

TRANSATLANTIC GOVERNANCE IN THE GLOBAL ECONOMY. Edited by Mark A. Pollack and Gregory C. Shaffer. Rowan & Littlefield Publishers, Inc.: Lanham, Md., 2001. Pp. 354. \$29.95 (paper).

The last decade has seen the emergence of a set of ideas under the broad banner of neo-liberalism that connect international law and international relations. One of the key concepts in this burgeoning intellectual movement, revived from the 1970s, is the idea of transnational governance,<sup>1</sup> which posits that modern liberal states collectively organize their political life in ways that go beyond simple hierarchical relations between solitary sovereigns and individuals and instead rely on complex international networks linking various branches of government and key non-state actors. *Transatlantic Governance in the Global Economy*, edited by Mark Pollack and Gregory Shaffer, is an attempt to add empirical weight to this liberal theory.<sup>2</sup> The book consists of a set of case studies, written by political scientists, law professors, and legal practitioners, on the state of the New Transatlantic Agenda, as agreed upon by the United States and the European Union in 1995.<sup>3</sup> These studies, which comprise in-depth analyses of many of the different aspects of the transatlantic relationship, from antitrust regulation to trade disputes, are used to test the validity of some of the most important theoretical developments in international relations and international law: Robert Putnam's two-stage games between heads of government and their domestic constituencies;<sup>4</sup> Robert Keohane and Joseph Nye's work on trans-governmental relations;<sup>5</sup> Anne-Marie Slaughter's ideas about disaggregated sovereignty and the "real New World Order";<sup>6</sup> and the literature on global civil society.<sup>7</sup> This theoretical quintet dominates the book—Keohane and

1. For a review of the main strains of thought in international relations theory and a discussion of the direction of liberal international relations, see Kenneth W. Abbott, *Symposium on Methods in International Law: International Relations Theory, International Law and the Regime Governing Atrocities in Internal Conflicts*, 93 AM. J. INT'L L. 361, 365–66 (1999) (Steven R. Ratner & Anne-Marie Slaughter eds.).

2. Mark A. Pollack & Gregory C. Shaffer, *Transatlantic Governance in Historical and Theoretical Perspective*, in TRANSATLANTIC GOVERNANCE IN THE GLOBAL ECONOMY (Mark A. Pollack & Gregory C. Shaffer eds., 2001) [hereinafter TRANSATLANTIC GOVERNANCE]. Pollack and Shaffer also give an excellent description in their introduction of the role that ideas of governance have played inside contemporary neo-liberal thought in international relations in the 1990s. See *id.* at 3, 17–34.

3. The New Transatlantic Agenda was adopted by the United States and the European Union in December 1995, committing both parties to work together on a broad range of issues. It sets forth four priority areas of cooperation between the United States and the European Union: the promotion of democracy and peace throughout the world; a response to global challenges like drug trafficking, terrorism, and immigration; an expansion world trade and economic ties between nations, both bilateral and multi-lateral; and the creation of the Transatlantic Dialogues. Pollack & Shaffer, *supra* note 2, at 15.

4. E.g., Robert D. Putnam, *Diplomacy and Domestic Politics: The Logic of Two-Level Games*, 42 INT'L ORG. 427 (1988). See also Abbott, *supra* note 1, at 365.

5. E.g., Robert O. Keohane & Joseph S. Nye, *Transgovernmental Relations and International Organizations*, 27 WORLD POL. 39 (1974).

6. Anne-Marie Slaughter, *The Real New World Order*, FOREIGN AFF., Sept./Oct. 1997, at 183.

7. E.g., Paul Wapner, *Governance in Global Civil Society*, in GLOBAL GOVERNANCE: DRAWING INSIGHTS FROM THE ENVIRONMENTAL EXPERIENCE, 65–84 (Oran Young ed. 1997). Pollack and Shaffer give a short overview of the literature on this subject. Pollack & Shaffer, *supra* note 2, at 29–34.

Slaughter nod approvingly in quotations on the dust jacket<sup>8</sup>—and the book accomplishes its twin objectives of testing these theories and using them as a means to explore the state of the relations between the world's largest economic and political powers.<sup>9</sup> What most of the essays leave out, however, are those factors that fall outside of purely institutional concerns, but that are central to liberal thought: the ways in which ideas and domestic politics shape the character of the relationship between the United States and the European Union. Looming even larger than Slaughter, Keohane, and Nye over these essays are the personal and ideological predilections of President Bill Clinton, Prime Minister Tony Blair, and the other "Third Way" politicians whose personal and ideological focus on institutional ties across the Atlantic and "soft" issues like regulation, the environment, and trade provided the impetus for the interdependent political and governmental relationships discussed in each of the essays.<sup>10</sup>

The failure to address the role of both personality and ideology in the formation and operation of the New Transatlantic Agenda leaves the book with a serious problem: in a post-Clinton and post-September 11 world, it is unclear whether the New Transatlantic Agenda will maintain its relevance now that it is shorn of the political, ideological, and strategic framework that gave it birth. Because the book avoids assessing the importance of political context, one is left wondering whether the New Transatlantic Agenda will survive the late 1990s. This criticism aside, these essays serve as a welcome and useful guide through the substantive and theoretical thicket of transatlantic relations, and as an excellent introduction to the ideas of the most important contemporary liberal thinkers.

The book is divided into three major sections, covering "international" (between heads of state), "transgovernmental" (among lower governmental officials), and "transnational" (between non-state actors) affairs. Each section takes up a set of theories and evaluates how these theories match up to the on-the-ground reality of the transatlantic relationship in specific policy areas. In the first section, the often adversarial trade relations between the

8. Robert Keohane says, "Anyone who wants to understand how complex interdependence operates at the beginning of the twenty-first century needs to read *Transatlantic Governance in the Global Economy*. . . . This book shows how intergovernmental, transgovernmental and transnational politics interact to produce authoritative outcomes in the Atlantic area." Anne-Marie Slaughter agrees: "*Transatlantic Governance in the Global Economy* combines a clear and compelling theoretical framework with strong and varied case studies. It tells an important story not only about transatlantic relations, but about emerging forms of global governance."

9. For an analysis of the state of transatlantic relations in the period following the 2000 U.S. presidential election and before the September 11, 2001 terrorist attacks on the United States, see William Wallace, *Europe: The Necessary Partner*, FOREIGN AFF., May/June 2001, at 16.

10. At the remarkable conference in which the leaders of Germany, Italy, the Netherlands, the United Kingdom, and the United States sat down to define their common "Third Way" ideology, German Chancellor Gerhard Schroeder captured the sentiment of the room by saying, "this internationalization, this globalization of the economies—should it not be accompanied by an internationalization of our economic policies?" *Turning Ideas into Action: A Conversation Between Five World Leaders on the Third Way*, NEW DEMOCRAT, May/June 1999, at 13.

United States and the European Union are used to illustrate more traditional models of liberal international relations theory, in which states relate to one another solely through their executive branches, but are influenced by domestic politics and domestic institutional organizations in the content of those relations. The second section examines the disaggregated state models of Keohane, Nye, and Slaughter by looking at the ways European and American officials work together in fields like antitrust and food safety regulation. The third section examines the development of a transatlantic civil society through the lens of the Transatlantic Dialogues—state-sponsored coalitions of private businesses, labor organizations, and consumer groups.

The first section focuses on the numerous trade disputes between the United States and the European Union, including those about the creation, and potential expansion, of the World Trade Organization (WTO), as well as the substantive disputes under the WTO's dispute resolution mechanism. John Peterson explicitly takes up Putnam's provocative two-level game theory in which heads of state sequentially negotiate with each other and then with domestic legislatures.<sup>11</sup> According to Putnam, heads of state can use the existence of the domestic level of negotiations to further their bargaining power internationally, and can use issue-linkage during international negotiations to create domestic coalitions that might otherwise be untenable to achieve domestic policy goals.<sup>12</sup> Unfortunately, Peterson comes to rather simple conclusions. He argues that the raging disputes on issues like bananas and hush kits for airplanes<sup>13</sup> were the result of heads of state clumsily playing two-level games, giving in too easily to domestic pressure, and failing to sell adequately the benefits of free trade.<sup>14</sup> More interesting is Gregory Shaffer's article discussing public-private partnerships of trade policy in the United States and how this trend is repeating itself in Europe as a result of the WTO dispute resolution mechanism.<sup>15</sup> Shaffer argues that the interplay between government officials and business that has grown out of U.S. trade rules and the WTO's adjudication system is complex and codependent. Although their relationship is far from that of an attorney and client, trade agencies and the private sector have overlapping but often conflicting interests; the ends of promoting free trade, or even the trade interests of a given state, do not always coincide with the profit motives of companies. For both private parties and governments to be successful at the WTO, they must work together, because both financial might and governmental representa-

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11. John Peterson, *Get Away From Me Closer, You're Near Me Too Far: Europe and America after the Uruguay Round*, in *TRANSATLANTIC GOVERNANCE*, *supra* note 2, at 45.

12. See generally Putnam, *supra* note 4, at 427–60.

13. For a short but informative description of both disputes, see Ernst-Ulrich Petersman, *Dispute Prevention and Dispute Settlement in the EU-US Transatlantic Partnership*, in *TRANSATLANTIC GOVERNANCE*, *supra* note 2, at 73, 86–89.

14. Peterson, *supra* note 11, at 68.

15. Gregory C. Shaffer, *The Blurring of the Intergovernmental: Public-Private Partnerships Behind US and EC Trade Claims*, in *TRANSATLANTIC GOVERNANCE*, *supra* note 2, at 97.

tion are needed to win cases. This codependence is an excellent example of how institutions can shape political growth, and highlights the benefits of looking below the state level in order to understand the modern interactions of states.

The relationship between political development and governmental structure is taken up even more fully in a set of essays collectively titled, "Trans-governmental Relations; A New World Order?"<sup>16</sup> This section focuses on the theories of Slaughter, Keohane, and Nye, all of whom examine the extent to which networks of lower-level governmental officials cooperate within cross-border networks in order to achieve common policy ends. Youri Devust's essay on antitrust regulators shows that administrative agency officials in the United States and the European Union often work together, informing each other of developments and sharing information.<sup>17</sup> He quotes former Federal Trade Commission Chairman Robert Pitofsky as saying, "[o]ur staffs are on the phone with one another day in [and] day out."<sup>18</sup> Transatlantic antitrust cooperation reflects the theory of the disaggregation of sovereignty elaborated by Slaughter, Keohane, and Nye, by showing that constituent parts of individual states are becoming integrated internationally. However, Devust notes that this type of transgovernmentalism is constrained by the different procedural rules and policy objectives on each side of the Atlantic.<sup>19</sup> Mark Pollack and Gregory Shaffer further this point in their essay on the regulation of food safety.<sup>20</sup> They argue that differences in the legal and political systems governing the food safety regimes in the United States and the European Union are so great that the "fast, flexible and efficient" networks Slaughter has predicted are, in fact, impossible. Taken together, the essays in this section provide a helpful set of case studies by which to examine the theory of transgovernmental relations.

Better still are the essays on the Transatlantic Dialogues.<sup>21</sup> The Dialogues are organizations of businesses, consumer groups, environmentalists, and labor union officials, from both the United States and Europe, that try to coordinate policy and to inform transatlantic negotiations on their fields of expertise and interest. These Dialogues may provide the basis for a transatlantic civil society. The essay by Francesca Bignami and Steve Charnovitz on the ways in which these government-sponsored Dialogues have impacted public policy is a bravura piece of political science.<sup>22</sup> Employing a broad

16. TRANSATLANTIC GOVERNANCE, *supra* note 2, at 125.

17. Youri Devust, *Transatlantic Competition Relations*, in TRANSATLANTIC GOVERNANCE, *supra* note 2, at 127.

18. *Id.* at 138 (quoting Robert Pitofsky and Joel Klein).

19. Devust, *supra* note 17, at 145-49.

20. Mark A. Pollack & Gregory C. Shaffer, *The Challenge of Reconciling Regulatory Differences: Food Safety and GMOs in the Transatlantic Relationship*, in TRANSATLANTIC GOVERNANCE, *supra* note 2, at 153.

21. Mark A. Pollack & Gregory C. Shaffer, *Transatlantic Relations: A Transatlantic Civil Society?*, in TRANSATLANTIC GOVERNANCE, *supra* note 2, at 211.

22. Francesca Bignami and Steve Charnovitz, *Transatlantic Civil Society Dialogues*, in TRANSATLANTIC GOVERNANCE, *supra* note 2, at 255.

range of theoretical techniques for understanding interest groups' activity to examine the day-to-day operation of the Dialogues,<sup>23</sup> Bignami and Charnovitz show how the Dialogues do not neatly fit into either state-based or transnational civil society conceptions of international relations.<sup>24</sup> Rather, these organizations—most notably the Transatlantic Business Dialogue—are at once state actors and private concerns that play an important role in the creation of a wide set of public policies.<sup>25</sup> Bignami and Charnovitz argue that, however useful, the Dialogues do not constitute a transatlantic civil society; they are specific, issue-related coalitions, not “the civic tradition or shared public sphere that would make [them] a society.”<sup>26</sup> They conclude that, in light of critiques coming from both civic republican<sup>27</sup> and public choice theorists,<sup>28</sup> the narrowly focused Dialogues should be broadened via public subsidy and integrated in order to build a true transatlantic civil society.<sup>29</sup> Regardless of the tenability of such a conclusion, this essay is a major contribution to the literature and is the highlight of the book.

Bignami and Charnovitz and the related essayists expertly note the way that the specific actors involved and their ideological commitment to cooperation lead to the development (or failure, in the case of the Transatlantic Labor Dialogue<sup>30</sup>) of the Dialogues. However, the book's other pieces—especially Pollack and Shaffer's introduction<sup>31</sup> and conclusion<sup>32</sup>—ignore these issues to the work's detriment. Even if they chose to dismiss these issues, it

23. Bignami and Charnovitz rely on everything from Mancur Olson's ideas about collective action problems to Robert Dahl's sunny pluralism. See generally MANCUR OLSON, *THE LOGIC OF COLLECTIVE ACTION: PUBLIC GOODS AND THE THEORY OF GROUPS* (1965); ROBERT A. DAHL, *WHO GOVERNS? DEMOCRACY AND POWER IN AN AMERICAN CITY* (1961).

24. Bignami & Charnovitz, *supra* note 22, at 257, 278–83.

25. *Id.*

26. *Id.* at 281.

27. “[T]he center of the republican model is a community discussion in which individuals participate directly and arrive at a common definition of the public good. Interest groups which filter individual participation and further narrow, selfish ends, are thought to interfere with this process.” *Id.* at 280. Bignami and Charnovitz reject this idea of civic republicanism, relying rather implicitly on an image of pluralism straight from Dahl, *supra* note 23, but go on to argue, that combining the Dialogues would mitigate the pernicious effects the civic republicans fear. Bignami & Charnovitz, *supra* note 22, at 281.

28. The public choice critique arises out of the work of Mancur Olson and argues that certain groups have a disproportionate effect on politics because they can more easily organize (such as small groups of big actors, like the big three automakers, that can overcome free-rider problems) and hence lobby more effectively. See OLSON, *supra* note 23, at 33. Bignami and Charnovitz worry more about the free-rider problem, because free-riding undermines the other, more diffuse Dialogues, thereby favoring the Transatlantic Business Dialogue. Bignami & Charnovitz, *supra* note 22, at 282. However, Bignami and Charnovitz think that further government funding for, and increased efforts to include, the other Dialogues would help mitigate the problems brought up by public choice theory. *Id.*

29. Interestingly, they reject the argument that these efforts should be abandoned to focus on international civil society. They do so because they think that transatlantic efforts are more realistic, since Europe and the United States share more culturally and institutionally with each other than they do with the rest of the world. Bignami & Charnovitz, *supra* note 22, at 283.

30. Jody Knauss & David Trabeck, *The Transatlantic Labor Dialogue*, in *TRANSATLANTIC GOVERNANCE*, *supra* note 2, at 235.

31. Pollack & Shaffer, *supra* note 2, at 3.

32. Pollack & Shaffer, *Who Governs?*, in *TRANSATLANTIC GOVERNANCE*, *supra* note 2, at 287.

is important to discuss the impact of political ideas and actors on transatlantic relations. The "Third Way" merits nary a mention in the book, the center-right international coalition of the early 1990s is mentioned only once in passing, and other political (rather than cultural and institutional) influences are shunted to the side as somehow irrelevant. The question whether the institutional issues at the core of the book might be limited in influence to a specific political period and a specific set of actors is never addressed. As a result, the book is not so much flawed as incomplete; it looks at the ways in which one, or several, factors have influenced transatlantic relations, but gives something less than a complete picture of the full scope of these relations.

This omission has serious costs. The change in administrations in Washington and the tragedy of September 11 have led many to argue that the world has changed significantly.<sup>33</sup> It can be said with some degree of certainty that some of the issues that this book deals with, such as transatlantic cooperation on regulatory issues, will, at the very least, be deprioritized in international politics for a period of time. It is anyone's guess what will come of transatlantic relations in a world where the American government seems less committed to either bilateral or multi-lateral integration on "soft" policy issues, and where the focus of world leaders is importantly and necessarily elsewhere. This book could have contributed usefully to this discussion by examining the effect of the ideas and political maneuvering of leaders in the late 1990s. The lasting power of its analysis is instead somewhat muted, and unnecessarily so. Nevertheless, it remains an interesting look at the state of transatlantic relations in the late 1990s and provides a useful set of empirical tests of some of the key theories of modern international relations. Given the importance, and rightful prominence, of these ideas, *Transatlantic Governance in the Global Economy* is a pleasant addition to the literature and worthwhile read for scholars and laypersons alike.

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33. See, e.g., Edward Luttwak, *New Fears, New Alliance*, N.Y. TIMES, Oct. 2, 2001, at A25; Anne Applebaum, *The New New World Order*, SLATE, Oct. 1, 2001, <http://slate.msn.com/?id=116462>.

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