Book Reviews

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The United States has long been held as an example of exceptionalism in the welfare state literature: in striking contrast to other rich nations, it has failed to develop a comprehensive system of social protection. Nowhere is this exceptionalism more striking than America’s inability to create anything resembling a universal health care insurance system. It is a familiar story of repeated attempts and repeated failures. In this brilliant (no less a word will do) book, Jacob Hacker gives a new twist to this story. In so doing, he has provided perhaps the most sophisticated analysis of the politics of social policy available, an analysis which has applications beyond the US.

Hacker’s starting point is the observation that while the US is exceptional in devoting a smaller proportion of its national income to publicly funded social programmes than other rich countries, its overall level of social spending is not so very different. When account is taken of privately funded social spending – publicly mandated or regulated and heavily subsidised by tax concessions – the US looks not so very different from other comparable countries. Moreover, within the general rubric of social policy, there is a striking difference between provision for old age and provision for health care. While public provision for pensions is relatively generous, coverage of health care remains patchy and inadequate despite the introduction of Medicare for the elderly and Medicaid for the indigent. In the former case, private provision supplements public provision. In the latter case, private provision (mainly through schemes linked to employment) is the principal form of protection for most Americans of working age.

The reason for this, Hacker argues, is path dependency, the history of the two programmes. Hacker’s version is more subtle than the off-the-cuff historical determinism that so often goes under this label. His emphasis is on policy sequencing. Old age insurance was introduced in 1935; an initially limited programme subsequently expanded. Private provision therefore developed as a complement to public provision: employers could develop pension schemes for their workers as a supplement to the national programme. By contrast, private provision for health care developed as an alternative to public provision. With progress towards the creation of national health insurance seemingly blocked by the opposition of the medical profession – and others – this appeared to be an acceptable second best solution, appealing to the conservative ideology of self-help and to labour
unions, all the more so given the multiple veto points in the American political system. In turn, the development of private, employment-linked schemes created a structure of interests which impeded further progress towards a comprehensive health care insurance scheme: witness the fate of the Clinton plan of reform.

But there is a further twist to the story. This is the increasing importance of the subterranean politics of tax concessions and subsidies designed to promote the growth of private insurance. These politics, Hacker shows in his detailed analysis of the history of the two programmes, differ in significant respects from the politics of social reform. They allow ‘policies to pass that would not survive if subjected to the bright light of political scrutiny or the cold calculations of accurate budgeting’. They give Congress rather than the Executive a leading role. They usually lack visibility and transparency. Seemingly arcane changes in the tax laws may have unanticipated and perverse consequences. The result is that the distributional impact tends to be highly inequitable. So, for example, in 1998 tax subsidies for health insurance amounted to $2,357 for families with an income of more than $100,000 as against $71 for those with an income of less than $15,000.

This is to give a necessarily over-simple account of Hacker’s analysis of the history of social policy in the US. Moreover, the interest of the book lies not just in the elegant explanatory model that he has developed and the illuminations that flow from his use of political science concepts. It also has implications for the future of public policy not only in the United States. This emerges clearly from Neil Gilbert’s book. Gilbert’s purpose, and intellectual stance, is very different from that of Hacker. He writes as an engaged social policy commentator, more interested in the consequences of policies than in the political processes that produce them. But his starting point interestingly complements Hacker’s study. It is that American exceptionalism is becoming less pronounced as other countries are, to varying degrees, following the example of the US by increasing the private share in total social expenditure.

Gilbert’s thesis, as the sub-title of his book implies, is that rich countries are limiting the role of the State in welfare funding in response to fiscal and demographic pressures, as well as shifts in the intellectual and ideological landscape. The Welfare State is, in his words, turning into the Enabling State. The emphasis is switching from delivery of services by public agencies to delivery by private agencies, from offering unconditional benefits to the unemployed to using incentives and sanctions, from universal entitlements to selective targeting, from improving public pensions to promoting private schemes. The share of means-tested benefits in the total social security budget has risen everywhere. Increasingly states are relying on the market. Support is seen less and less as flowing from citizenship as distinct from membership in specific schemes. In effect, Thomas Marshall’s model of social progress – with citizenship rights as the supreme and inevitable achievement of democratic societies – is being put into reverse. Notions of solidarity are being undermined as individuals retreat – and are encouraged to do so by public policies and subsidies – to their own private safety nets.

In making his case, Gilbert draws on a wide swathe of literature documenting the experience of OECD countries. But does the evidence justify his claim that there has been a ‘paradigm change’? Has there indeed been a
transformation as distinct from a series of marginal adaptations that modify
but do not change the essential contours of individual Welfare States? I remain
unconvinced. Existing programmes generate constituencies for the status quo,
which is precisely why even ideological radicals such as Mrs. Thatcher tended
to be cautiously incremental. This said, a new public philosophy does appear
to be emerging. Existing programmes are being re-shaped. But in Europe, at
any rate, the Welfare State is turning into the Investment State rather than
the Enabling State: i.e. the emphasis is on re-directing social policy to serve
economic ends. To the extent that there is a move towards encouraging
individual, private provision – as in the case of pensions – so there is also
reason to be watchful about possible consequences. Not least because of the
growing importance of the subterranean politics of tax subsidies, and their
potentially perverse effects, to which Hacker’s book has alerted us.

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Robert S. Erikson, Michael B. Mackuen and James A. Stimson The
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In this ambitious and important book, Erickson, Mackuen and Stimson aspire
to a transformation in how political scientists relate micro or individual polit-
cical behaviour with collective or macro political patterns. They argue that
observable systemic level patterns of political behaviour can be understood on
their own terms as meaningful choices by a polity’s electorate. The authors’
claim is bold. They promise ‘a portrait of orderly aggregate behaviour without
challenging the consensus that individual behaviour involves large elements
of caprice and disorder’ (p.xx). This approach produces the following sort of
proposition: ‘It is true that individual Americans have a weak grasp on the
essentials of economics and economic policy, and it is also true that Americans,
in the aggregate, are highly sensitive to real economic performance’ (p.xxi).
In other words, micro confusion does not preclude macro intelligence.

Given this ambition the whole thrust of Erikson et al’s analysis is to reject
the standard presumption that micro level ignorance undermines the possibil-
ity of macro level coherence. Aggregation of preferences does not just produce
collective action and trends but accentuates, in the authors’ view, ordered
patternning. This accentuated ordering impresses Erikson and his two col-
leagues. In it, they find ‘the extraordinary sophistication of the collective elect-
orate’ (p.7). This phrase captures and conveys the key conclusion the authors
derive from their research: collectively the American electorate evinces far
more sophisticated judgements and choices than often thought; it encourages
the three political scientists to formulate a political science version of rational
expectations theory popularized by economists from the 1980s.

The argument is advanced in respect to the US electorate only (in terms of
the empirical material marshalled in the book) over the period 1952–1996.
Voters demonstrate an ability to engage in evaluation of government perform-
ance, reward competence, and have defined if broad preferences. The empir-
ical discussion examines presidential performance during the years 1952 to
1996, measured in approval ratings, and macro level policy preferences, using
the concept of policy mood. *The Macro Economy* is an important contribution to
the scholarly literature on behaviour.

Thinking comparatively, does Erikson et al’s framework have any application
outside the American electorate? In principle, it should have. The authors’
concept of macropartisanship – macro level patterns of party identification –
should be measurable in other political systems; furthermore, their intellectual
contention that meaningful connections between individual voter preferences and knowledge and macro level outcomes may be deduced at the latter
level should be testable in other countries. It should also be possible to test
the relative significance of rational expectations among the electorate com-
pared with choices based on retrospective evaluation.

But crucially it is the claim to systemic or macro level rationality which should
travel comparatively: it would be an odd framework were it only applicable to
American voters. Thus Erikson et al model the way in which outputs – such
as economic performance – become concurrently (or very quickly) inputs into
systemic behaviour. In their model, measured variables prove to be ‘jointly
endogenous.’ This systemic framework is proffered by the authors as more
sophisticated and less functionalist than the familiar David Easton or Par-
sonian systems analysis popular in the 1960s and 1970s. Erikson et al defend
their approach against such a characterization by stressing the complexity of
causal processes, the unanticipated effects of short term changes, and the
difficulty of predicting long term consequences – at the macro level – of shifts
in such factors as presidential approval, policy mood or economic performance.
What is striking about this system-level discussion in the book is its separation
from micro measures. Successful comparative application of Erikson et al’s
model will require not only access to comparably robust indicators of public
opinion but a confidence that parliamentary systems can be specified as shar-
ply as the US’s presidential one.

In sum, the book offers a major intervention in the debate about how best
to conceptualize the link between micro and macro political trends. Not all
readers will be convinced. For instance, one might ask whether attention princip-
ally to macro patterns would permit any understanding of the 2002 con-
gressional mid term elections other than of the crudest sort. Indeed, many
colleagues will argue that election results such as that one can only be mean-
ingfully analyzed by attending to the micro politics of individual candidates in
district elections. It may be possible to develop a cogent account of macro
behaviour rooted in micro choices but that does not make the micro level
behaviour any less interesting. As former House Speaker, Tip O’Neill, once
proclaimed of the American system, ‘all politics is local.’

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Jack Hayward and Vincent Wright, *Governing from the Centre: Core Executive Coordination in France*. Oxford University Press, Oxford, 2002, 270
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Jack Hayward and the late Vincent Wright offer an excellent publication
which is written in a lively way. Issues are addressed in an elegant manner.
Jargon is avoided, even when the authors are theorizing. It focuses on the
functioning of the core executive in a democratic and a strong nation-state. It suggests an unexpected picture of how France is governed at the top.

France has often been perceived as an illustration of the ideal-type of political and administrative centralization. Public affairs are supposed to be governed top down, with Paris in full control of the country and the issues. The President of the Republic, who is elected by the people, behaves like a monarch combining hierarchical authority and charismatic leadership. Decisions made in Paris reshape reality at the grass roots level. Weak checks and balances, fragile parties which function like electoral machines, closed and exclusive elite circles (ENA alumni) combining arrogance and nationalism, are often referred to. Generations of essayists, from Alexis de Tocqueville to Michel Crozier, have to a large extent legitimised this picture.

Hayward and Wright offer a quite different model, challenging old wisdoms. They demonstrate that France has a not very well coordinated government, to say the least. Formal institutional mechanisms work less rather than more. Subtle informal processes operate in many circumstances and instead of being stable, they are ad hoc and get re-invented all the time. Cooperation avoidance, fragmentation, partitioning, by-passing, misunderstanding, discretionary intervention, lack of co-operation, cronyism, are, just to mention a few, current practices. One may wonder how it is possible that the system still works. Or, to put it in academic terms, Hayward and Wright often come close to a picture which is not far from the organized anarchy model. But, as seasoned political scientists they know that political rationality keeps a strong hand in real life, and they do not consider organizational dynamics as a key entry point. In other words, while the French system is very centrifugal, it is not out of control.

The main part of the book covers the period from the early 1980s to today. Within twenty years major political changes happened inside the executive system: two Presidents, ten different Prime Ministers, and three cohabitations between the left and the right (the President and the Prime Minister not belonging to the same electoral coalition). The book suggests that while differences in style occurred, the coordination process kept the same basic properties.

The first part of the book examines the transversal coordination procedures, processes and actual practices inside the core executive machinery. The second deals with four case studies of policy-making – European Union policy, budgeting, immigration and privatisation – as illustrations of how sectoral policy coordination is achieved or fails to happen.

Such an approach offers a great advantage mixing a horizontal, actor-based perspective and a vertical or a domain-based cut. The same actors and procedures can therefore be seen from two different angles. While the President of the Republic may appear omnipresent horizontally in nominations of civil servants, his intervention may well not be so visible on non-trivial matters such as budget-making. Such a double check also has another advantage. The division between the spheres of politics and administration becomes problematic, given the proximity of high public servants to ministries and the strong level of mutual interdependence between the two spheres in handling public affairs.

Another strength of the book derives from its impressive information basis. Very different sources are used such as interviews with policy-makers and
insiders, press articles, books and memoranda, and secondary analysis of academic publications. Hayward and Wright show an impressive ability to pick relevant details without losing the general thread of their analysis. Their co-authored book benefits from long experience, for their previous respective publications had already made them top references about French public affairs.

This does not mean that everything in the present publication is ideal. Some frustration may emerge in the mind of seasoned readers. For instance, one may have expected a sharper and more knowledge-based presentation at pages 3–8, when the historical background between 1870 and 1980 is presented. Being quite short, this section remains superficial when not reinforcing the usual stereotypes about centralization and France.

Hayward and Wright make an invaluable contribution for understanding the French polity. Though many phenomena they study were already familiar to francophone audiences, they offer a comprehensive framework on a missing link in knowledge about politics and policy making in France: the centre.

In the 1970s and 1980s a few political scientists and sociologists had started to question centralization and coordination. Two approaches allowed a more agnostic understanding of French reality. Policy analysis and evaluation studies emphasized the discrepancies between what the center decided and what was done at the periphery. The sociology of organizations suggested that fragmentation and discontinuity were recurrent properties of the political and administrative way of handling public affairs. Prior to Hayward and Wright, French social scientists had offered robust models of interpretation which basically covered two levels: the grass roots or local level and the intermediary linkage between the local and the national levels.

Pioneering studies had suggested that it was normal for the French state's local agencies to incorporate local interests and locally elected officials. Specific political dynamics operate around the sub-national authorities (Grémion 1976). So-called cross-regulation processes link the local levels to the national ministries (Crozier and Thoenig 1976). Decentralization policies in the early 1980s increased the concentration of power in the hands of a few politicians such as mayors and presidents of regional councils. The centre became much more dependent on the periphery. A new model of running public affairs emerged.

Today the state machinery is but one actor among many others, such as regional councils and urban municipalities. Top-down policies such as allocation of grants, delivery of public services or government by decree are not any longer available and effective (Duran and Thoenig 1996). The state looks like a weak Gulliver. Its main tools are constitutive policies and co-constructed approaches with local private and public partners. When the core executive handles issues dealing with sub-national affairs, it is rather weak. Members of the national political class take advantage of the accumulation of local and national electoral mandates, being also mayors of major cities or presidents of regions. While members of the national parliament, they care about their local mandates and autonomy. In some specific circumstances centralization is even fuelled by them.

The national level was an open space in search of comprehensive analysis. This is precisely the gap that Hayward and Wright fill. They have accurately studied policy domains which do not deal directly with center-local affairs. In their model the core executive looks like a web or a network of policy arenas in which coexist
hundreds of cases where no visible hand is in control of interdependent but partitioned actors, and some niches where discretionary power is allocated to autonomous actors. Managing coordination and making the mammoth move require sophisticated combinations of skills and tools. The whole system becomes non-transparent to third parties. Many decision processes are close to paralysis, but the system can also make fast and radical choices in total secrecy.

Coordination is a problem inside the state machinery and with outside partners. It is easier to cooperate with outsiders than within one’s own world. Political and bureaucratic rationales are not contradictory or incompatible, but reinforce each other. Political parties are weak institutions and single interests capture the state and the local authorities, making cooperation poor at all levels. Nevertheless there are some differences. In the core executive at the national level, centralized political leadership seems to be much less effective than at the local level. To keep some control of the inner machinery requires much attention. The President of the Republic and the Prime Minister may have less power than a mayor or a president of a region has inside his own institution. Policies are much more difficult to make and to manage in Paris than in the provinces. Hayward and Wright identify many French paradoxes such as the sophisticated arrangements and flexibility margins that a centralized bureaucratic nation-state keeps inventing to overcome policymaking failures and ensure the domination of democratically elected public officials at all levels.

The concluding chapter, ‘Overall coordination: the impracticable imperative’, should become a classic. It shows how problematic are the habitual dichotomies applied to coordination, such as institutionalised/ad hoc or inter-/intra-organizational. Eleven factors are listed which both increase and complicate coordination requirements and objectives. A very centralized core executive (the offices of the President, Prime Minister, and Finance Minister) gets more and more pressure and responsibility to deliver positive coordination. But practical results are modest. Hayward and Wright list the characteristics, the causes and the techniques of coordination. They also identify limits to the coordinating capacity of networks. The lessons on effectiveness synthesized in the conclusions of the book are of immense value both for policy-making and for academic knowledge. For instance there is no single best way of coordinating policies. Tight vertical coordination may be dysfunctional at the expense of horizontal coordination. Effectiveness of positive coordination may also clash with transparency, accountability, and participation. From their point of view France is no exception in the European Union democracies.

The other lesson of the authors is that historical institutionalism offers a better theory than convergence or network perspectives. But they mention two limits: the impact of exogenous shocks to traditional systems may be underestimated, and the flexibility of the institutions may be understated. Their major and lasting contribution has less to do with a discussion about institutionalism than to deal with how core executive organizations handle interdependence relationships concerning policy issues in a politically sensitive environment.

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