

BOOK REVIEW

Walter Mattli and Ngaire Woods (eds)

The Politics of Global Regulation

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The process of neoliberal globalization underway since the 1980s has had destabilizing impacts on nation-states and their institutions. State capacity and national policy-making have been substantially transformed, with many scholars characterizing this process as the rescaling-up (and down) of the Westphalian nation state. Manifestations of this process have been complex, and have engendered new power relations and new domains of supranational policy venues indicative of an increasingly global system of governance. In fact, the national scale of analysis still remains a crucial site of contestation and negotiation, but with less autonomy and domination in terms of certain ideas, institutions and interests. These transformations have spurred scholars to increasingly study regulation at a global, rather than at a national level of analysis.

The Politics of Global Regulation, an edited volume by Walter Mattli and Ngaire Woods, by showcases a versatile, analytical perspective to understanding global regulation which takes into account multi-faceted interactions between nation-states, international organizations and civil actors and the nature of political mediation across multiple scales of political economic activity. The 2008-2009 financial meltdown and the resulting changes to global governance following the crisis highlighted the increasing need for such a global perspective.

Mattli and Woods's introductory chapter evaluates the potential to translate intentions to establish an effective global regulatory regime into reality, not only in the realm of finance, but in other sectors as well. The introduction provides the theoretical framework for the analysis in the following chapters. It sets out to explain which interests have a higher tendency to be represented in global regulation and why others are excluded. According to the editors, the answer depends on the nature and dynamics of political construction in each stage of the regulatory process. This theoretical underpinning posits that there are two factors at work that determine regulatory outcomes. On the one hand, policy formulation at the national level is based on domestic institutional assets and the collective capacity of domestic actors, and on the other hand, is based on the emergence of regulatory networks operating at the global level. In this context, Mattli and Woods argue that variations of regulatory outcomes can be explained by the forces of demand and supply. The institutional setting within which global regulation occurs is intrinsically exclusionary and favours narrow interests. The editors contend that regulation for the common interest requires broad based demand for change, the absence of which will make formally open institutional contexts inaccessible. More specifically, the likelihood that change in regulation will benefit more broad interests are determined by three factors: sufficient information about the impact on diverse actors, and the convergence of



interests among the various actors and ideas that bind together actors within existing institutions. In this theoretical architecture, sustainable institutional change is predicated on the ability of groups to forge new ideas that generate widespread support allowing interest groups to press for change, but at the same time these dynamics play out within credible existing institutional frameworks.

The remaining chapters bring together a range of experts to examine global regulatory changes in different policy areas: debt structuring (Eric Helleiner), human rights violations (Kathryn Sikkink), global corporate conduct (David Vogel), safety in shipping (Samuel Barrows), judicial liberalization at the WTO (Judith Goldstein and Richard Steinberg) and economic integration (Miles Kahler and David Lake).

The Politics of Global Regulation enhances our understanding of how ideas and interests in the new domain of supranational policy-making produce new constraints as well as provide opportunities for actors in both the public and private spheres, from the local to the global level. The chapters discuss the emergence of these new interests, their institutional forms as well as their ideational basis by encapsulating both state and non-state actors. Thus, the volume generates critical analysis on the nature of institutional continuity and change and reflects on the political nature of global regulation in the aftermath of the financial crisis.

Overall, the case studies do not articulate the theoretical underpinnings outlined in the first chapter very thoroughly. The contributors, however, do provide a timely examination of the conditions that trigger global regulatory capture and how it can be averted. For scholars and practitioners of global governance, *The Politics of Global Regulation* offers fresh analytical insights on the dynamics of international regulation.

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