

Book Reviews

DeSombre, Elizabeth R. 2006. *Flagging Standards: Globalization and Environmental, Safety and Labor Regulations at Sea*. Cambridge MA: MIT Press.

Reviewed by Frank Alcock
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More than half of the world's commercial ships are currently flagged in open registry states and are said to fly flags of convenience (FOCs). Open registries allow ship owners to register or flag their vessels in those countries without requiring the citizenship of ship owners, captains or crew. In doing so they encourage ship owners to base their registration decisions on cost considerations. With no genuine linkage between FOC ships and their respective flag states, conditions seem ripe for something akin to a Delaware effect: a regulatory race to the bottom among open registry flag states. The maritime governance dilemma posed by open registries is the focus of Elizabeth DeSombre's *Flagging Standards*. As a point of departure DeSombre observes that while FOCs do constitute the majority of commercial ship registrations, an unabated downward spiral of regulatory standards has not occurred. Instead, she discerns "a race to the middle" that can be distinguished by a handful of regulatory niches and proceeds to explain why this happens.

After a brief introductory chapter, DeSombre lays out her argument in the second and third chapters. Chapter 2 begins with an instructive review of the literature on globalization's impact on environmental regulations, focusing mostly on factors that cause states to raise, lower or maintain standards and factors that cause industries to relocate. DeSombre then uses FOC records on the ratification of international agreements on environment, safety and labor standards to establish patterns of variation that suggest a lack of harmonization, different degrees of laxity across different types of standards within FOCs, and improving standards over time for the lowest rated FOCs. She argues that the observations are consistent with one or more causal mechanisms that provide a check against the incentives to continuously lower standards. They do not suggest anything resembling a race to the top but rather a reluctance to stay on the bottom. DeSombre concludes the chapter by contrasting these observations with the existing literature.

Chapter 3 provides the conceptual foundation for DeSombre's explanation. She begins by differentiating types of goods by rivalry and excludability and notes that a number of collective action problems can result from the inability to exclude a subset of actors from deriving benefits from public goods and common pool resources. She then focuses her attention on those goods

that are non-rival but excludable: club goods. Club goods do not receive the attention that public goods and common-pool resources do in international relations literature, according to DeSombre, but they play an important role in international cooperation. And they form the basis of her explanation for the race to the middle with respect to shipping standards among FOC states. DeSombre argues that a variety of actors with interests in maintaining higher standards have been able to exclude FOC ships from benefits associated with what can be considered club goods. Relevant actors include port states, international labor unions and nongovernmental organizations, and portions of the shipping industry itself. The club goods they are able to provide include expedited port inspections, access to port services, market access and initiatives to reduce risk and improve reputations.

In chapter 4 DeSombre provides an historical overview of the globalization of the shipping industry and the evolution of FOCs. In chapters 5 through 8 she takes a closer look at specific strategies of exclusion used by various actors. Chapter 5 examines port state control and the power of state actors to board, inspect and detain foreign vessels that enter their respective ports. Port states actively discriminate. They determine which ships to inspect based on their individual records and the flag states in which they are registered. Greater scrutiny is given to FOC states that refrain from joining international agreements which can lead to more reported violations and higher detention rates. This raises shipping costs. Poor records can thus create an incentive for some ship owners to persuade their respective flag states to join international agreements and bring their standards up to a level that wards off excessive scrutiny.

Chapter 6 examines the strategies and tactics used by an international labor union, the International Transport Workers Federation (ITF), to improve worldwide labor standards in the global shipping industry. The ITF targets both FOC states and individual ships that fail to enter into agreements with the ITF and/or abide by ITF standards for wages and working conditions. States and ships that refuse run the risk of boycotts from seafarers, shippers, and port services personnel that the ITF controls or influences. Chapter 7 examines some of the ongoing efforts to restrict the imports of fisheries commodities from FOC states that register vessels who attempt to flout the rules of international agreements and regional fisheries management organizations. FOC states that remain outside of these institutions are not bound by their rules. However, to the extent that other states have restricted the imports of FOC states, some have shown a willingness to participate in the institutions and/or revoke the registrations of specific vessels.

Risk and reputation are latent themes that remain understated in the early portions of the book. They come to the fore in chapter 8 where DeSombre explores some of the ways that some ship owners have attempted to act collectively in order to reduce risks and improve reputations. The relevant self-governance mechanisms include classification societies, insurance pools and other industry clubs that provide advice and services. Chapter 9 serves as both a

conclusion and a reflection upon the book's subject matter in the context of contemporary discussions of sovereignty.

DeSombre's *Flagging Standards* offers a rich, insightful assessment of maritime regulatory regimes and the global shipping and fishing industries. Her assessment refrains from imposing a dominant theoretical argument but instead uses a few key concepts from political economy literature to illuminate some of the more intriguing causal dynamics that are at play in this empirical domain. Her research is thorough and her arguments are empirically well supported. The book will likely prove valuable to scholars and practitioners and versatile in its amenability to being read in its entirety or *à la carte*.

Prakash, Aseem, and Matthew Potoski. 2006. *The Voluntary Environmentalists: Green Clubs, ISO 14001, and Voluntary Environmental Regulations*. Cambridge, UK: Cambridge University Press.

Reviewed by Mihaela Papa
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Businesses are increasingly eager to constrain their freedom to pollute and join non-state institutions that regulate corporate environmental behavior. Scholars and practitioners observe this trend with great interest, debating how voluntary regulation can mitigate collective-action problems and whether it is a promising tool for responding to environmental challenges of the 21st century. In *The Voluntary Environmentalists*, Prakash and Potoski argue that research provides no clear answer about the overall efficacy of voluntary environmental programs, acknowledging that while some believe that these programs create a win-win scenario for everyone involved, others see them as pro-business private regimes that lie beyond public accountability. The authors attempt to identify what distinguishes the effective voluntary programs from the ineffective ones, defining effective programs as the ones that are able to induce participants to take progressive environmental action beyond what they would otherwise take unilaterally.

Prakash and Potoski draw on the economic theory of club goods. Voluntary environmental programs are like clubs because they offer their members excludable benefits such as positive image, goodwill, legitimacy and reputation for environmental stewardship. They also produce a broader public good in the form of cleaner environment. As theoretical analysis suggests, such "green clubs" must overcome two collective action problems to be effective. First, they must attract members to join the club and pay the costs of meeting the club's standards. Second, they must prevent members from shirking, for which they may use a variety of enforcement mechanisms. Based on the variation in club standards and enforcement mechanisms, the authors identify four ideal club types: clubs with stringent standards and credible enforcement rules (Mandarin), stringent standards without enforcement (Country clubs), lenient stan-