

Books Received

Follow this and additional works at: <http://digitalcommons.law.umaryland.edu/mjil>

Recommended Citation

Books Received, 18 Md. J. Int'l L. 227 (1994).

Available at: <http://digitalcommons.law.umaryland.edu/mjil/vol18/iss2/5>

This End Matter is brought to you for free and open access by DigitalCommons@UM Carey Law. It has been accepted for inclusion in Maryland Journal of International Law by an authorized administrator of DigitalCommons@UM Carey Law. For more information, please contact smccarty@law.umaryland.edu.

BOOKS RECEIVED

FREER TRADE, PROTECTED ENVIRONMENT: BALANCING TRADE LIBERALIZATION AND ENVIRONMENTAL INTERESTS. By C. Ford Runge. Council on Foreign Relations, Inc., 1994, 145 pp.

Debates over trade and the environment ensue throughout the international community, particularly in the face of recent trade agreements. Environmentalists view these agreements, especially the North American Free Trade Agreement (NAFTA) and the General Agreement on Tariffs and Trade (GATT), as unrestricted mechanisms working toward the depletion of world resources. Some environmentalists even question the benefit of economic growth. Traders, on the other hand, firmly believe that more trade is preferred to less and view environmental regulations as protectionism in "green" disguise. What is at stake in this debate, is the future of world trade and the global environment. A balance between these interests is necessary in order to encourage development in less-developed countries, as well as to preserve the environment.

The author, C. Ford Runge, recounts the results of the Study Group on Trade and the Environment, which met during 1992-1993 in order to present, analyze and discuss environmental and trade issues. The group was comprised of a wide cross section of professionals from both disciplines. Runge states that although these meetings provided the material for the book, some opinions and suggestions, particularly those relating to creating a balance between trade and the environment, are his alone. Additionally, it is explicitly mentioned in the forward that the book's primary goal is to educate. The book concentrates on striking a balance between free trade and environmental protection.

In chapter one, titled "Trade and the Environment: Sabotage or Solution?," Runge discusses the division between trade liberalization and environmental regulations. These contrasting environmental and trade views are characterized as "hyperbole and counterclaim" in need of "sorting through" in order to assess the realistic implications of both. Some of these views are based on misperceptions by both sides. For example, because of the growth of the postwar period and the re-

sulting despoliation of the world's resources, environmentalists often question the benefits of any economic growth. On the other hand, because of the alleged role of protectionism in fueling the depression of the 1930s, traders believe that most environmental regulations are "green" protectionism in disguise. Additionally, the chapter briefly touches on the concerns of both sides relating to trade agreements, such as NAFTA and GATT, and environmental agreements, such as the Montreal Protocol, an environmental agreement aimed at reducing Chlorofluorocarbons (CFCs).

Chapter two, titled "Understanding Environment and Trade Linkages: Legal, Economic, and Environmental Perspectives," discusses three dominant perspectives in the environment and trade debate: the legal, the economic and the environmental perspectives. The legal perspective compares environment and trade rules and the need for developing a means of defining and assigning responsibility for national and international actions. As a clear example of environmental damages resulting from trade measures, Runge cites the European Community, now the European Union (EU), and the problems created through the implementation of internal barriers to trade within the EU. In his attempt to keep a balanced perspective, Runge also discusses environmental measures and the burdens they place on trade. A section on the existing conflict between the Montreal Protocol and GATT, raises an uncertainty as to which of these prevails as the foremost agreement.

The economic approach looks to the economic consequences of environmental damage as a result of unregulated trade, as well as the harm imposed on trade through the implementation of environmental regulations. This perspective recognizes the importance of economic development as a step toward environmental protection. Examples of this are agreements which allow for a lag between the time an environmental regulation is implemented and when it comes into full force. This allows countries to develop economically, while at the same time ensuring that environmental safeguards are instituted. Furthermore, Runge stresses that environmental and trade policy reforms are often complementary and mutually reinforcing. Runge discusses four necessary principles to balance trade and environmental policies. These principles are as follows: i) the need for matching trade targets with trade instruments and environmental targets with environmental instruments; ii) the necessity of trade policies' aim to reduce trade barriers while remaining environmentally neutral; iii) the need for environmental policies to conserve natural resources while remaining trade-neutral; and iv) the need to encourage national governments to pursue similar trade and environmental policy objectives. The explanations of these principles are clearly understood and appear to be an efficient means of

achieving a balance between trade and the environment.

The third approach, the environmental perspective, looks at the ecological impact of economic development and trade. Runge stresses the necessity for the acceptance of change by the trading system, as well by national and international institutions. This does not necessarily mean that trade must give way to demands from environmental interests; rather that the environmental concerns be integrated with and be given the same recognition as trade agreements. Again, a balanced approach to finding solutions is stressed - a synthesis of legal, economic and environmental concerns. Throughout Chapter two, Runge discusses the concerns surrounding these perspectives, citing specific examples and then offering possible solutions.

In chapter three, titled "Trade Agreements and the Environment: The EU and NAFTA" Runge discusses trade agreements in more detail, specifically NAFTA and the EU's Common Agricultural Policy (CAP) agreement. Runge questions whether there is a direct correlation between trade liberalization and increased damage to the environment. Some environmentalists argue that trade liberalization in the EU under the CAP, led to an increase in agricultural "wear and tear," which in turn led to environmental problems in the EU, such as erosion and high ammonia rates in the soil. Although Runge acknowledges that there are various lessons to be learned from this integrated agreement, he nevertheless stresses that the integration itself is not solely responsible for the damages. In fact, Runge claims that it is the protectionist element of the CAP (price supports which become border measures imposed on those outside the EU) which insulates the EU and in turn has contributed to environmental degradation by subsidizing and protecting concentrated agricultural production through the use of environmentally hazardous techniques.

Runge's discussion of NAFTA's criticisms and solutions in chapter three, is insightful. Although it appears that he is no longer objective (he appears to favor NAFTA), some of his points regarding the fears and criticisms of NAFTA are thought-provoking. The environmentalists' fears of Mexico becoming a pollution haven are exaggerated, according to Runge. Companies who are interested in saving money will not necessarily pack up and go to Mexico in order to take advantage of lax pollution laws. The cost of moving will simply not be worth it, as the costs of running an environmentally safe factory are minimal compared to the other costs a factory encounters. Additionally, relocation occurs for other reasons and the environmental implications come later. Furthermore, Runge suggests that side agreements, such as the La Paz agreement between the United States and Mexico, can serve as a check for protecting the environment without restricting trade itself. Addi-

tionally, Runge briefly discusses the significance of the Commission on Environmental Cooperation (CEC), a trilateral interventionary authority formed to deal directly with NAFTA related disputes.

Chapter four, titled "Environmental Measures and Trade" is concerned primarily with fishing rights and restrictions. The tuna-dolphin dispute which arose between the United States, Mexico and other countries, is characterized as one of the most divisive and inflammatory cases of trade versus environmental interests. In 1991, Mexico charged that the U.S., through imposing an import ban on tuna that was not dolphin safe, was engaging in unfair practices and thus violated the GATT agreement. The GATT panel upheld Mexico's challenge, based on their finding that the U.S. regulation was not concerned with banning the product, the tuna, but with regulating the process of tuna harvesting. Additionally, the panel found that the U.S. measure was not "necessary," as required by GATT, "to protect human, animal, or plant life or health." This decision raised several issues and left many environmentalists further disillusioned with trade agreements. Again, although the book claims to be an objective, educational tool, Runge appears to fully support the GATT agreement. As in the previous section, Runge believes countries should rely on side agreements, and not amend the trade agreements directly, to achieve environmental protections. He concludes by stating that the proper means of assessing a dispute would then be through a cost/benefit analysis, weighing all relevant factors.

The Montreal Protocol is briefly discussed in chapter five, titled "Trade Obligations and International Environmental Agreements: The Montreal Protocol," as an example of a successful environmental agreement. The agreement was aimed at reducing Chlorofluorocarbons (CFC's) in the environment as an effort in reducing ozone depletion. Runge cites that the success of the agreement is due to it being imposed in stages over a certain period of time. This would allow developing countries to develop and "catch up" to more developed countries, while cutting back CFC emissions gradually over a number of years. Another important aspect of the agreement is that it pressures other countries to sign by restricting and eventually prohibiting countries from trading the prohibited substances with non-parties.

There is a recognition, however, that the Montreal Protocol appears to be in direct conflict with the GATT articles. Runge refers to several suggestions offered by the Office of Technology Assessment to rectify the situation. First, the conduct should have global environmental effects. The actions of non-parties become extremely relevant because of GATT's global nature, since non-parties will affect, and be affected by, the conduct of those who deplete the ozone layer. Second,

trade burdens should be matched by corresponding restrictions to avoid the free rider problem. Third, the number of parties should be large enough for multilateral participation.

The sixth and final chapter, titled "Implications for Policy" ties the information together, stressing the implications for balancing the trade and environment dichotomy and its effects on world policies. Runge sees two trends: a move toward an integrated world economy and increasing interest in protecting the environment. He stresses a need to balance these interests, because they are so closely intertwined, through changing the structure of international institutions. This change could come about through creating a World Environmental Organization (WEO), led by the United States. Furthermore, Runge mentions that trade agreements themselves should not change, but instead the WEO should develop separate regulations to protect the environment.

Generally, the book is clear and easily understandable. Runge's use of various charts and tables throughout is also very helpful. The book is particularly helpful to those with a limited knowledge of trade issues. As is stated in the beginning, the book's purpose is to educate, not necessarily to provide solutions to problems relating to the differing viewpoints. At certain points, especially during the discussion of NAFTA and GATT, it appears that Runge is not objective; he appears to be a strong supporter of these trade agreements. Nevertheless, Runge argues several strong points in favor of finding a balance between both trade and the environment. There are several effective proposed solutions in the book which merit more research and development, perhaps in a later study.

Bela A. Gary

EUROPEAN RETAILING'S VANISHING BORDERS. By Brenda Sternquist and Madhav Kacker. Westport, Connecticut: Quorum Books, 1994, 232 pp.

European Retailing's Vanishing Borders analyzes the current retailing situation in Europe, providing both a general overview and individual case studies. The book discusses economic, political and legal factors contributing to European retailing's internationalization, changes in the methods of retailing, and future prospects. The European Community (now European Union, or "EU") is emerging as the largest trading unit in the world, with over 20% of all world trade as of January, 1993, and with new members currently joining. The Single European Act of 1987 has harmonized the legal and regulatory systems within the EU. The unification of Germany has created both a formidable power and a new market for retailing in East Germany. Lastly, the Eastern bloc countries have significant market potential as they shed communism.

The authors, Sternquist and Kacker, begin with an overview of the internationalization of retailing. They trace retailing's historical changes and its international progression. Once a retail format proves successful, it attracts international attention and is often imitated abroad. However, the rate of transfer varies depending on legal, economic, political and technological factors. For instance, self-service stores first started in 1912 in California but only reached Europe in 1938, entering through Sweden and Germany. The convenience store format also originated in the United States in 1928, but was only accepted in Europe in the 1970s. Likewise, the fast food industry emerged in the United States and slowly moved to Europe in the 1970s. The discount department store moved more quickly from the United States to Europe in the 1950s and '60s. In the 1980s electronic shopping was born in the United States and has already moved to Europe. Conversely, warehouse food outlets and price clubs first developed in Germany in the 1960s, but only grew in the United States in the 1980s. In addition, Belgium and France established hypermarkets in the 1960s, whereas the United States only adopted them in the 1970s.

The authors then briefly mention the economic rationale behind internationalization, later expanding on the various motivations. Once a retailer is successful domestically, it may develop certain "ownership specific" advantages that will motivate diversification and exploitation of new markets. Such advantages may include unique concepts of business, a distinctive merchandise mixture, innovative products and cost advantages due to vertical integration. (The reader is left to discern that "vertical integration" is when a company acquires control back-

wards, over suppliers or manufacturers of its products, and/or when a company acquires control forwards, over distributors or retailers of its products, as opposed to "horizontal integration" which is when a company acquires companies that are at the same link in the vertical chain as themselves.)

There are many forms by which a retailer can expand abroad. The authors discuss four main ways in which European retailers have internationalized: (1) the Standard Formula Global Approach (SFA); (2) the Growth-Induced International Approach (GIA); (3) the Silent Investor Approach (SIA); and (4) the Limited Role Approach (LRA). The SFA is when businesses, for instance "Gucci" and "Louis Vuitton", choose homogeneity in global markets without regard to geographic and cultural differences. Under the SFA, the international retailer markets the same merchandise, uses the same store atmosphere and advertises in a similar fashion throughout the world. In contrast to the SFA, under GIA, the retailer expands abroad in order to penetrate new markets and enhance profits while adapting its products to the local consumer. While two French companies, Carrefour and Promodès, have utilized this strategy effectively, others have failed to successfully adapt to the host country. A retailer employs SIA when it desires to make a substantial foreign investment in a cash strapped, but advanced operation, but wants to avoid management responsibilities. This approach is used when retail knowledge is particularly advanced in the host country. The SIA was used by European investors in America's Sun Belt states in the late 1970s and early 1980s. The last method is LRA, which enables a retailer to internationalize without acquiring ownership, via minority shareholding, limited participation, management contracts, joint ventures and other forms of networking. For instance GIB (Belgium) has allied with Pizza Hut (United States), FNAC (France), and IKEA (Sweden).

The authors then provide an analysis of the retailing situations in various countries, organized by groups. They begin with the United Kingdom, the Netherlands and Belgium. Retailing is highly regulated in these countries, although the laws are currently under revision. Consumers in these three countries tend to shop frequently for smaller quantities of food, unlike in the United States. Next, Germany and France are presented as having mature, competitive and saturated retailing markets. They both resist foreign labor and will most likely experience labor shortages in the near future. Germany is emerging as the power broker in the EU, both financially and managerially. Germany has new environmental laws which will probably set the standards for products and trade practices within Europe. Spain, Italy, Greece and Portugal have less developed retailing, lagging behind

Northern Europe in modern retailing technology. In addition, they have many more stores per inhabitant, and Italy and Greece still close their stores for an afternoon siesta. Lastly, Czechoslovakia, Hungary and Poland are discussed. They currently lack supermarkets, large department stores and discount stores. Like Eastern Germany, they provide significant market potential as they privatize.

The authors then expand upon Europe's motivations to internationalize, describing four waves. Internationalization began with colonial expansion in the 18th and 19th centuries when the British, French and Dutch established European trading companies abroad. This was mainly to take advantage of new market opportunities, and to serve their former patrons who had moved abroad as well as their respective tourists when visiting.

The second wave was Intra-European expansion in the 20th century, due to a variety of factors. Many retailers were gaining international recognition and clientele. With domestic markets saturating, retailers wanted to explore growth opportunities, higher retail margins and economies of scale. Often times the businesses moved in retaliation to foreign companies entering their domestic markets. Lastly, regulatory measures at home often prompted expansion. For instance, the 1973 Loi Royer Act in France, regulating the expansion of hypermarkets, caused French hypermarkets to move to the United Kingdom, Spain, Germany and elsewhere.

The third wave of transatlantic expansion occurred in the 1970s, mainly towards the United States. The United States provided a devaluated dollar and a stable and prosperous economy. In addition, while most European countries sharply curtail retailing hours of operation and have strict labor laws, the United States offers a less restrictive regulatory atmosphere. Most European retailers chose to expand horizontally into the United States, exposing themselves to less risk and exchanging know-how with the host retailers. For instance, Marks and Spencer (United Kingdom) was able to transfer some of their knowledge regarding private brands, their unique supply system and freshly prepared foods to United States retailers.

The last wave, Pan-European expansion, began in the mid-1980s due to the Single Europe Act, which removed customs delays and border controls. Europeans are currently increasing their cross-border purchases, and the "Euroconsumer" is emerging. Despite cultural diversity, common demographics and lifestyle changes have contributed to the slow but obvious trend toward social and cultural homogenization, creating a Euroconsumer within the EU. Pan-European satellite TV channels and the newspaper media, such as *The European*, enable retailers to advertise to a single Euroconsumer. Many retailers have

chosen this "concentrated internationalization" within Europe, versus widely dispersed global expansion.

In addition, over the past few years, many of Europe's leading retail operations have formed alliances or buying groups. The alliances enhance purchasing power, exploit economies of scale in buying, and develop new sourcing opportunities via collaboration and complementation of one another's individual resources and strengths. Eight such alliances were formed between 1989-1992. While these alliances seem to be increasing, the authors are unsure whether they will continue due to the corresponding hardships involved in cooperation and coordination, and due to the potential for unlawful tie-ins, price collusion, territorial agreements and reciprocal agreements.

The authors also discuss many new opportunities in Eastern Europe as their markets begin to open up. There is a great deal of pent-up consumer demand in these countries, especially in East Germany with a population of 17 million. Most retailers who have already started to expand in the East have done so through joint ventures with appropriate government agencies, and through franchising and licensing.

The authors conclude by predicting increasingly concentrated intra-European retailing and expansion from the west to the east. They also predict Europe will be setting the global trading rules for the next century. Lower fertility rates in Europe have caused a reduction in the labor force, and as a result, the labor resources will be moving from the east to the west. They doubt the emergence of a true "Euroconsumer," a homogenous European with homogenous tastes. However, standardization of technology is occurring, and there is "downwards harmonization" of legal requirements for products, which means the setting of minimum standards, throughout the EU. Their last prediction sees the continued growth of environmentally friendly packaging, private labels and, despite their reservations, also alliances throughout Europe.

European Retailing's Vanishing Borders provides a comprehensive look at European retailers' international expansion, both within Europe and abroad. The individual case studies tangibly illustrate many concepts. However, while providing both general and specific information, the authors presume a knowledgeable reader. It would have been helpful if the authors had defined the terms of art along the way. The lay person may, at times, find the book very specific and technical.

Rachel Korsower

HEALTH OF NATIONS: AN INTERNATIONAL
PERSPECTIVE ON U.S. HEALTH CARE REFORM. By Laurene
A. Graig. Washington, D.C.: Congressional Quarterly Inc., 1993, 215
pp.

The people of the United States have called for national health care reform, yet their call went unanswered by the 103rd Congress, which left its session as the most ineffective Congress in recent history. None of the many proposals that were introduced that term—from incremental change, to a “single-payer” system, similar to the Canadian national health insurance system—was passed. In her book, *Health of Nations*, Laurene A. Graig investigates the health care systems of five countries: Canada, Germany, the Netherlands, Japan, and Britain, in addition to the United States, in search of possible models to turn to when attempting to solve the problems plaguing the American system.

In Chapter 1, Graig describes the world’s health care systems on a continuum ranging between the market-minimized, such as the British system, and the market-maximized, such as the American system. She postulates that all these systems are gradually converging on one another, with more public systems introducing elements of private competition, and private systems considering broad-based change towards more public control. However, these convergences are limited by the particular systems that formulated them initially—thus it is unlikely that the U.S., with its historic fear of over-powerful central government, will ever adopt a purely socialized medicine scheme.

In Chapter 2, Graig examines the particular factors that combine to create the current American health care crises. Graig describes three main contributing factors: increasing costs, declining access, and the difficulty in maintaining quality. Of these, the most important is the skyrocketing costs of health care. She indicates that several corporate forms (big and small business, and organized labor) as well as a majority of the population have called for major reform of the health care system. In response, Graig investigates other nations’ systems to find models for American reform.

Chapters 3 through 7 describe the details of the health care systems that Graig has selected as viable comparisons, beginning with Canada, which is most commonly cited as a possible solution for the United States. Each of these chapters is structured similarly, with emphasis placed on explaining key aspects of each nation’s health care delivery system. These include: the history of the type of system employed, the system itself, health care financing, and the methods of cost control employed. In addition, she details areas of reform within these systems indicative of the “shrinking continuum.” The concept of the

shrinking continuum is that the two extremes of the spectrum collapse in order to realize the most cost effective provision of health care with the highest quality and universal access.

The Canadian system straddles the line between public and private delivery of health care. It provides for universal insurance with additional insurance available, but only for items not covered by the national plan. The hospitals are mainly private, not-for-profit, and the physicians are reimbursed on a fee-for-service basis, but the only payers are the provincial governments. Costs are controlled by various methods, including global hospital budgets developed between each province and their individual hospitals. These budgets also include constraints on technological advancement, which effectively slow the expansion and dependence on costly technologies. Canada also rations the amount of health care available to each individual, one of the greatest fears of U.S. citizens and doctors alike.

In its attempts to deal with the problems of cost control, utilization, and under-funding, Canada is considering introducing some additional elements of privatization into the public/private mix. In particular, there is a possibility of using managed competition, especially in nursing homes and elder care.

The German health care system is based on government intervention in the realms of regulation and oversight, but not in actual operation. Thus, the physicians are in private practice, and the hospitals are independent, not-for-profit organizations. The government roles are: delineating broad legal parameters, acting as the final arbiter in disputes, and financing capital expenditures for hospitals. Universal coverage is achieved through sickness funds, which are nonprofit insurance organizations responsible for collecting premiums through employer payroll and employee taxes. From these moneys, the sickness funds pay providers through a fee schedule. Participation in a sickness fund is mandatory for persons earning less than a specified wage.

One of the advantages of the German system is its extensive cost control measures, which were enacted even without much governmental intervention. These measures include an expenditure cap, with binding limits on physicians. If expenditures exceed the cap, moneys come directly from physicians' pockets, although physicians do have extensive authority in the initial negotiation of the capitated fees. In addition, there is movement towards increasing co-payments for hospital in-patient stays, for some pharmaceuticals, and for dental visits.

The Dutch health care system is similar in many regards to the German system in that both involve the use of sickness funds as a means of ensuring universal coverage. In the Netherlands, the sickness funds are the heart of the system, but are supplemented with three

other methods: private insurance, insurance for persons in public service, and nursing home/long-term care coverage for all. The system is financed through income-based premiums, including contribution from employers. Cost control measures include regulation of physician income and the imposition of a global budget on hospital services.

Graig explains that a plan to reform the Dutch system has been introduced, although not yet passed. This plan would collapse the four-part system into a two-tiered one consisting of compulsory basic and catastrophic coverage, paid for with income-based premiums and flat rates, and voluntary supplemental insurance. The sickness funds would be able to vary the flat rate charged, thereby introducing an element of managed competition into the system. The reform is an attempt to relieve the problem of the most high-risk persons being covered by the public system, while low-risk persons are covered by the private system.

Chapter 6 investigates the Japanese health care provision system. Like the countries previously mentioned, Japan has universal coverage for all of its citizens. Most coverage is supplied by the nation's employers, with a small percentage covered by local government or trade associations. Private insurance is available, but only to cover supplemental items. Mutual aid societies exist for national and local government employees, teachers, and other school personnel. The National Health Insurance covers all remaining citizens: self-employed, unemployed, and retirees.

Japanese patients contribute to the cost of care with considerable co-payments for services, but these are capped and there are no deductibles. Costs are controlled by various measures including fee schedules for all out-patient and in-patient care, with all providers receiving reimbursement according to the procedure-based fee schedule, and regulation of hospital capacity.

Although Japan seems to be an important model for the U.S. because of the role of employers in providing health insurance for their employees, Graig is careful to point out some of the problems with the Japanese system. First, there are few quality incentives, which is of grave concern to Americans. In addition, there is a limited referral network, leading to repetition and over-utilization of services.

The British health system, summarized in Chapter 7, is the most market-minimized of the systems discussed. The central government determines a global budget for care which has resulted in the rationing of health care and the necessity of waiting for care. The National Health Service (NHS) is comprised of three parts: hospital care, primary care, and community/social service/long-term care. The NHS is financed through a general tax revenue and limited co-payments. Hospitals operate under a fixed budget, adjusted yearly for inflation. Pri-

mary care operates under an open budget, determined by demand. The central government funds the social services component.

Some reforms have been introduced into the NHS; the overall goal is to introduce some competition while maintaining centralized control. These reforms include the transformation of some large hospitals into NHS self-governing trusts, and the allotting of separate budgets to some of the large general practitioners. Like those in the Netherlands, these reforms are designed to introduce managed competition into the socialized scheme.

The final chapter summarizes the elements of the United States' health care system, emphasizing the differences between the systems summarized above. The most glaring difference is that the U.S. does not provide coverage that is either universal or comprehensive, and is the only industrialized nation with this ignominious distinction. As a result, the financing of the U.S. system does not spread the cost of health care across the populace. Also, and most importantly, the United States has failed to set any limits on health care expenditures. Other nations have been far more successful in keeping overall health care costs, as a percentage of gross domestic product, far lower than the U.S., mainly due to the stringent cost control measures that form central roles in their health care legislation.

Graig, in *Health of Nations*, has written an amazingly comprehensive overview of the complex systems of health care provision of six nations. The chapters are easy to read, but contain enormous quantities of information. Because they are consistent in form, numerical comparisons are possible across the board. However, it is made clear that many of the numbers, such as infant mortality rates, are not amenable to cross-nation comparison because they can be influenced by many factors including climate, lifestyle characteristics, heterogeneity of the population, and poverty rates. However, Graig neglects to point out that these numbers are also not ripe for comparison because the U.S. health care system does not cover its entire population. The absence of universal coverage in the U.S. contributes to the difficulty in assessing the relevancy of the comparisons as the numbers are not separated into those covered by health insurance and those that are uninsured.

The health care systems that Graig describes are all in a state of flux: the reform proposal that she investigated for the United States in Chapter 8 was not the one that ultimately received the most attention, and none were passed by Congress. However, *Health of Nations* provides an excellent overview for persons interested in comparing the broad outlines of these nations' health care delivery systems.

Elizabeth H. Saindon

ENFORCING RESTRAINT: COLLECTIVE INTERVENTION
IN INTERNAL CONFLICTS. Edited by Lori Fisler Damrosch.
New York: Council on Foreign Relations Press, 1993, 403 pp.

In 1994, when United States Marines patrol the streets of Port-au-Prince and United Nations troops try to maintain order in the chaotic wreckage of what was once the country of Somalia, a scholarly inquiry into the legal justifications for such international forays seems particularly timely. *Enforcing Restraint: Collective Intervention in Internal Conflicts* is just such an inquiry, probing the legal and political dimensions of post-Cold War collective action in internal conflicts.

Through a collection of case studies and essays relating to the major international interventions (both military and economic) of the past several years, the book attempts to define the borders of an evolving global paradigm for justified intervention in response to circumstances that were traditionally considered to be purely internal affairs. *Enforcing Restraint* emphasizes the increasing tension between the classic conception of state sovereignty and the growing influence of humanitarian grounds for international action. The book also addresses the role of global multinational organizations such as the United Nations (UN) and regional organizations such as the European Community (EC) and the Organization of American States (OAS), and critically considers the potential capabilities and limitations of these actors in the changing environment of multinational intervention.

In the first essay, "International Involvement in the Yugoslavia Conflict," James B. Steinberg chronicles the degeneration of Yugoslavia into a bloody ethnic war, and notes the various forms of international intervention which occurred (and failed to occur) in response to that conflict. Steinberg particularly emphasizes the structural inadequacies of various regional organizations — such as the European Community, the Western European Union (WEU), and the Conference on Security and Cooperation in Europe (CSCE) — which frustrated peacemaking attempts. On the global organizational level, the author notes that there was initial reluctance to act at the UN due to fundamental restrictions on UN involvement in "internal matters" (in the absence of consent) under Article 2(7) of the UN Charter. These reservations were later disregarded, with economic sanctions and an arms embargo imposed by the vague reference to the "threat to international peace" authority of Chapter VII of the Charter. The principles of human rights and the right to self-determination were also invoked in justifying UN intervention.

Steinberg concludes with alternative views of the scope for collective intervention. First, Steinberg proposes that in the post-Cold War

world the international community can and must be more actively involved in civil and ethnic conflicts. Steinberg justifies this position with theories of interdependence (where all armed conflicts are potential threats to international peace and security for Chapter VII purposes) or the primacy of civil rights over state sovereignty. Alternatively, Steinberg proposes that conflicts like that in Yugoslavia, while tragic, are too intractable and not sufficiently threatening to international stability as to justify international intervention.

The book's next essay, Jane E. Stromseth's "Iraq's Repression of Its Civilian Population: Collective Responses and Continuing Challenges," is a study of the international intervention to protect Iraqi Kurds and southern Shi'ite Muslims from the military assaults of Saddam Hussein. Stromseth argues that the intervention in Iraq and the document that authorized that intervention, Security Council Resolution 688, were precedential in four ways. First, she claims that intervention showed a willingness by the Security Council to condemn internal repression as a threat to international peace and security, at least when refugees are crossing international borders. Second, the intervention illustrated the preference for conceiving of crises in humanitarian — rather than political — terms. Third, the phrasing of Resolution 688, which lacked any specific invocation of Chapter VII of the UN Charter, showed the reluctance of the Security Council to explicitly authorize the use of force to prevent a state from repressing its own citizens. Fourth, Stromseth argues that the crisis led to institutional reform to make UN responses to humanitarian crises more prompt and effective. The author concludes that while clearer standards for legitimate international intervention are needed and emerging, the ultimate limitations on intervention will be political rather than legal.

The third essay, "The Haitian Crisis and the OAS Response: A Test of Effectiveness in Protecting Democracy" by Domingo E. Acevedo, is particularly timely. Acevedo discusses the role played by regional organizations such as the Organization of American States in sanctioning or organizing international interventions. The article highlights the distinctions and relations between global and regional organizations, in terms of authority and potential enforcement mechanisms. The same tension between state sovereignty and human rights is again raised, with Acevedo putting forth the argument that sovereignty emanates from the citizens of a nation, and hence that it is not a violation of a nation's sovereignty to take collective steps to guarantee the fundamental liberties of those citizens. Acevedo discusses the need for collective, rather than unilateral, action and emphasizes the belief that democracy is "the fundamental, irreducible common denominator from which all other basic individual rights flow."

David Wippman's article, "Enforcing the Peace: ECOWAS and the Liberian Civil War," traces the history of Liberia's descent into civil war and anarchy, and illustrates the potential role a subregional international organization can play in collective intervention. The experiences of the Economic Community of West African States (ECOWAS) during controversial "peacekeeping" duties in Liberia suggest several lessons to Wippman. First, Wippman claims that regional organizations may have both the capacity and the incentive to intervene in local conflicts when the larger nations which control the global international organizations choose not to act. Second, Wippman asserts that the international community tolerates, or even supports, intervention in internal conflicts when it is necessary to save lives, even where traditional legal authority may be lacking. Third, the article notes a reconsideration of traditional African hostility to intervention in internal affairs, and a recognition by African states that internal conflicts create international crises through refugee flows and spreading violence across international borders. Finally, the article makes the point that it is easier to begin an intervention than it is to conclude one.

In the book's fourth article, Jeffrey Clark offers a blistering criticism of the international community's reaction to humanitarian crisis in his article "Debacle in Somalia: Failure of the Collective Response." In evaluating their responses to the civil war and massive famine in Somalia, Clark blasts international donor states, the UN, and the United States — the donors for failing to meet established expectations, the UN for failing to provide even a functioning presence, and the United States for keeping Somalia off the Security Council agenda until the state had already deteriorated utterly. In contrast to this polemic tone, Clark heaps praise upon private relief agencies that worked heroically to avert human disaster in a vacuum of international neglect. Clark concludes with calls for greater accountability in international responses to humanitarian tragedies.

The role of the UN in the rebuilding of the failed Cambodian state is the topic of Steven R. Ratner's article, "The United Nations in Cambodia: A Model for Resolution of Internal Conflicts?" Ratner discusses the potentially sweeping authority granted to the UN for the purpose of maintaining peace and preparing the politically neutral environment necessary for fair and free election of a new government. The article also acknowledges the tension between this grant of power to the UN and traditional conceptions of sovereignty. Ratner appraises the viability of the Cambodian model as a model for UN conservatorship over other failed states, with consideration given to concerns of consent, neo-colonialism, duration and cost. He concludes with discussion of the need for a coherent method of international response to the special

problems of failed states.

Unlike the preceding portions of the book, the final two chapters of *Enforced Restraint* are generalized essays rather than individual case studies. Lori Fisler Damrosch's essay, "The Civilian Impact of Economic Sanctions," sets forth two criteria for determining whether and how to adopt a program of collective economic sanctions. The first is conflict containment; the second is differentiation in impact on civilians and wrong-doers, judged both absolutely and comparatively. Damrosch also discusses the linkages between economic sanctions and human rights or humanitarian concerns. The article concludes with a call for principles, asking that like cases be treated alike rather than evaluated on a variable political basis.

Tom Farer's essay, "A Paradigm of Legitimate Intervention," ties together the pervasive themes of the case studies. Farer deals historically with the interplay between the right of self-determination, unilateralism, the legal grounds for legitimate intervention, the role of global and regional organizations, and the nature of modern sovereignty.

As a collection and summary of international interventions, *Enforcing Restraint* is a useful and intriguing work; in terms of defining specific developments in international law, the book is somewhat less successful. Any such shortcomings in *Enforcing Restraint* are, however, best attributed to the nebulous and policy-driven nature of the inquiry rather than any failings of the authors or editors.

Jeffrey M. Yeatman