Review of David Robertson, *International Economics and Confusing Politics*, Cheltenham UK, Edward Elgar Publishing, Inc., 2006, 230pp.

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Good economics and good politics are often at odds. This is the main message of David Robertson's *International Economics and Confusing Politics*. According to Robertson, the International Monetary Fund (IMF), World Bank, General Agreement on Tariffs and Trade (GATT) and World Trade Organization (WTO) have come under increasing political pressure to change their responsibilities, organizational structures and goals. These pressures come from a variety of sources including non-governmental organizations (NGOs), self-promoting United Nations' (UN) agencies and shifting national alliances. The interplay of these forces constrains the effectiveness of the aforementioned international organizations and trade agreements while hampering economic progress and development.

Robertson identifies NGOs as the major force influencing economic policies and outcomes. Utilizing the political apparatus, these organizations manipulate political and economic outcomes in the pursuit of their own narrow goals, which usually include some mix of environmental, labor and social standards. Like other special interest groups, NGOs narrowly concentrate benefits on their members while dispersing the associated costs across a wide array of economic actors. At the international level, the costs associated with NGO behavior are spread to citizens around the world, including those in the poorest countries.

Robertson also emphasizes the contradictions in the positions promoted by NGOs. For instance, many NGOs call for more international aid and financing while simultaneously demanding stringent environmental and labor conditions on development projects prior to funding approval. Meeting these conditions slows the funding process and occasionally leads to projects remaining unfunded.

This example highlights the general reality that many NGOs are willing to tradeoff policies and programs that foster economic development in the poorest countries of the world in order to purse their own narrow interests. The lobbying pressure from NGOs also contributes to the persistence of trade policies in developing countries which hinder economic development. For example, many NGOs promote the belief that free trade is fundamentally at odds with environmental protection and social justice. As such, they lobby the governments of developing nations to maintain, and even increase, protectionist measures which constrain economic progress.

To be clear, Robertson is not opposed to civil society. Rather, he clearly recognizes that civil society is an important aspect of any free and prosperous society. This does not mean that any and all civil society organizations contribute to economic development. To clarify this point, Robertson draws on the distinction between "operational" NGOs, which provide voluntary assistance in the traditional sense of civil society, and "advocacy" NGOs, which focus on political lobbying for specific issues. It is the latter which have significantly harmed developing countries through their special interest behavior.

NGOs also influence the operations of the United Nations. An array of relationships have developed between NGOs and self-promoting agencies within the UN. UN agencies are prohibited from directly lobbying national governments to approve or adopt certain programs or policies. However, NGOs are able to lobby governments. As such, it has become common for UN agencies to informally partner with NGOs to further their own agendas. This partnership allows NGOs to influence UN programs in the pursuit of their own goals.

In addition to the adverse influence of NGOs, Robertson also carefully considers the impact of the changing nature of world affairs on the international economy. Changes in alliances and the rise of new international players pose yet another challenge to the effectiveness of international economic organizations and agreements. For example, as the European Union has increased in size and economic strength, the differences between its philosophy toward social and economic policies and that of the U.S. has become increasingly evident. Further, emerging economies increasingly attempt to influence international economic outcomes, often by seeking preferential treatment. In many cases, these emerging countries are influenced by NGOs as discussed above. The dynamics of these alliances and emerging countries pose additional challenges to the existing international structure.

The biggest issue with *International Economics and Confusing Politics* is that it fails to incorporate existing literature from public choice economics. The public choice revolution of the 1950s overturned the romantic view of politics. Prior to the writings of public choice theorists, led by James Buchanan and Gordon Tullock, it was assumed that individuals in the public sector benevolently pursued the "public interest." Buchanan and Tullock called for the symmetry of behavioral assumptions when analyzing public sectors. This means that the assumption that private actors are self-interested should be extended to actors in the public sector as well.

This omission is especially problematic because Robertson provides a public choice analysis of international organizations and alliances while excluding the most important literature in this field. His core argument is that many NGOs and political commentators act under the assumption that globalization involves self-interested actors while politics and NGO lobbying is benevolent and other-regarding. Robertson's point is that the public actors and

NGOs are just as self-interested as private economic actors. NGOs often pursue their own narrow interests at the expense of a large number of citizens in developing countries.

When viewed through the lens of public choice, the politics involved in international economic relations is not as confusing as Robertson would have us believe. Instead, public choice theory suggests that we should expect special interest groups to utilize the political apparatus to secure benefits for their members while dispersing the costs to others. Given the entrenched interest groups identified by Robertson, the effectiveness of international organizations such as the IMF and World Bank will ultimately depend on the development of rules and constraints which limit the ability of interest groups to perversely influence international economic outcomes. Unfortunately, while recognizing that reforms are necessary, Robertson does not provide much insight with regards to how they can be achieved, if at all.

In conclusion, *International Economics and Confusing Politics* is an important analysis of the various forces and actors influencing international economics. David Robertson does an excellent job identifying and analyzing the various parties involved in shaping the international economy. By reiterating the importance of free trade and indigenous institutions for sustainable economic development while simultaneously emphasizing the perverse impact of many NGOs, Robertson provides important insight into the costs of protectionist policies and the anti-globalization movement.