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### **Book Reviews**

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What is This?

Shirk's efforts to draw on comparative insights and use of rational choice insights are laudable, but they come at the expense of seeing what is truly distinctive about the Chinese case. At least in the cases of the Chinese economic reforms and the process of rural change, the Chinese experience approaches uniqueness. In addition to borrowing insights, concepts, and theories developed in other contexts to China, the varieties of the Chinese experience should feed back into broader theories of peasant politics or the political economy of economy policy change.

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Daniel Verdier, *Democracy and International Trade: Britain, France, and the United States, 1860-1990.* Princeton, NJ: Princeton University Press, 1994. 387 pp. Cloth, \$45.00.

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Negotiations for the recently concluded Uruguay Round of the General Agreement on Tariffs and Trade (GATT) proceeded for 7 years amid gloomy predictions about the end of multilateralism and liberalism. Yet, despite the proliferation of regional trading arrangements and the never-ending innovation in protectionist instruments, trade policy in industrial democracies is still fairly liberal. In this context, *Democracy and International Trade*, a recent effort to understand the determinants of a country's trade policy, is a welcome addition to the international political economy literature. To the question of who chooses the particular contents and tools of a trade policy, Verdier proposes a controversial answer, arguing that voters are ultimately the main determinant. This work contributes to better understanding several contradictions observed recently in the trade policy pursued by the main industrialized countries and is likely to stimulate academic debate.

Two central approaches have traditionally dominated the literature on commercial policy. For structural realism, trade policy is subjected to broader security imperatives and determined by systemic factors. The relative position of a country in the international economy serves to predict the liberal or protectionist nature of the trade policy

ultimately chosen. By contrast, pluralist studies emphasize the domestic dimension to explain how politicians make choices among alternative trade policy strategies. Special interest groups, such as industry lobbies and trade unions, use their political influence and tight interests to shape a favorable trade policy, most often protectionist in their specific sectors. Consumers, by opposition, face collective action problems and are unable to influence the policy process toward more trade openness. Yet, some empirical paradoxes remain unexplained by the realist and pluralist approaches.

"Bringing the voter back in" to the study of trade policy is Verdier's central contribution. In *Democracy and International Trade*, Verdier argues that, in advanced industrial democracies, all trade policy is ultimately made by the electorate. Even in countries traditionally characterized by special interest politics, such as the United States, the role played by interest groups in trade policy making is at best residual. "Far from influencing the design of the policy process, [lobbies] merely accept and adjust to it" (p. xviii).

This central argument about trade policy making rests on what Verdier calls the "theory of electoral delegation," which he suggests can be applied to a variety of other policies. Voters neither give a precise policy mandate to their representatives nor consider their representatives as mere agents with free hands to conclude policies. Rather, voters indirectly control the making of policy because, through elections, they constantly set the rules of the policy process. Policies are made only within the institutional limits set by voters. Politicians choose their position on trade based on their assessments of voters' preferences. Salience and divisiveness of the trade issue are the two essential parameters from which Verdier formally attempts to derive the trade policy process. The more salient and divisive the trade issue, the better represented voters will be in the process. By contrast, rent-seeking interest groups will weigh more heavily in the policy finally adopted absent the salience and divisiveness of the trade issue. Later in the book, Verdier questions the assumed exogeneity of salience and divisiveness and examines some possible origins of these parameters.

In the second step of the theory of electoral delegation, Verdier establishes a typology of the various policy processes. He finds that, in the case of "party politics," the trade issue is salient and divisive; voters delegate the making of trade policy to owners of factors, and the policy selected reflects the promise of the winning party. In "executive politics," the trade issue is salient but consensual, perhaps because of a linkage with the security issue; therefore, voters entrust the state to make trade policy autonomously. Finally, in "pressure politics," the trade issue is not salient; as a result, competition between lobbies dictates trade policy. The subsequent chapter explains change from one policy process to the next. Finally, Verdier presents the two main dimensions, or dependent variables, of trade policy that his model purports to explain—the orientation of trade policy (free trade or protection) and the "toolbox" at the disposal of policymakers (parsimonious or complex).

The second part of *Democracy and International Trade* offers case studies of trade policy in France, Great Britain, and the United States since the 1860s to support the theory of electoral delegation. In each case, Verdier explores the history of trade policy

making in a new light, systematically focusing on the main actors in the policy process, the liberal or protectionist orientation of trade policy, and the instruments employed. The findings dramatically challenge standard assumptions about the trade policy process in two of the three cases studied.

Against the traditional analysis of trade policy making in the United States, which holds that the process is dominated by special interests, Verdier claims that, at least since the late 19th century, U.S. trade policy has been governed by popular considerations. The cases show that, despite their efforts, American industrialists have failed to impose their preferences on policymakers and have even at times maintained relations of frank enmity with the state. The American experience is often contrasted with the French example, where an autonomous state is said to be making all trade policy decisions. In opposition to this standard view, Verdier reveals the closeness of industry-government relations in France and argues that business and farm interests have almost always enjoyed a collusive relationship with state officials in determining trade policy. Only in the case of Great Britain does Verdier find support for the traditional characterization of the trade policy-making process. Since 1881, the process has been dominated by political parties, and trade policy has reflected the preferences of the median voter.

These novel findings are likely to stir controversy and engage scholars in a reevaluation of standard assumptions about trade policy making. Verdier offers a positive contribution not only to trade policy analysis but also to studies of electoral control. Overall, this book demonstrates an impressive range of theoretical insights and historical data, and it will probably revive the political analysis of various policy fields.

Some major questions remain unanswered throughout this interesting book, however. First and foremost, Verdier does not convincingly explain why it is necessary to bring voters back into the analysis of trade policy at all. That "leaving voters out of the study of democracy is like leaving soldiers out of the study of war" is not a sufficient justification (p. xvii). There lacks a stronger rationale for the book's central focus on the voter-determined policy process, including a discussion of why former models of trade policy making overlooked the role of voters and considered institutional rules as exogenous. Moreover, we do not learn why the traditional explanations-structural realism and pluralism-are deficient. Theoretically, competing explanations are simply dismissed in the introduction without any investigation of their arguments. Empirically, at best are some of their predictions randomly rejected in the course of the case studies. For his defense, Verdier notes that his goal is not to offer a rival line of argument but to construct a more general framework of trade policy making that could embrace all existing theories. Yet the reader is left wondering why a new model of trade policy making is useful. Demonstrating internal inconsistencies in the logic of the conventional arguments or exposing unexplained empirical paradoxes in the history of commercial policy would be a more satisfactory way to justify a brand-new approach to the study of trade policy.

This book is quite fascinating, but it is also fairly confusing, mainly because the theory seems to suffer from both a surplus and a lack of variables. Verdier tries to

explain change in both the orientation and the instruments of trade policy over time. He offers two central independent variables, salience and divisiveness, which can be combined four ways. Then he introduces in the analysis three "principals" to whom voters want the government to be accountable—factors, nation, and sectors. Finally, he derives from the policy process nine hypotheses about trade policy. The very complex preconditions, the multitude of variables observed simultaneously, and the many possible combinations of variables make it hard for the reader to anticipate into which category each of the cases falls and to derive predictions. Both the central argument and the exposition of the theory could have benefited from more parsimony.

Some alternative variables, on the other hand, are not explored. For example, in several instances, Verdier refers to the hegemonic position of Great Britain or the United States. Yet he does not offer any systematic discussion of the effects of hegemony on the orientation and tools of trade policy. Another neglected variable is reciprocity, which to the lay reader appears as a potentially useful justification for some of the trade instruments employed today. One of Verdier's hypotheses directly addresses reciprocity, stating that "in executive politics, changes in trade policy reflect patterns of reciprocity between trade partners," but the issue is later overlooked in the case studies and there is no general explanation for the international spreading of policy instruments (p. 59).

"Ideas" are one variable that is purposely omitted from this staunchly rational choice account of trade policy making. Yet it might be a fruitful exercise to read Verdier's book in parallel with another recent addition to the study of American trade policy—Ideas, Interests, and American Trade Policy by Goldstein (1993). In this book, Goldstein innovatively argues that shared ideas about economics, which become embedded in institutional structures, guide the policymaker in selecting among various trade policy options and can thus explain contradictions observed in American commercial policy. This argument about "embedded ideas" as a determinant of trade policy does not appear consistent with Verdier's claims that the trade policy process is highly volatile. Which model best predicts patterns of trade policy making? Future debates in the field will probably attempt to answer this question.

On a more specific note, scholars of trade policy are familiar with the argument that transfer of trade policy-making authority from the legislative to the executive alters the final policy outcome. Yet Verdier dismisses this standard claim in just a couple of paragraphs, noting that the delegation of authority from the legislature to the executive "makes no difference to the policy process" (p. 45). The author states that the making of trade policy was transferred from the legislature to the executive in France, Great Britain, and the United States between the two world wars. Unfortunately for the analysis, Verdier chose to ignore major subsequent transfers of competence such as the 1962 Trade Expansion Act and recent "fast-track" arrangements in the United States. This book would have been the logical vehicle to test theoretically an argument often made in the empirical literature on trade policy.

The cases, relying on standard historical materials, provide an excellent overview of the trade policy of France, Great Britain, and the United States since the 19th century. The cases are, however, unequal in deployment and in strength of the analysis,

with the earlier material seeming better treated. The last chapter in particular, which covers the 1963-1989 period, is quite disconcerting. Verdier made the deliberate, but questionable, choice of concentrating the analysis on industrial policy and not on trade policy based on the assumption that traditional trade policy is now the domain of multilateral or supranational institutions, such as GATT and the European Community, and is therefore no longer a subject of internal discussions. This choice presupposes a lengthy exposition of the modalities of trade policy making at the multilateral level, which the book lacks. Moreover, even if the case studies end in 1990, the analysis, if correct, should also hold for the subsequent period. Recently, however, a striking phenomenon in industrial democracies has been the reemergence of trade as a domestic political issue. The North American Free Trade Agreement debate was internalized by Ross Perot in American politics in the same way that Maastricht and recent worries about the consequences of trade openness in Europe became a central issue in French politics, even resulting in the emergence of new political movements. Indeed, the free trade or protectionism dichotomy no longer adequately captures the possible orientations of trade policy to which new categories such as regionalism must be added.

In spite of these questionable choices and the insufficient spelling out of its motives, Verdier's book is very intriguing and definitely worth reading for scholars of both trade policy and comparative politics. The rational choice account of how the changing political system determines the orientation and tools of trade policy is theoretically innovative, and the well-documented cases read as a textbook of the history of commercial policy in France, Great Britain, and the United States. *Democracy and International Trade* is certainly a must read in both comparative and international political economy.

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Andrei S. Markovits and Philip S. Gorski, *The German Left: Red, Green and Beyond*. New York: Oxford University Press, 1993. 393 pp. Cloth, \$55.00; paper, \$16.95. Cyrus Ernesto Zirakzadeh, University of Connecticut.

Markovits and Gorski have written an original and provocative account of the origins, policies, and electoral fates of the German Green Party on the eve of unification. The first section of their book describes how different groups within the postwar German left—ranging from the Christian-inspired peace movements to the quasi-Marxist terrorist organizations, from the apolitical Spontis to SPD dissenters—gradually left a sediment of ideas, tactics, and activists from which the Green and alternative list parties of the 1980s would emerge. The book's second section looks