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broader grants of power to regulate particular sectors of the economy "in the public interest." The last time the Supreme Court used the non-delegation doctrine was in 1935, when in *Schechter Poultry* it held the delegation in the National Industrial Recovery Act unconstitutional.

The doctrine against delegation unraveled because the practical case for allowing regulatory discretion is overwhelming. Contrary to Kingdon's findings concerning the limited role of executive-branch bureaucrats in agenda setting, few students of regulation would deny that agencies, in their area of competence, are important participants in the agenda-setting process. For example, the Federal Communications Commission (FCC) began allowing competition to the American Telephone and Telegraph Company (AT&T) in long-distance communications in the late 1950s, several years before pro-competitive deregulation acquired widespread political support in Washington. Also other regulatory commissions played a leading role in the reversal of traditional regulatory policy in America, such as the Civil Aeronautics Board (CAB), the Interstate Commerce Commission (ICC), and the Securities and Exchange Commission (SEC). The CAB not only succeeded in bringing about an almost complete deregulation of the airline industry: even more significantly, its chairman Alfred E. Kahn persuaded Congress to abolish the agency. The ICC did not ask to be abolished, but its staff dropped from 2,000 in 1976 to 1,300 in 1983. Finally, the SEC was a major shaper of the agenda of financial deregulation, especially in securities markets, in the 1970s. In all these cases the chairmen provided powerful leadership in bringing about policy change. This may seem surprising given the collegial nature of the agencies. In fact, after organizational reforms in the 1950s and 1960s, the chairpersons have emerged as the chief executives and dominant figures. As chief executives they expect, and are expected by others, to have a well-defined agenda, and to measure their success by the amount of the agenda they accomplish (Derthick and Quirk 1985, 65).

Perhaps even more surprising was the fact that the staffs of these regulatory commissions actively supported, or at least did not oppose, the pro-deregulation stance of their superiors, even when the consequences of the new policy for the size of the staff and even for the survival of the organization were apparent. It has been suggested that this open-mindedness may be due to the rise of professional policy analysts and regulators, using widely shared standards of argument and problem-solving styles, and to the growing influence of public interest groups, both of which factors balance the influence of bureaucratic ideologies and traditional patterns of behavior. These examples suggest that when American regulators enjoy the support of the courts, of key committees and subcommittees of Congress, and of academic and public opinion, they can be quite important in setting the national agenda, even against the resistance of the regulated industries and of important elements of the executive branch, including the president—for instance, President Reagan as well as the Departments of Defense and Commerce were opposed to the divestiture of AT&T. According to Derthick and Quirk (1985, 91) the regulatory commissions "served as vehicles for converting the disinterested views of experts into public policy, even if the expert views had originated largely as criticisms of their own conduct."

Also in Europe regulators play an increasingly significant role in setting the national agenda in their area of competence (Majone 1996*b*).

3. Prioritizing the Agenda

The systematic study of agenda setting has been greatly facilitated by a number of analytic distinctions, such as that between visible and hidden participants, between agenda setting and alternative specification, or between the governmental agenda and the decision agenda. Another important distinction—between agenda setting and the setting of priorities within a given, or potential, agenda—is the subject of the present section. The significance of the distinction lies in the fact that it may not be good enough for a policy proposal to get onto the decision agenda; even more important is that the proposal should occupy a high position on the agenda. Resource limitations—time, money, personnel, or expertise—usually make it necessary to define priorities within the decision agenda. The notion of priority stems from the commonsense proposition that one should do first things first. From a normative viewpoint, a rational setting of priorities implies that the opportunity costs of alternative proposals are duly taken into account; see below.

Microeconomics has a clear rule for the optimal allocation of resources among different activities: at the margin, the return should be the same across all agenda items. The consistent implementation of this rule in a political–bureaucratic context presents formidable difficulties, but if the stakes are high enough second-best solutions are likely to be found, sooner or later. This may require a good deal of learning about the implications of different criteria and decision rules. That such policy learning is possible is shown by the example of how American courts gradually induced regulators to accept the need for rational priority setting in risk regulation. As already noted in the introduction, a key role in this learning process was played by the "significant risk" doctrine. In order to appreciate the innovative character of this doctrine, however, it is necessary to consider the older approach to risk regulation: the least-feasible-risk criterion.

According to this criterion, human exposure to health risks should be reduced to the lowest possible level. This is a sort of second-best rule. The first-best regulatory policy would be one that ensures a risk-free working and living environment, but because of technical and economic constraints a risk-free environment is unattainable; hence the need of a second-best rule. Thus, Section 6(b)(5) of the 1970 US Occupational Safety and Health Act directs the Occupational Safety and Health Administration (OSHA), in regulating worker exposure to toxic substances, to set standards that "most adequately assure, *to the extent feasible*, . . . that no employee will suffer material impairment of health or functional capacity even if such employee has regular exposure to the hazard . . . for the period of his working life"

(emphasis added). Trade union representatives claimed that this instruction obliged OSHA to mandate the use of whatever available technology an industry could afford without bankrupting itself. Federal courts generally upheld OSHA's standards based on the least-feasible-risk criterion. One striking exception was the benzene standard, which reduced the occupational exposure to this carcinogen from 10 parts per million (ppm) to 1 ppm. In the case *American Petroleum Institute* v. *OSHA* (1978), the Fifth Circuit Court of Appeals held the regulation invalid on the ground that the agency had not shown that the new exposure limit was "reasonably necessary and appropriate to provide safe or healthful employment" as required by the statute. Specifically, the court argued that OSHA had failed to provide substantial evidence that the benefits to be achieved by the stricter standard bore a reasonable relationship to the costs it imposed. The agency, the court reasoned, "must have some factual basis for an estimate of expected benefits before it can determine that a one-half billion dollar standard is reasonably necessary" (cited in Mendeloff 1988, 116–17). What was required was some sort of quantification of benefits as a necessary step to carry out a benefit–cost test of the new standard. Without a quantification of risk, and hence of the expected number of lives saved by the regulation, it is impossible to weigh the benefits against the costs. Unlike other agencies such as the Environmental Protection Agency (EPA) and the Food and Drug Administration (FDA), OSHA had always maintained that quantitative risk analysis is meaningless. OSHA's reluctance to follow the example of the EPA and the FDA reflected trade union pressures, combined with staff preferences for protection to override any interest in the use of more analytic approaches. It was feared that if the agency performed quantitative risk assessments (QRAs), these might be used as a weapon by those who opposed strict standards. On the other hand, an agency like EPA, with a much broader mandate, was aware that not every risk could be reduced to the lowest feasible level.

The Fifth Circuit Court's decision stunned OSHA's leaders, who viewed it as a total challenge to their regulatory philosophy and to their idea of the agency's mission (Mendeloff 1988, 117). They decided to appeal the decision. In *Industrial Union Department (AFL-CIO)* v. *American Petroleum Institute* (1980), a badly split Supreme Court—the nine justices issued five separate opinions—upheld the Fifth Circuit's decision, but not all parts of its argument; in particular, it expressed no opinion about the requirement of a cost–benefit assessment. Justice Powell, concurring in part and concurring in the judgement, did however note that "a standard-setting process that ignored economic considerations would result in a serious misallocation of resources and a lower effective level of safety than could be achieved under standards set with reference to the comparative benefits available at a lower cost" (cited in Mashaw, Merrill, and Shane 1998, 815). Expressing the view of a four-judge plurality (in a separate opinion, Justice Rehnquist provided the fifth vote for overturning the standard) Justice Stevens explicitly rejected the lowest-feasible-risk approach: "We think it is clear that the statute was not designed to require employers to provide absolute risk-free workplaces whenever it is technologically feasible to do so, so long as the cost is not great enough to destroy an entire industry. Rather, both

the language and structure of the Act, as well as its legislative history, indicate that it was intended to require the elimination, as far as feasible, of *significant* risks of harm" (cited in Graham, Green, and Roberts 1988, 100; emphasis added).

In other words, zero risk cannot be the goal of risk regulation. Justice Stevens insisted that "safe" is not the same as risk free, pointing to a variety of risks in daily life—ranging from driving a car to "breathing city air"—that people find acceptable. Hence, before taking any decision, the risk from a toxic substance must be quantified sufficiently to enable the agency to characterize it as significant "in an understandable way." From the government's carcinogenic policy the agency had concluded that in the absence of definitive proof of a safe level, it must be assumed that *any* level above zero presents *some* increased risk of cancer. But, the justices pointed out that, "In view of the fact that there are literally thousands of substances used in the workplace that have been identified as carcinogens or suspect carcinogens, the Government's theory would give OSHA power to impose enormous costs that might produce little, if any, discernible benefit" (cited in Mashaw, Merrill, and Shane 1998, 813). Since the government's generic carcinogen policy provided no guidance as to which substances should be regulated first, an important merit of the significant risk doctrine was to raise the crucial issue of regulatory priorities. Most risks are regulated in response to petitions or pressures from labor unions, public health groups, environmentalists, and other political activists, with little analysis by the agency of other possible regulatory targets. Given that resources are always limited, the real (opportunity) cost of a safety regulation is the number of lives that could be saved by using the same resources to control other, perhaps more significant risks. By requiring OSHA to show significant risk as a prelude to standard setting, the justices were insisting on some analysis in priority setting: regulatory priorities should be directed toward the most important risks—which are not necessarily those that are politically most salient.

The significant risk doctrine places a higher analytical burden on regulators than the lowest-feasible-risk approach. Not all potential risks are treated equally; only those substances shown to pose a significant risk of cancer will be regulated, focusing limited agency resources on the most important health risks. In addition, the doctrine, without requiring a formal analysis of benefits and costs, does place a constraint on the stringency of standards. If exposure to a carcinogen is reduced to the point that the residual risk is insignificant, then no further tightening of the standard is appropriate (Graham, Green, and Roberts 1988, 103–5). *Industrial Union Department (AFL-CIO)* v. *American Petroleum Institute* is a landmark case also from the point of view of the methodology of risk analysis. The US Supreme Court not only confirmed the legitimacy of quantitative risk assessment; it effectively made reliance on the methodology obligatory for all American agencies engaged in risk regulation. In most subsequent disputes over regulatory decisions to protect human health, the question has not been whether a risk assessment was required but whether the assessment offered by the agency was plausible. The reasoning that led to the significant risk doctrine may be particularly instructive for those national or supranational regulators that still follow something like the least-feasible-risk criterion and

hence are reluctant to accept the need for setting rational regulatory priorities. For example, it can be shown that the precautionary approach adopted by the European Union is equivalent to that criterion, with the same negative implications for the setting of rational priorities within the regulatory agenda of the EU (Majone 2003).

4. Agenda Setting in the Era of Globalization

Growing economic and political interdependence among nations affects the substance and procedures of national policy making, including of course the agenda-setting process. The question which concerns us here is whether it is true that deepening economic integration must result in a more constrained national agenda, and thus in fewer channels for the expression of democratic preferences. An alternative hypothesis is that deepening economic integration may actually improve the quality of policy making by making national leaders more aware of the international impacts of their decisions, more willing to engage in international cooperation, and more open to ideas and suggestions coming from their foreign counterparts, from international institutions, and from non-governmental organizations. It is clear that in an integrating world economy the effectiveness of certain policy instruments may be seriously eroded. For example, the greater the degree of openness of a national economy, the less effective Keynesian demand management will be as an instrument of domestic stabilization policy. This is because some portion of any additional government expenditure will be spent on imports from the rest of the world, so that some of the demand-creating effect of the expenditure is dissipated abroad.

The obsolescence of particular policy instruments or approaches does not, however, imply that democratic polities are no longer able to satisfy the demands of their citizens, as some critics of globalization maintain. In fact, the demand for more transparency in public decision making, the search for new forms of accountability, and the growing reliance on persuasion rather than on traditional forms of governmental coercion can be shown to be related, at least in part, to growing economic and political interdependence (World Bank 1997; Majone 1996*a*). Moreover, it is sometimes possible to transfer policy-making powers to a higher level of governance, so that what can no longer be done at the national level may be achieved through international cooperation. These, then, are the two polar positions to be discussed in this section: on the one side, the "diminished democracy" thesis, according to which international economic integration, absent a world government, inevitably results in a restricted national policy agenda; on the other side, the more optimistic view which sees international integration and cooperation as an opportunity not only to expand

the scope of consumer choice, but also to enrich the national agenda. Globalization, i.e. international economic integration, certainly imposes constraints on national policy makers, but these often turn out to be more enabling than limiting. I conclude that future studies of agenda setting will have to pay much more attention to exogenous influences on national agendas.

4.1 The Diminished Democracy Thesis

According to a familiar result of international economics known as the Mundell–Fleming theorem or, more informally, the "open-economy trilemma," countries cannot simultaneously maintain an independent monetary policy, capital mobility, and fixed exchange rates. If a government chooses fixed exchange rates and capital mobility it has to give up monetary autonomy. If it chooses monetary autonomy and capital mobility, it has to go with floating exchange rates. Finally, if it wishes to combine fixed exchange rates with monetary autonomy it has to limit capital mobility (Lindert and Kindleberger 1982). Harvard economist Dani Rodrik has argued that the open-economy trilemma can be extended to what he calls the political trilemma of the world economy (see Fig. 11.1). The elements of Rodrik's political trilemma are: integrated national economies, the nation state, and "mass politics," i.e. a democratic system characterized by a high degree of political mobilization and by institutions that are responsive to mobilized groups. The claim is that it is possible to have at most two of these things. To quote Rodrik: "If we want true international economic integration, we have to go either with the nation-state, in which case the domain of national politics will have to be significantly restricted, or else with mass politics, in which case we will have to give up the nation-state in favor of global federalism. If we want highly participatory political regimes, we have to choose between the nation-state and international economic integration. If we want to keep the nation-state, we have to choose between mass politics and international economic integration" (Rodrik 2000, 180).

Politics would not necessarily shrink under global federalism since economic power and political power would then be aligned: all important political and policy issues would be treated at the global level. A world government is not in the domain of the politically possible, now or in the foreseeable future, but the price of maintaining national sovereignty while markets become international is that politics has to be exercised over a much narrower range of issues: "The overarching goal of nation-states . . . would be to appear attractive to international markets . . . Domestic regulations and tax policies would be either harmonized according to international standards, or structured such that they pose the least amount of hindrance to international economic integration. The only local public goods provided would be those that are compatible with integrated markets" (Rodrik 2000, 182).

In essence, this is the diminished democracy thesis which has found wide, if uncritical acceptance among critics of international (or even regional, e.g. European)

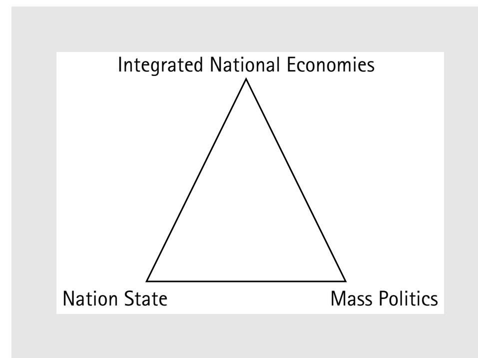

Fig. 11.1. Rodrik's political trilemma

(*Source*: Rodrik 2000, 181)

integration. The core of this thesis is an argument about the declining ability of democratic policy makers to produce public policies that depart from market-conforming principles. Typical of this school of thought is the assertion that "European economic integration has significantly reduced the range of policy instruments available, and the range of policy goals achievable, at the national level. To that extent, the effectiveness as well as the responsiveness of government, and hence democratic legitimacy, are seen to have been weakened" (Scharpf 2001, 360). However, numerous empirical studies cast serious doubts on the accuracy of any simple correlation, much less a causal link, between increasing economic integration and a "diminished democracy" syndrome. Thus, a recent econometric analysis using annual data from 1964 to 1993 for sixteen OECD countries finds little evidence that international capital mobility exerted systematic downward pressure on the public sector, the welfare state, and the provisions of public goods (Swank 2001).

According to another version of the diminished democracy thesis, capital becomes more footloose because of increasing economic integration and, as a result, countries begin to compete to attract it by cutting their tax rates. The process may reach a point where a country is forced to provide a lower level of public services than its citizens would otherwise wish. Given this scenario, tax harmonization seems a reasonable proposition. At a minimum, if tax cutting is matched by all nations, no country gains a comparative advantage. In fact, one observes relatively little tax harmonization, even among countries whose economies are undergoing a process of deep integration, such as the members of the European Union. It has often been predicted that a failure to harmonize taxation in the EU will result in destructive competition among member states which will ultimately undermine Europe's generous welfare systems, but after fifty years of European integration, no such "race to the bottom" can be observed. While barriers to trade and to capital mobility have been falling almost continuously since the late 1950s, EU countries have not experienced any significant degree of tax competition and consequent fall in tax rates. On the contrary, the average tax rates were climbing between the mid-1960s and the end of the 1990s both

in the original member states—the Benelux countries, Germany, France, and Italy—and in the countries of the European "periphery"—Spain, Portugal, Greece, and Ireland. Moreover, tax rates have always been higher in the richer than in the poorer countries, showing that the growing integration of Europe did not make the richer members of the EU feel constrained by tax competition from low-wage countries. Since the late 1970s the difference between the tax rates of these two groups of countries has narrowed. However, this narrowing has gone in the opposite direction to that predicted by the tax-competition view, with average tax rates in the peripheral countries approaching those of the richer countries. There are also few signs that a race to the bottom in the provision of public services is taking place in the EU. Rather, as in the case of taxation, the race has been in the other direction, with the southern countries upgrading to northern levels of expenditure on service provision (Barnard 2000). In sum, even in a deeply integrated EU, "the nation-state is still the principal site of policy change, and there remains ample scope for political choice . . . if institutional arrangements and policy mixes are suitably modified, then the core principles of the European social model can be preserved and in many respects enhanced in their translation into the real worlds of European welfare" (Ferrera, Hemerijck, and Rhodes 2001, 164).

A third version of the diminished democracy thesis is that the rules of international trade restrict the autonomy of national policy makers, making it impossible for them to provide the public goods their citizens demand. In fact, members of the World Trade Organization (WTO) not only enjoy domestic policy autonomy but must also respect the exercise of that autonomy by other members. This basic principle is reflected in the most-favored-nation (MFN) principle, the fundamental function of which is to ensure that each WTO member accords access to its markets independently of any of the policies of the trading partner, including domestic policies. For example, the critics assert that under WTO rules a government cannot protect from import competition those domestic industries that have to bear the costs of environmental or other regulations not applied by other countries. As Roessler (1996) has convincingly shown, however, WTO rules do permit member states to take a domestic regulatory measure raising the cost of production in combination with subsidies or tariffs that maintain the competitive position of the domestic producers that have to bear these costs. The only restriction is that if the compensatory measures adversely affect the interests of other WTO members, procedures designed to remove the adverse effects of those measures on third countries must be observed. It is precisely the combination of rigid rules with flexible safeguards that has permitted the liberalization of international trade to proceed so far without any domestic policy harmonization—or undue interference with the national agenda. This subtle compromise makes possible the coexistence of the two apparently opposing principles of domestic policy autonomy and the globalization of trade.

Of course, to say that the rules of the world trade regime, the liberalization of capital markets, and even EU-style deep economic integration do not significantly restrict the national policy agenda is not to imply that domestic policies do not have

to be adapted to changing economic, political, and technological conditions. Everywhere welfare states face serious problems, but the causes of the current difficulties are mostly related to factors that have little to do with the growing integration of the national economies: the impact of demographic changes, domestic opposition to high tax rates and excessive bureaucratization, the failure of traditional social policies to respond to new needs and risks generated by socioeconomic and technical change, and ideological and political shifts reflecting all these changes. International economic integration per se does not seem to constrain significantly national agendas. What is even more important, the constraints created by a rule-based approach to economic integration—not only within the WTO and EU frameworks, but also in the North American Free Trade Area (NAFTA), and dozens of similar arrangements throughout the world—may actually improve the transparency, fairness, and credibility of policy making at the national level.

4.2 Enabling Constraints

Part of the intuitive appeal of the diminished democracy thesis derives from a misunderstanding of the nature of constraints in general, and of their role in policy making, in particular. Constraints often turn out to be blessings in disguise because once a constraint has been identified it is often possible to take advantage of it (Majone 1989). Learning depends on the recognition and skillful exploitation of constraints. All organisms can learn and adapt only to the extent that their environment is constrained. In this respect the laws of the state are entirely analogous to the laws of nature since they provide fixed features in the environment in which an individual has to move. Similarly, constitutional rules do not merely restrict the substantive and procedural choices of policy makers; they are also enabling in that they can enhance the effectiveness of the policy makers' actions or the credibility of long-term commitments. For example, the principle of separation of powers can enhance governmental authority by, *inter alia*, helping overcome a paralyzing confusion of functions. As a political version of the division of labor, separation of powers is enabling to the extent that specialization enhances sensitivity to a diversity of public problems (Holmes 1995, 165).

Under international economic integration, national policy makers are constrained also by supranational rules, such as the treaties and laws of the European Union, and the agreements and rules of the World Trade Organization or NAFTA. Consider for example the influence of European law on the agenda of national policy makers. The creation of a common European market and the attendant rules of market liberalization meant that governments could no longer pursue protectionist policies vis-à-vis other members of the EU, nor continue to protect public or private monopolies within the national borders. The discipline imposed on state subsidies and on the criteria of public procurement further reduced the discretionary powers of national executives—and the various forms of rent seeking and political corruption which

usually accompany administrative decisions in these areas. Similarly, WTO rules have made it increasingly difficult for the European Union and the United States to pursue protectionist policies at the international level, notably in the area of agriculture. NAFTA has strengthened the independent role of national courts, and improved the transparency of national policy making.

It should not be assumed that supranational rules only favor economic interests. European law, for example, has also assisted individuals and public interest groups in their struggle against many forms of discrimination on the grounds of sex, nationality, religion, age, or physical disability. The best instance in the area of individual rights is Article 119 of the founding Treaty of Rome, which requires application of the principle of equal pay for male and female workers, for equal work or work of equal value. The European Court of Justice (ECJ) used this article in the *Defrenne* case (decided in 1976) to determine that the policy of the Belgian airline Sabena—forcing stewardesses to change job within the company (accepting a loss in wages) at the age of forty, but imposing no such requirement on cabin stewards doing the same work—was discriminatory, and required Sabena to compensate Mrs Defrenne's loss of income. In the *Bilka* case of 1986, the Court indicated its willingness, absent a clear justification, to strike down national measures excluding women from any employer-provided benefits, such as pensions. These and many other ECJ rulings show the positive impact supranational law can have on national legislation and legal practice by outlawing direct and indirect discrimination both in individual and in collective agreements. They also suggest that today international courts can have a major influence on the national agenda. For example, in another well-known case (the *Barber* case decided in 1990), the European Court extended the meaning of Article 119 to cover age thresholds for pensions eligibility. Mr Barber, a British national, having been made redundant at age fifty-two, was denied a pension that would have been available immediately to female employees of the same age. Instead, he received a lump-sum payment. The court held that this treatment violated European law since pensions are pay and hence within the scope of Article 119 of the Treaty of Rome. The decision required massive restructuring of pension schemes, and implications for future pension plans in all the member states of the EU are considerable. The issues raised by the *Barber* case became an important item on the agenda of European leaders in preparation for the 1992 Treaty on European Union.

Although the strong institutions of the European Union are not easily replicated at the international level, it is a remarkable fact that the international community and international law today accept the principle that the protection of basic human rights cannot stop at the national borders. Hence the growing acceptance of the principle of "universal jurisdiction," which allows the prosecution of gross human rights violations even in a country where the crime did not take place. Also the threat of trade sanctions has proved to be an effective instrument for protecting basic human rights at the international level. It should be noted that the credibility of this threat is enhanced by the growing integration of national economies. This is another example of enabling constraints, in that the rules of free trade are used by democratic

governments and human rights groups to put pressure on authoritarian states, and even to redefine the diplomatic agenda.

4.3 Other Exogenous Influences

As shown by the example of the international protection of human rights, international law and judicial decisions are not the only exogenous influences on national agendas. A good deal of the work of international bodies like the Organization for Economic Cooperation and Development, the International Monetary Fund, and specialized agencies of the United Nations like the Food and Agriculture Organization and the World Health Organization is aimed at influencing the process of agenda setting in the member countries. Sometimes the aim is not simply to raise certain issues to the governmental agenda, but even to change the priorities of the decision agenda—as in the case of the AIDS epidemic, or the urgent need for reform of the pension systems of industrialized countries. A significant influence is exercised also by transnational nongovernmental organizations on issues such as human rights or protection of the global environment (Keck and Sikkink 1998; Risse, Ropp, and Sikkink 1999).

Policy externalities and the requirements of information exchange are other influences on the formation of national agendas. Globalization has the effect of strengthening the impact of domestic policies on other countries. Exchanges of information among policy makers of different countries are useful for assessing the extent of policy externalities, understanding the mechanisms through which they are transmitted, and planning remedial action. Students of economic policy coordination have come to the conclusion that the major benefit of discussions among national policy makers derives not from explicit coordination, but rather from making governments aware of the consequences of their actions for other countries. Such awareness is often important in shaping the alternatives for governmental action. An example is the "least-restrictive means" principle of international economic law. This is the requirement that policy objectives be achieved in the manner that imposes least costs on a country's trading partners. National health or safety measures, for example, should be so designed as to minimize negative externalities for other countries. Notice, comments, and publication requirements—on which the WTO system, the European Union, and NAFTA extensively rely—are mechanisms for implementing the least-restrictive means principle. The idea is to give advance warnings of new measures which may have significant transboundary externalities, and to delay their implementation briefly while other countries have an opportunity to comment on them.

Recently, the European Union has introduced a rather elaborate method—known as Open Method of Coordination (OMC)—which, if successful, will have a significant impact on the national agenda of the member states. The new method has been pushed by EU leaders in order to favor some convergence of national policies in