute really revolved around a handful of products, including bananas. They invited Giovanni to Geneva to talk to the WTO delegates of the countries mainly concerned and to present his modelling work on bananas. His even-handed and dispassionate treatment helped to allay some of the concerns and was part of the process in helping the break the deadlock which resulted in the Geneva Agreement in December 2008.

I think it speaks volumes about Giovanni’s ability to undertake and present his research in an independent, rigorous and yet fair-minded way that when Ecuador was concerned about the impact on its banana exports to the EU of the conclusion of an EU free trade agreement with the Central American countries, it was to Giovanni that they turned, even though he had been the main economic advisor to the Commission a few years earlier during their WTO dispute with the EU. All of this work on bananas was disseminated to a wider policy audience in a fruitful relationship with the ICTSD during those years.\textsuperscript{21}

Giovanni’s most recent work on bananas was as an expert for the consulting company commissioned by DG AGRI to undertake an evaluation of the EU’s agricultural trade relationships with the African, Caribbean and Pacific (ACP) countries. Giovanni’s specific contribution was to examine the role of trade preferences in the development of Cameroon’s banana exports to the EU. Again highlighting the way in which policy advice and scientific research continually interacted throughout Giovanni’s professional career, this work was the stimulus for his contributed paper \textit{The role of trade policies, multinationals, shipping modes and product differentiation in global value chains for bananas. The case of Cameroon} accepted for this conference. Alas, Giovanni will not be here to present it.

Conclusion

In conclusion, we remember a scholar of the utmost integrity, which cost him dearly in his professional career. He had a very strong sense of right and wrong. While very serious and committed on the important issues, he was very relaxed and warm and a great companion once the important issues were addressed. Giovanni had the happy knack of bringing people together and making things happen. He was always well-prepared and well-briefed, and always constructive. For all of those who worked with him, he was the most important point of reference both as a source of intellectual stimulation and as a guide to personal conduct.

We greatly miss Giovanni, and our thoughts are with his wife Margherita at this time.