Review of International Political Economy ›
Volume 17, 2010 - Issue 4: Market Regulation

INTRODUCTION

Governing lipitor and lipstick: Capacity, sequencing, and power in international pharmaceutical and cosmetics regulation

David Bach & Abraham L. Newman

Pages 665-695 | Published online: 04 Oct 2010

Cite this article https://doi.org/10.1080/09692291003723706

ABSTRACT

Over the last three decades, the pharmaceutical and cosmetics industries have become increasingly global. To ensure product safety and consumer protection, regulators in leading markets have applied domestic rules extraterritorially and have joined forces to harmonize rules through transgovernmental cooperation. Yet whereas the United States has long been the dominant player in international market regulation of pharmaceuticals, the European Union has decisively shaped global rules for cosmetics. What explains differences in agenda setting power across the two closely-related industries? We compare and contrast the expectations of a realist account focused on market size and a liberal functionalist argument centered on the role of market friction with a historical institutionalist explanation stressing the relative sequential development over time of domestic regulatory capacity in leading markets. The empirical evidence shows that domestic regulatory institutions systematically shape

international market regulation. Historical institutionalism provides an important complement to existing transgovernmental research, offering clear expectations for the origins of and terms of influence within such cooperation. More generally, it opens up a rich toolbox for the analysis of industry-level global market governance, which affects the daily lives of many millions of consumers.

KEYWORDS:

Sequencing | transgovernmental politics | regulatory capacity | historical institutionalism | pharmaceuticals | cosmetics

ACKNOWLEDGEMENTS

This paper has benefitted tremendously from workshops at Temple University, Georgetown University, and UC Berkeley, that led to this special issue; we would like to thank all participants as well as the sponsoring institutions. In particular, we would like to acknowledge the extremely helpful comments and suggestions on various earlier drafts from Adriana Brown, Tim Büthe, Richard Deeg, Dan Drezner, Henry Farrell, Orfeo Fioretos, Kate McNamara, Craig Pollack, Elliot Posner, David Vogel, Steve Vogel, Steve Weber, and John Zysman. Earlier versions were also presented at the Annual Meeting of the International Studies Association, San Francisco, March 26–28, 2008 and the Joint Session of the European Consortium for Political Research (ECPR), Lisbon, April 14–19, 2009. Part of this research was supported by a Spanish Ministry of Science and Innovation grant (ECO2008-01527).

Notes

1 Many issues shape international markets for pharmaceuticals and cosmetics. This paper focuses on the fundamental decision of whether to allow a product to enter the consumer market and the safety standards that producers must follow during production.

2 This argument draws on historical institutional work such as Zysman (1994) and Thelen (2004).

3 Jurisdictions can consciously build-up regulatory capacity, as happened during the period of telecommunications liberalization, but such build-up does not happen overnight. See (Vogel, 1996; Gilardi, 2002).

4 The paper focuses on structural power embodied in regulatory capacity and not the underlying preferences of the lead regulators. For an examination of preferences see (Singer, 2007).

5 A growing rationalist literature on the design of international institutions considers these questions. See (Koremenos, Lipson and Snidal, 2001).

6 This transposes sequencing arguments developed in the comparative setting to international issues. See (Posner, this issue; Newman 2008b; Pierson, 2004).

7 IMS Health, 2004. IMS World Review. Norwalk, CT.

8 The World Health Situation. Geneva: World Health Organization. Chapter 3.

9 See www.ich.org.

10 See “EMEA inspections growing, get tougher than FDA audits, Wyeth exec says,” Warning Letter Bulletin, 12 July 2004.

11 See (Henney, 2001).

12 International Accord on Drug Testing Standards Will Delete LD50 Animal Testing Requirements, F-D-C REP. (“The Blue Sheet”), Nov. 20, 1991, at 9.

13 Data are taken from presentations made in April 2004 and April 2007 by Euromonitor.

14 Data are taken from presentations made in April 2004 and April 2007 by Euromonitor.

15 Author interview with an industry spokesperson. Brussels, 2007.

16 See Shefali Srinivas, “Tougher Regulations for Cosmetics Next Year.” Straits Times, November 22, 2007.

17 See the ASEAN Cosmetics Association at http://www.aseancosmetics.org/default.

18 See Laurel Naversen Geraghty, “Should You Worry About the Chemicals in Your Makeup?” The New York Time, July 7, 2005.

19 On the issue of preference formation, see (Fioretos, this issue).

Dominance, Dependence, and Political Power: Tethering Technology in the 1980s and Today
Source: International Studies Quarterly
Globalization, harmonization, and competition: the different pathways to policy convergence
Source: Journal of European Public Policy
Emergent Patterns in the Regulation of Pharmaceuticals: Institutions and Interests in the United States, Canada, Britain, and France
Source: Journal of Health Politics Policy and Law
Building Transnational Civil Liberties: Transgovernmental Entrepreneurs and the European Data Privacy Directive
Source: International Organization
All Politics Is Global
Source: Unknown Repository
The second face of hegemony: Britain's repeal of the Corn Laws and the American Walker Tariff of 1846
Source: International Organization
Regulating Europe
Source: Unknown Repository
Regional Sales of Multinationals in the World Cosmetics Industry
Source: European Management Journal
Toward World Antitrust and Market Access
Source: The American Journal of International Law
Theories and Empirical Studies of International Institutions
Source: International Organization
Diplomacy and domestic politics: the logic of two-level games
Source: International Organization
Global Business Regulation
Source: Unknown Repository
“Let's Argue!”: Communicative Action in World Politics
Source: International Organization
Trading risks for markets: the international harmonisation of pharmaceuticals regulation
Source: Health Risk & Society
All Politics Is Global
Source: Unknown Repository
Governance in a Global Economy: Political Authority in Transition
Source: Political Science and Politics
Pharmaceuticals, the state and the global harmonisation process
Source: Australian Health Review

The Forging of Bureaucratic Autonomy

Source: Unknown Repository

Ruling the Waves

Source: Science

International Drug Regulation

Source: Annual Review of Public Health

Globalization in the 21st Century

Source: Unknown Repository

The Architecture of International Cooperation: Transgovernmental Networks and the Future of International Law

Source: SSRN Electronic Journal

Making Rules for Global Finance: Transatlantic Regulatory Cooperation at the Turn of the Millennium

Source: International Organization

Why States Act through Formal International Organizations

Source: Journal of Conflict Resolution

The International Politics of Harmonization: The Case of Capital Market Regulation

Source: International Organization

Protectors of Privacy

Source: Unknown Repository

The Rational Design of International Institutions

Source: Unknown Repository

Trading up: Consumer and Environmental Regulation in a Global Economy

Source: Foreign Affairs

Related research