The past twenty years have seen global regulatory leadership shift from the United States to the European Union.

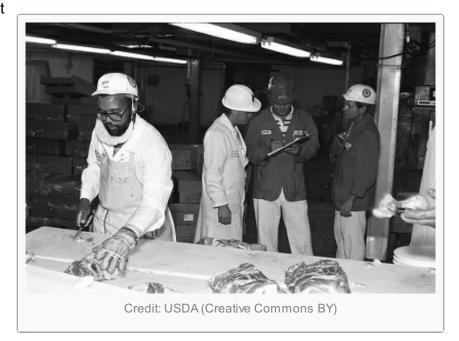
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For most of the post-war period, the US was the leader in comprehensive and innovative risk regulations. But the last two decades have seen the EU adopt far more stringent regulations than the US, meaning that every global firm must now take European standards and regulatory requirements into account in designing its products. David Vogel argues that this regulatory shift is down to public demands for regulation in Europe, more partisan positions towards regulation in the USA, and the EU's adoption of the precautionary principle.

Between 1960 and 1990, American risk regulations tended to be more innovative, stringent, and comprehensive than those adopted by European countries as well as the EEC. But during the last two decades, the EU has adopted a wide range of more stringent risk regulations than has the US. For example, the EU has banned both milk and beef hormones as well as antibiotics in animal feed – all of which are permitted in the US. The EU has also established more restrictions on agricultural biotechnology than has the US. The EU has imposed more extensive restrictions on greenhouse gas emissions than has the US, where the risks of global climate change are still a focus of heated partisan debate. European chemical testing requirements are also now much more stringent than in the US. My recent book, The Politics of Precaution: Regulating Health, Safety and Environmental Risks in Europe and the United States, (Princeton University Press) describes and explains this important shift in the transatlantic politics of risk regulation.

The EUs global regulatory leadership is not only due to the relative stringency of many of its standards, but to the fact that with its expansion to central Europe, it is now the world's largest market. This means that every global firm must take European standards and regulatory requirements into account in designing its products, since if it can be sold in Europe, it can be sold anywhere. In addition, the EU has become a global normative power, with many other countries following its regulatory lead with respect to climate change, agricultural biodiversity and safety, chemical testing, the inclusion of hazardous materials in electronic products, and cosmetic safety.

The EUs global regulatory leadership, especially vis-à-vis the United States, can also be seen in the pattern of global treaty



ratification. Political regimes tend to support international agreements that are consistent with their domestic regulatory policies. This is why the EU, but not the US has ratified the Basel Convention on Hazardous Wastes Exports, the Biodiversity Convention, the Kyoto Protocol, the Cartagena Protocol on Biosafety and the Stockholm Convention on Persistent Organic Pollutants. Significantly, each of these treaties or agreements has been ratified by scores of other countries, again reflecting the scope of the EU's global regulatory leadership.

There are three primary factors that explain the systematic divergence in regulatory stringency that has taken

place across the Atlantic. The first is the extent, scope, and intensity of public demands for more extensive and stringent risk regulation: these public pressures have increased in Europe since around 1990, but declined in the U.S. It has been easier in Europe and harder in the US for "alarm bells" about new risks to attract public attention.

The second factor is linked to the preferences of policymakers. In the US risk regulation has become more polarized along partisan lines. This has meant that the electoral successes of the Republican Party have made it much more difficult for new regulatory laws to be adopted. By contrast, the governing bodies of the EU, namely the Commission, the Council and the European Parliament have been much more supportive of additional protective regulation.

Third, while American courts and administrative procedures have increased the level of scientific proof or certainty necessary before new controls on business products can be approved, the EU's adoption of the precautionary principle has facilitated the ability of European regulations to impose regulations in the face of scientific uncertainty.

It is difficult to generalize about the respect merits or shortcomings of the current European and American approaches to risk regulation. What one can conclude is that to the extent the public is harmed by insufficient regulation, then Americans are disadvantaged, and to the extent that they are harmed by too stringent regulation, then Europeans are disadvantaged.

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On 10 May, David Vogel spoke at the LSE Event 'Precautionary Politics: explaining the shift in global regulatory leadership from the United States to Europe'. <u>The podcast for the event is now available.</u>

Note: This article gives the views of the author, and not the position of EUROPP – European Politics and Policy, nor of the London School of Economics.

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David Vogel is the Solomon P Lee Distinguished Professor of Business Ethics, Haas School of Business, and Professor of Political Science at the University of California, Berkeley. David Vogel's research focuses on business-government relations with a particular emphasis on the comparative and international dimensions of environmental and consumer regulation. He also writes on corporate social responsibility, and religion and environmentalism. Vogel teaches classes on environmental policy, and business ethics and corporate responsibility. His most recent books are *What's the Beef? The Contested Governance of European Food*

Safety (co-editor Chris Ansell) MIT Press, 2006) <u>The Market For Virtue: The Potential And Limits Of Corporate Social Responsibility</u>, (Brookings Institution Press, 2005), and <u>Politics of Precaution: Regulating Health</u>, <u>Safety and Environmental Risks in Europe and the United States</u> (Princeton University Press 2012).

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