

Book Review

Christine Mahoney, *Brussels Versus the Beltway: Advocacy in the United States and the European Union*, Washington, DC: Georgetown University Press, 2008, pp. xii + 260. Paperback ISBN: 9781589012035.

Cornelia Woll, *Firm Interests: How Governments Shape Business Lobbying on Global Trade*, Ithaca, NY: Cornell University Press, 2008. ISBN 978080144609.

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The role of interest groups and their ability to influence political decisionmaking are freshly addressed in these two books. In *Brussels Versus the Beltway*, Mahoney uses a wealth of qualitative and quantitative information on business-government relations in the USA and EU to analyze the entire length of the lobbying process. Topics range from the policy positions taken by advocates via the arguments devised to advance these positions, the selection of lobbying targets, the choice of inside and outside lobbying strategies and the decision to join policy networks and advocacy coalitions all the way to whether the decisions made along that path serve their purpose. Institutional characteristics – above all the policymaking procedure and policymakers' democratic accountability – determine how actors position themselves with respect to a particular policy, what arguments they use, which and how many policymakers they target, and whether they succeed in the policy struggle.

In both polities, the choice of lobbying tactics is also shaped by the nature of the issue. 'Outside lobbying' in the form of grassroots and media campaigns is more frequent the more conflictual and salient the issue, regardless of the political system. In the USA, but not in the EU context, these strategies are more common on issues affecting multiple sectors. In both polities, lobbyists are much more likely to argue for change than in favour of the status quo.

Firm Interests is a constructivist analysis of the shifting identities and preferences of European and US firms in the air transport and telecommunication sectors. Rejecting the idea that firms' preferences can be deduced from their sector or ownership structure, Woll argues that their identities and preferences are endogenous to the political process. The reason for this is that changing political environments and multilevel bargaining situations add fundamental uncertainty to calculable risk, causing economic actors to take cues from political actors and from each other in a thorough reassessment of who they are and what their likely roles will be in emergent markets. Examining how US and European firms behaved during the liberalisation of their sectors, Woll shows how major telecommunications operators and airlines came to favour the dismantling of their monopolies and privileges as a result of their interactions with US and EU policymakers. The driving forces toward privatization and (re-)regulation in both sectors have been governments, with the US government leading the process, followed by the UK and eventually the European Commission. Telephone operators and airlines only embraced liberalisation once they had perceived it as an inevitable development.

Both books immensely increase our understanding of lobbying and policy-making in the EU and there are new insights on US interest group politics, such as Mahoney's finding that grassroots mobilization and media campaigns increase with the size of a group's membership – regardless of whether these members are individuals or corporations. The use of a random sample of policy issues makes Mahoney's study the methodologically soundest one to date on several dimensions of EU lobbying. Woll's study covers new ground on the much neglected question of corporate preference formation. It would have been interesting to relate its findings to Cathie Jo Martin's similar research puzzle: Why do firms embrace policies that appear harmful to their material interests? Martin's answers correspond with Woll's in their emphasis on ideas, corporate deliberation and policy legacies.¹

Asymmetric information between lobbyists and policymakers operating under conditions of risk and uncertainty is endemic on both sides of the Atlantic, as the claim by a trade association lobbyist about the infeasibility of the EU's attempt to regulate phone and internet data retention illustrates: 'we are the Internet guys, we know the internet probably better than anybody, . . .' (p. 97). Private, specialist information can be used by lobbyists to persuade policymakers to take a different stance or to support friendly policymakers. Models of signalling and legislative subsidies can explain many of the arguments and strategies pursued by the advocates in the book. Furthermore, while the political system of the EU may be best characterized as an elite pluralist one, its interest group system has arguably been shaped by corporatist and statist traditions that characterized business-government relations in member states. This aspect is central to Woll's analysis of how European firms evolved from comprehensive public control in the form of state ownership of the national 'flag carriers' or civil service units such as the German *Bundespost* or the French *Direction Générale des Télécommunications*.

Mahoney's focus on conflictual issues and her analysis of influence as the attainment of preferred policies represents a theoretical approach that is quite distinct from Woll's, in which business actors enter the political stage without a clear idea of what their preferences are. Yet despite these differences in approach, some striking similarities exist. Woll's treatment of identities and preferences as endogenous to political interactions does not lead her to discard the notion of *interests* altogether. Distinguishing 'fundamental preferences' from 'means preferences', it is the latter that vary over time, while the former, as embodied in firms' identities, are seen as changing relatively little. The formation of 'means preferences' is of course the subject of Mahoney's analysis of lobbying positions. As Woll points out, constructivist and rational choice approaches often just focus on different phases of the political process (p. 36). But while it makes sense to distinguish *lobbying positions* on the one hand from a host of *lobbying tactics* on the other, Mahoney's approach of arranging these different aspects of lobbying chronologically as stages of the advocacy process runs the risk of conflating analytical and empirical distinctions. For example, it is not clear why a lobbyist's choice of lobbying targets should precede (logically or empirically) the choice of insider or outsider tactics.

Brussels Versus the Beltway sets out to test US-EU differences in lobbying behaviour and their underlying causes rather than perpetuating the stereotype that Americans and Europeans 'are breeds apart' (p. 2). It would therefore appear appropriate to examine institutional differences through a pooled analysis of both

polities instead of juxtaposing separate country analyses. This would also strengthen the inferences drawn from the analysis. Likewise, Woll's findings might not be easily generalizable beyond the sectors she analyses. The markets in these sectors she analyses are truly new, in the sense that the property rights that define them have been created by governments in the process of liberalisation and regulation. In other sectors liberalisation has been driven mainly by industry and identity shifts such as those from public service provider to free marketeer, have been rare. Lastly, while arguments about exogenous versus endogenous technical change may rage elsewhere, the fact that technical innovations may have at least contributed to a reshaping of perceived commercial opportunities should perhaps have been discussed. In the telecommunications sector, the separation of network and service provision that makes competitive markets possible would not have been conceivable without digitalisation and advances in router technologies.

What do these books tell us about the present and future state of democracy in Europe and North America? Mahoney's findings suggest that business interests are less able to rig the political process in their favour where democratic institutions are weak and political actors are isolated from the public. But these actors manage to influence policymaking in both polities, and, as Woll points out, the extent to which they distort the democratic process will depend on whether access and input are effectively widened to include non-business interests.

NOTE

1. Martin, C. J. (2000) *Stuck in Neutral: Business and the Politics of Human Capital Investment Policy* (Princeton: NJ: Princeton University Press).

Patrick Bernhagen
University of Aberdeen

Eva Sørensen and Jacob Torfing (eds.), *Theories of Democratic Network Governance*, Basingstoke: Palgrave, 2008, 365pp, ISBN 978-0-230-22036-2 (pb)
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Research on the role of policy networks in new forms of governance has proliferated in the last 15 years. Much of it has started from the assumption of functional differentiation of modern polities and the hollowing out of the state, which allegedly has led to non-hierarchical forms of policymaking by networks of state and non-state actors. Theoretically, methodologically and empirically, this research field remains highly fragmented. With this edited book originally published in 2007 and now available in paperback, Eva Sørensen and Jacob Torfing from the Centre for Democratic Network Governance at Roskilde University aim to take up and discuss in comparative perspective the different theoretical threads in the literature on policy networks. In four sections, the contributors address the dynamics of governance networks, the conditions for their success, the forms and functions of networks' metagovernance, and the democratic implications of network governance. In doing so they draw on four approaches identified by the editors as core theoretical positions for analyzing network governance: interdependence theory and governmentality theory, which emphasize conflict, and governability theory and integration theory, which concentrate on coordination functions and mechanisms of networks.