

Book Reviews

Meeting the Challenges of the European Union : Prospects of Indian Exports, Atul Sharma, Gerrit Faber, Pradeep Kumar Mehta, Sage Publications, New Delhi, August 1997, pp.346, Price Rs. 425.

The book under review is a product of Indo-Dutch Collaboration in development studies. Published in 1997, it contains the most recent policy developments both in the European Union (EU) and India. Needless to say it fills a void in studies relating to EU. Expansion of former EEC, application of Uruguay round provisions to EU - all constitute important issues in trade discussions. The work consists of three Parts : Part I discusses changing policy environment, Part II is devoted to exports to the EU: performance and prospects and Part III takes up barriers to export growth. A final concluding chapter lays down some policy prescriptions for future export growth to the EU.

Chapter one opens with an overview of recent changes in the Indian economy introduced since 1991. Exchange rate policy, import licensing policy, export incentive schemes and all such measures are discussed in adequate detail. Easing of restrictions on foreign capital inflow are, however, left untouched. It is quite possible that the authors wanted to examine only trade policy changes. There is no harm if the overview contains measures relating to both trade and capital accounts. A complete picture of the reforms pertaining to the foreign sector of the economy might enhance the value of the book.

The second chapter dealing with trading environment in the EU analyses all the changes since 1985 very carefully. Completion of internal market scheme by withdrawing internal tariffs, reduction of external tariff by forty per cent, technical barriers to trade, effects of Uruguay Round Talks, every thing finds a mention in exhaustive coverage. But there is a question here. The changes dealt with relate to establishment of an economic union. And to that extent some of the policy changes were expected to take place. The more mature approach would have been to discuss the principles of economic union at a theoretical level and then bring in observed changes. Like in the case of India, observed changes in the EU do not flow from any reform measures. An economic union wherever it is established will experience changes in tariffs, quotas and so on. Theory of economic union and observed changes in EU would have been put side by side in the same chapter.

The best chapter in the book is probably the Third one. The approach is analytical and important quantitative estimates have been attempted. Growth rate of India's exports to EU in aggregate, growth rates in individual member countries, relative shares, commodity composition, degree of concentration, everything has been discussed. Lot of care has gone into the preparation of the chapter and the end product is amply rewarding.

The remaining part of the book deals with exports disaggregated into dominant and potential categories, EU commercial policy etc. Exporters' perception about current policy changes and some general policy recommendations form the concluding part. Regarding disaggregation of exports into dominant and potential categories it can be said that there is some arbitrariness in such classification. Products accounting for more