Book Reviews

***Flagging Standards: Globalization and Environmental, Safety, and Labor Regulations at Sea*. Cambridge, MA: The MIT Press. 280 pages. Cloth: ISBN-10: 0-262-04234-7 // ISBN-13: 978-0-262-04234-5, $60.00 cloth. ISBN-10: 0-262-54190-4 // ISBN-13: 978-0-262-54190-9, paper $24.00. Elizabeth R. DeSombre. 2006.**

There are few sectors of the world economy that are more globalized than international shipping. Tanker, cargo, and fishing ships are often registered in one country, owned by nationals of another, chartered by corporations based in another, have a captain from yet another and a crew from several others, and operate between numerous other countries and on the high seas. About two-thirds of ships are registered in states known as "flag of convenience" states because they "have neither the will nor the capability to impose domestic or international regulations" on them (4). The competition that economic globalization entails places pressure on shippers to reduce their costs which, in turn, places pressure on states to compete in what DeSombre calls "regulatory laxity" (5). When registering a ship, shipping companies can "shop around," looking for states that allow them to operate as they please and that impose the fewest regulatory burdens. Such a context would seem to create optimal conditions for a regulatory race to the bottom. And, indeed, DeSombre finds that many of the developed states that started out with high environmental, safety, and labor standards have either relaxed those standards or found ways to allow their nationals to engage in international shipping without meeting those standards. But, contrary to expectation, DeSombre also finds that many states that initially had no or low standards in these categories have become more rigorous, in some cases holding ships that register with them to standards that are the highest in the industry. She finds not a race to the bottom, but a "race to the middle" (5). Equally important, she explains this outcome as the result of efforts by self-interested states and nonstate actors to create "club goods" that lead shipping companies, however reluctantly, to meet certain behavioral standards because, if they do not, they will be denied access to lucrative economic markets.

DeSombre makes two major contributions to the debate on the effect of globalization on regulatory standards in this book. First, DeSombre demonstrates that neither the "race to the bottom" pessimists nor the "race to the top" optimists are correct. After delineating both theoretical arguments with impressive clarity, she lays out compelling empirical evidence that international shipping does not match either theory's predictions but, instead, reflects a "race to the middle," with high standard states relaxing their standards and low standard states raising theirs. Second, and perhaps more importantly, DeSombre elaborates a theoretically compelling explanation of this outcome as the result of certain states and nonstate actors that value environmental protection, safety, and labor standards having created international institutions that successfully counter the downward pressure that economic competition would otherwise place on such regulations. The incentives of shipping companies to avoid stringent environmental and labor standards, and of some states to reduce their standards to attract lucrative ship registrations, can be countered by institutions that create "club goods." The ability of certain states and nonstate actors to reserve certain benefits, particularly ready access to valuable economic markets, for those ship operators who meet certain standards provides considerable leverage.

After two particularly insightful theoretical chapters, DeSombre provides an introduction to international shipping and then undertakes empirical analyses of the roles that maritime authorities, labor unions, regional fisheries management organizations, and the shipping industry itself play in establishing and upholding regulatory standards. She ends her volume by revisiting the questions engaged by her book, particularly the tension between the economic forces that encourage states to lower regulatory standards and the often overlooked countervailing forces that encourage them to raise them. She notes that states and nonstate actors develop different types of clubs through different processes—which types of clubs and which types of processes depend on "the location of the harm, the actors that are most concerned about it, and who they are able to target" (220).

DeSombre's book reflects both clear thinking and clear writing. The book's weaknesses lie in the structuring of her empirical cases and her failure to state her case boldly enough. Her insightful empirical chapters could have been even stronger had they adopted parallel analytic structures that more explicitly linked the insights of her strong theoretical setup with the conclusions she draws regarding globalization, regulation, and club goods. Perhaps more important, DeSombre's novel idea—that success in international regulation often depends on exclusion by the creation of club goods—certainly applies to many other areas of international relations far beyond international shipping.

Certainly, the book is essential reading for those interested in international shipping, but there is also much to be learned by those interested in environmental protection, international cooperation, and globalization more generally. DeSombre provides powerful evidence that globalization need not mean that "all is lost" with respect to international regulation: both states and nonstate actors can create forms of international cooperation that succeed in getting even recalcitrant corporations and states to act in ways that protect the rights of labor and the environment.

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***The Power of Pills: Social, Ethical and Legal Issues in Drug Development, Marketing and Pricing*. London: Pluto Press. xx + 300 pages. ISBN 9780745324036, $95.00 cloth. ISBN 9780745324029, $35.00 paper. Jillian Clare Cohen, Patricia Illingworth, and Udo Schuklenk. 2006.**

Today, AIDS is both a preventable and treatable illness, and yet globally less than 8% of HIV-positive people who need treatment are receiving it. In Sub-Saharan Africa, home to over 65% of all people infected with HIV, less than 4% of those in need of anti-retroviral (ARV) treatment are receiving it.[1] The epochal nature of the AIDS