

BOOK REVIEWS

Cabinet Government in Australia, 1901-2006: Practice, Principles, Performance

Patrick Weller (UNSW Press, Sydney, 2007, ISBN 0868408743, 324pp.)

Cabinet, according to Professor Weller, ‘took off in full stride’ in the new Australian Federation in 1901. He attributes this largely to the fact that the first cabinet, the ‘Cabinet of Kings’ contained six men who had been premiers. They knew how to behave and how cabinets worked. They had inherited a system which developed out of manoeuvrings between the sovereign and his advisers in the 18th century and they were quite comfortable with it.

In the lengthy first part of this excellent book Weller sets down the history of federal government in Australia, cabinet by cabinet. For the first years sources are scarce, mainly anecdotal material from memoirs and a compilation of records which the National Archives has determined were the matters considered by cabinet. On the evidence it seems the first cabinets were gentlemanly meetings, that Deakin was thoughtful and methodical and Barton less methodical but more convivial. Of Watson, Reid, Fisher and Cook we know little. Hughes, we know, was chaotic and dictatorial because Bruce has left us his recollections of the Hughes cabinet. Bruce tried to institute a set of rules for Cabinet which Hughes promptly, and predictably, ignored – an important point that Weller makes often is that prime ministers set the rules and Hughes played by his own rules. The orderly system that Bruce, as prime minister, introduced was thrown out by the Scullin cabinet which could never exert supremacy over its own party. The relationship between prime minister and party is a recurring theme in this book.

The work of Fred Shedden in organising the war cabinet has been well documented elsewhere. His administrative regime set the standard for all subsequent cabinet support. Menzies, utilizing all the facilities, was superbly in control but his successors much less so. The

Whitlam cabinet was too large, Fraser kept them working non-stop, Hawke was a good administrator and chairman, Keating much less so and Howard is in control of every detail.

There is much more about the administrative rules which have developed as successive prime ministers seek to manoeuvre cabinet and manage it to their satisfaction. There is even some discussion of the role of technology in enforcing the cabinet rules.

It is no small feat to trace over a century of administrative and political history in this way, but Weller has cleverly used his sources, including much of his own previous work. His 14 citations in the bibliography indicate how much he has dominated this subject over the last 30 years. Naturally, the cabinets from Menzies onwards receive most of the space. The abundance of written sources and his own extensive interviews have enabled Weller to document the last 40 or so years in a way which is lacking for the earlier part. The narrative thus comes alive and his tone is more authoritative.

The key question Weller poses is ‘how did the small and intimate cabinet of 1901 develop into the complicated bureaucratic machine of 2006?’ His narrative reveals just how much cabinet was fashioned to meet the political and administrative needs of the prime minister at any time. Its evolution mirrors the development of the role of prime minister in Australian government. He explores the relationships between prime ministers, ministers, and the parliamentary party. Cabinet works well when the party either trusts the prime minister to govern or accepts that his leadership gives him the authority he needs. What we have had in Australia is cabinet government rather than ministerial government. Prime ministers have used cabinet to control and direct what ministers ultimately do.

In a particularly good second part, Weller analyses cabinet government in Australia in a systematic way in five powerful chapters. He examines the different roles of cabinet – is it a policy-making body taking the difficult decisions or is it a political battleground where the strongest wins? How does it interact with other institutions? In doing so he manages to differentiate between the British, Canadian and Australian cabinets despite their common origins. He very neatly portrays the delicate balance in Australia between prime minister, ministers and parliamentary party as one of the key differences. He argues that prime ministers in Australia, who are directly elected by their party colleagues, have to be much more concerned with ministerial and party relations than elsewhere. And so cabinet in Australia continues to be a much more genuine forum for decision-making and policy development.

Hence, he says cabinet government is much more alive and well in Australia rather than in the UK or Canada. In the UK he notes, that cabinet government is regarded as having declined under Thatcher and Blair, two of the most dominant prime ministers but worked well under Callaghan and Major who were much weaker. In Canada the discussions and arguments take place elsewhere and the results are merely ratified in cabinet. The different relationship between prime minister and party has not allowed that to happen here.

There is another viewpoint. Weller quotes a ‘tough and senior National Party minister’ (presumably retired) as describing cabinet as ‘a contest, a bull-ring where everyone has their place and you try not to get knocked off too often.’ Reading the excerpts from the Cabinet notebooks in the early 1950s (the only ones so far available for access) gives a good indication of the role partisan politics plays in cabinet decision-making. ‘Cabinet’, Weller writes, ‘is an intensely political forum where partisan advantage underpins debate, and is sometimes absolutely explicit.’ The raw politics that we see exposed might lead one to a more Hobbesian view of how and why cabinets operate.

It is a pity we have to wait 50 years for the notebooks when cabinet documents are re-

leased at 30 years. Ministerial recollections, the other common source, can be notoriously selective and seldom, after time has elapsed, portray the immediacy of the meetings and the issues that were dominating the minds of ministers when taking decisions.

We all are inclined to nod approvingly in the direction of cabinet government often without thinking too much about how it works. It is not a democratic body – sometimes prime ministers get their way in cabinet when all who have spoken seem to be opposing them. Nor is it a body mentioned in the constitution. Yet there was a cabinet from the commencement of the Federal government, even before there was parliament. This book shows convincingly just how much a cabinet is a tool at the disposal of the prime minister, to shape and use as he wishes. And as Weller concludes, the most effective prime ministers in Australia ‘have still chosen to work through cabinet because they know that it strengthens their hand and usually secures their position.’

George Nichols

Canberra

Cabinet Government in Australia, 1901-2006: Practice, Principles, Performance

Patrick Weller (UNSW Press, Sydney, 2007, ISBN 0868408743, 324pp.)

‘Cabinet processes’, the British scholar Peter Hennessy says, ‘are often an affront to the tidy mind’. Patrick Weller’s rigorous analysis of what Cabinet does and how it does it will provide much needed salve for both tidy-minded academics and practitioners working in the untidiness of real government. As a bonus, a narrative history, full of anecdotes and comprising more than half the book, greatly enhances its readability.

Weller draws on the Cabinet records in the National Archives but these are not sufficient by themselves. Not only are the records for the last 30 years closed (50 years for the notes taken by officials at cabinet meetings)

but the early records are patchy at best. The papers for the last six months of the Scullin government are among the many gaps, lost since the 1930s when they were last seen in a trunk in the office of the then Opposition leader.

Decades of empirical work on executive government uniquely qualify Weller to make sense of the patchy archival record. A biographer of Malcolm Fraser and editor of the Labor Party caucus minutes to 1949 who has interviewed ministers and senior officials for several major research projects, he approaches collective government decision-making with a deep knowledge of its history and an acute sensitivity to the political causes of its untidiness.

Politics is central to cabinet processes but cabinet politics have evolved. In 1867 Bagehot characterised the British cabinet as 'the hyphen which joins, the buckle which fastens the legislative part of the State to the executive part of the State'. Weller dwells more on the hyphen between politics and administration than that between government and parliament. He discusses the effect of stronger political parties on the parliament-government accountability relationship but identifies greater changes from the growing integration of the political and the wider administrative elements of the state. Particularly important is the growth in staff work by public servants supporting cabinet in its political decision-making, coordination and cohesiveness-building.

Bagehot's cabinet was purely political. The modern Australian cabinet Weller describes is a complex politico-administrative organisation. It has developed a function of enforcing fact-checking and workshopping of arguments by staff as part of preliminary political consensus-building. As a result, many issues arrive at the top of government sufficiently developed that pre-agreed positions can be endorsed. Cases needing sustained high level attention are thereby isolated with pertinent issues clarified.

The mostly political deliberations of early cabinets did not generate this staff work. (Nor did they need much documentation; Scullin's lost records, whatever their historical interest, probably had no administrative value.)

The professionalisation of the modern system which necessitates voluminous records to support decision-making and authorise administrative action also changes the rationale for cabinet processes.

One reading of Weller's analysis would rank the forcing of proper staff work with collective wisdom as a rationale. Cabinet systems are often justified by reference to the benefits of collective wisdom. Ben Chifley's adage that one wise man and 12 fools will generally decide better than a wise man alone is supported by the cases Weller cites of bad prime-ministerial decisions made outside cabinet, including Chifley's own decision to nationalise the banks.

The rational pursuit of better processes cannot always trump politics. Weller quotes long serving cabinet secretary Sir John Bunting arguing against clearer budget cabinet processes: '... there are certain virtues, from the point of view of the Prime Minister and the Treasurer, for example, in the confusion'. Superior knowledge can be power in the Cabinet Room. Nevertheless, Weller notes that the very effective Hawke cabinet procedures 'were constantly pushing in the direction' of better preparing all ministers for discussion. Howard's cabinet reforms can be seen in the same light.

Some problems remain immune to good staff work. A 1953 lament by ministers, captured in the Cabinet Secretary's notes, could, with numbers adjusted, have been written yesterday: 'we should accept proven designs (of aircraft). We should not be trying to build half a dozen types. ... We approved 380,000 on trainers. It is now 3 1/4 million. ... how [has] this all happened? Millions have been muddled away.'

But the capacity of Australian cabinet processes to compensate for weaknesses in political leadership and to help governments with 'wicked problems' has grown. The systems and structures have proven strong enough even to outlast occasional lazy and disorganised prime ministers.

The change in Australia's cabinet system over time and differences with systems in other countries makes Weller sceptical of judgments against idealised, universal notions of what a cabinet should be. He shows that what John Howard means when he says 'cabinet'

differs from what Edmund Barton understood by the word. There are much bigger differences between Howard's understanding of 'cabinet' and Tony Blair's. 'Cabinet', Weller says, 'is a working institution, not a frozen constitutional relic.' It must be judged against the results it achieves within a particular national political tradition and set of institutions. In Australia, he concludes, our system of cabinet government will survive because it is underpinned by Australian perceptions of what constitutes good government and by the self-interest of the various players within our institutional structure.

Peter Hamburger

Canberra

The Oxford Handbook of Political Institutions

R. A. W. Rhodes, Sarah A. Binder and Bert A. Rockman (eds) (Oxford University Press, Oxford, 2006, ISBN 13: 9780199275694, 840pp.)

This survey of institutional approaches to political analysis is billed as a 'handbook'. The OED defines a handbook as a 'treatise, manual or guidebook' and the secondary definitions of all these terms emphasise precision and specificity. A handbook deals with a subject of a definite character and (so the OED implies) the contents explore its rudiments. Needless to say, this is not what this particular handbook offers. Instead, it is a window into the lively eclecticism (for good and ill) of the political science discipline. The editors identify three primary forms of institutionalism in their (very brief) introduction. Colin Hay in a later chapter identifies nine. This reviewer lacked the persistence to try to count the number of perspectives that inform the 38 substantive chapters, but as various contributors note there is little consistency in theory or in practice.

March and Olsen provide a synoptic definition. 'An institution is a relatively enduring collection of rules and organised practices, embedded in structures of meaning and re-

sources that are relatively invariant in the face of turnover of individuals and relatively resilient to the idiosyncratic preferences and expectations of individuals and changing external circumstances'. Institutions prescribe the behaviour of people who occupy particular roles, they provide the meanings that constitute particular identities, and they are the resources or capabilities that empower action.

The volume is organised in four parts. Part 1 is an introduction. The second part surveys varieties of institutional theory, this involves five chapters. A third section focuses on particular institutions, such as the state, parliament, the constitution, federalism and involves 28 chapters. The final section involves contributions from people the editors justly term 'master practitioners'. These are Sam Beer, Jean Blondel, Hugh Hecllo and Klaus von Beyme.

In their introductory chapter, March and Olsen vindicate (if that is necessary) their pre-eminent standing. No other contributor offers such a precise, lucid or comprehensive discussion of institutions and institutional dynamics. They treat the formation of preferences as endogenous. Institutional dynamics are provided by a 'logic of appropriate behaviour', which transcends, but can also subsume, instrumental mechanics. Above all, March and Olsen emphasise the critical aspect of institutional analysis. Few others place such an emphasis on improvement.

Subsequent chapters explore more recent theoretical debates. Given earlier academic animosities between rational choice proponents and other political scientists (at least in the US), this includes a conciliatory, indeed bridge-building, chapter from Kenneth Shepsle. Perhaps the most interesting theory chapter is by Colin Hay who focuses on the inability of historical institutionalism to explain complex change. In its stead, he proposes an approach which he terms 'constructivist institutionalism' – constructivist because of its richer interpretation of the links between being and thought, and of the way ideas about this nexus shape behaviours. He argues this perspective offers the best escape from the path dependence (and hence conservatism), which characterises historical institutionalism. However a

constructivist approach is also not without problems: in particular, an unresolved tension between ideas and material factors, between description and explanation, and finally, in its enumeration of the standards by which competing theories are to be judged.

In a concluding chapter to this group, Rod Rhodes explores the wider provenance of institutional studies. He pillories the over stylised chronicle that is purveyed in many contemporary accounts. In this story, there were once formal legal studies of institutions. These were displaced by behaviourism. Now a 'new institutionalism' has triumphed. Rhodes shows that the story is actually much more complex and nuanced. He also shows how institutions figure differently in different national literatures. Nor was the formal-legal treatment of political institutions ever so arid. Rather, there are rather considerable continuities. This argument is fully and stylishly vindicated in the final four chapters of this handbook.

In between there are the 22 chapters on particular political institutions. These take the familiar bread and butter subject matter of political science and explore current literatures and unresolved issues. Seven or eight of these chapters have an exclusively US orientation and others are heavily biased to that context. Where this is too egregious, the editors have included two chapters. They have also qualified parochialism by reaching out to contributors from a variety of backgrounds. At least six of the 38 chapters are authored by scholars from the UK, four from Australia, and one each from Spain and Germany.

With the exception of the beautifully reasoned but very abstract first chapter (by March and Olsen), perhaps the best contributions in this handbook come last. Each of the 'master practitioners' exemplifies why he (it is he) deserves this accolade and each does so in different ways. Sam Beer offers a kind of intellectual biography, which reflects the breadth and generosity of his political vision and the depth and sensitivity of his scholarship. How many can range so lightly across large philosophical concepts, across mediaeval and modern history, and then proceed on so comfortably to the dynamics and discontents of contemporary

states? A graceful and learned showing. Jean Blondel displays different but no less attractive capacities. His charm lies in powers of keen discrimination and fine categorisation, and a constant interrogation of abstract theory by empirical reality. In his hands, seemingly effortlessly, complex issues of definition and substance are unpacked. In the process, he manages to raise fresh questions about the scope of institutional theory. Another virtuoso performance. One is tempted to describe him as the perfect Cartesian – although I know he rather relishes the sobriquet 'crude empiricist'.

In the third chapter, Hecló also displays high and characteristic scholarly virtues and expository skills. His is an account of institutions from the inside. Eschewing jargon and pedantry, he invites the reader to experience what it means to think institutionally. Like his studies of Whitehall and Washington, a complex context is explored from the inside in clear and simple prose. For this reader, Hecló's was perhaps the most refreshing chapter in the whole handbook. Finally, von Beyme is similarly wide ranging in the final chapter and with his focus on some master studies of European political science a corrective to the overly US orientation of many earlier contributions.

This is a formidable collection and this reviewer naturally lacks the detailed knowledge to assess all the contributions. One can only sympathise with the editors who must have faced formidable challenges of inclusion and exclusion. Some topics that perhaps deserved inclusion could be noted. There is no chapter on the media. Yet there is no gainsaying its contemporary political influence. Negotiated governance surely also deserves to be recognised as a distinctive institutional model? This omission is most marked in the empirical chapters. Despite attention to welfare and regulatory states, there is no discussion of negotiated governance, as it has variously emerged in Europe. Ireland, the Netherlands and the Scandinavian states present, in different ways, alternative governance models to those that figure in the Anglo-American mainstream. All have moved to link social, economic and industry policies via novel institutional engagements. They have based governance on social

learning, preference formation, and coalition building as well as on the more familiar budgetary – carrot and stick – incentives (tax relief, subsidies etc). The relevant literatures explore the associated institutional complexity. The novelty and wider significance of these approaches justifies singling them out.

A related omission involves the ‘democratic experimentalism’ that has been championed by Dorf and Sabel – this is mentioned only in John Braithwaite’s chapter on regulation. Yet its implications are surely more far ranging. Sabel’s promotion of a more pragmatic ‘learning by doing’, and his treatment of outcomes as provisional and emergent, involves a radical reframing of hierarchical and principal-agent notions of governance. These latter now dominate public administration and public policy in the Anglo-American mainstream. This pragmatist option offers a truly radical, but wholly feasible, alternative.

The range of many chapters might also be questioned. Few wander much beyond the Anglo-American or, at a stretch, the OECD worlds. For example, there are scant references to Asian experience, despite the extraordinary recent and distinctive development of political and economic institutions in that region. Similarly, the varieties of capitalism literature represents one important attempt to link theory and practice. Yet this is not widely cited even in Michael Moran’s otherwise excellent chapter on economic institutions. Meantime, Colin Crouch’s formidable criticism is nowhere mentioned. Finally, the chapter on political parties makes no reference to the cartel or personalisation literatures. These are just three examples in areas with which I am personally familiar.

The empirical sections of this handbook focus on around 22 discrete arenas and countless processes within them. But the connection between the meta institutional theory surveyed in the first part and these later empirical analyses often seems only tenuous or (at best) implicit. The March and Olsen framing is impressive and comprehensive, but if frequency of citation is any guide to influence, their impact has been more limited. Discounting self-citations, they are referenced only between five (March) and nine (Olsen) times. The author index does not

include any joint work. By contrast Duverger is cited 14 times, Fiorina seven, Goodin 20, Keohane 19 (although a number are concentrated in one or two chapters), Lijphart 26 times (concentrated in three chapters), and Riker 14. Others with more than ten citations include Guy Peters, Paul Pierson, Bingham Powell, Peter Hall, Rod Rhodes, Georg Tsebelis, and Kare Strom.

Why has institutionalism come to occupy such a prominent place in the political science firmament? This surely reflects wider developments. The demise of synoptic and eschatological theories (Marxism, socialism) has not diminished the urge to understand, and explain, perhaps to improve, human affairs – but it has changed the horizons within which such efforts are situated. The Enlightenment project continues, but now without perfectibility as an end state – and without history as an ally. Institutional theory emerged to fill this vacuum. It also offered an antidote to the conservative revival that was associated with transfer of the behavioural concepts of neo-classical economic theory to political analysis. Institutional theory provided a kind of meta frame, which endowed a host of more empirical, descriptive and explanatory studies with background legitimacy. An institutional perspective eschews prediction. Claims of progress are assessed sceptically. Contingency rules. History is directionless. If the struggle is for a theory to fit the age, institutionalism in its varied guises offers a broad grounding. If efforts to extend its theoretical and practical reach are successful, institutionalism may even lead to more perspicacious analysis.

Has theory created better practice? March and Olsen emphasise the need to improve. Yet the empirical chapters do not show much evidence of critical ambition. The big abstract debates reviewed in the theory chapters do have substantial practical relevance. What institutions are most likely to facilitate learning and adaptive behaviour and what are most likely to maintain a (mostly dysfunctional status) quo? How would we know? There is a democratic deficit throughout most of the OECD world. In many countries – not least Australia – practical politics are hardly in a healthy state. Regrettably concern about such matters is not widely

evident in the empirical chapters. Description and explanation dominate. Beer's chapter shows the great practical causes that stirred his imagination and fired his scholarly work. Perhaps the professionalising of academia has vindicated Nietzsche's sardonic expectation. Taking the handbook as a whole, there seems scant concern for improvement. There is much to be said for a disciplinary focus. But the best scholars even in the recent past looked further. On the evidence of this survey volume, this too has passed.

Ian Marsh

University of Sydney

The Dynamics of Public Policy: Theory and Evidence

Adrian Kay (Edward Elgar, Cheltenham, United Kingdom, ISBN 9781845421052, 149 + vii.pp.)

Institutional analysis has become one of the most important analytic perspectives for studying public policy-making. While its great strength is showing how policy tends to be stable over time and variable across countries, its Achilles heel has long been its difficulty in explaining how policy, and for that matter institutions themselves, change. Within the last few years several books and articles have appeared that seek to correct this problem (e.g., Campbell forthcoming; 2004; Crouch 2005; Thelen 2004; Streeck and Thelen 2005; North 2005; Pierson 2004). Adrian Kay's provocative and concise new book builds on this tradition. He offers theoretical and methodological advice for showing how policy change occurs and then illustrates his approach by analysing four cases of policy change in the European Union and the United Kingdom.

His basic argument is as follows. Political-economic institutions and policies are complex. They consist of multiple dimensions and layers within which policy-makers and other actors are located. These dimensions and layers

change with different temporal rhythms; in a particular period some may change slowly, others may change rapidly, and still others may not change at all. The processes by which all of this happens are not always well specified in policy analysis, but should be. Doing so requires the use of 'structured narratives', that is, thick description historical story-telling that pays close attention to how the sequencing of events, problems, decisions, and other contingencies creates moments when actors make choices about how to alter public policy. These choices are limited – but not fully determined – by the taken-for-granted norms, rules, and assumptions in operation at the time; by the formal institutions within which actors are operating; and by the legacies and memories of past policies that have led to the current situation. The result often is policy change that is path dependent and evolutionary.

According to Kay, understanding how all of this happens in the real world requires a methodological balance between, on the one hand, idiographic historicism that treats all events as unique, and, on the other hand, a nomothetic science that seeks generalisable covering laws and mechanisms that apply across a wide range of contexts. This balance can be achieved, he suggests, through the use of structured narratives, which use certain analytic themes to organise the historical analysis of policy change. Two themes are especially important for him. One is the idea that policy change tends to be 'path dependent' due to the increasing returns and other feedbacks that emerge around institutions over time, but also due to the fact that policy changes typically involve layering a new policy on top of older ones. Another is the idea that policy change tends to be 'evolutionary' due to the fact that policy-makers often seek policies that work and serve some function, and strive to attain them through an iterative process of trial-and-error learning. This process, however, does not necessarily yield the most optimal or functional results because the complexities of real-world situations are high, information available to actors is often incomplete, and people misinterpret situations and, thus, make mistakes.

In sum, then, Kay argues that an adequate analysis of policy-making requires a

methodology in which these sorts of analytic themes act as the basic template for the structure of the narrative. Hence, 'a structured policy narrative should specify the institutions, structures and processes that are embodied in a given historical setting; identify the possibilities and constraints that these structures create for agents within those settings; and construct explanations of outcomes that link the causal properties of those structures to the processes of development that are found in the historical record' (pp. 60–61).

The heart of this book is the theoretical and methodological discussion in the first five chapters. The remaining four chapters in the second half of the book are brief case studies. Each one applies various analytic themes discussed previously to show how structured narratives can be constructed to explain policy-making outcomes. Two studies of European Union reforms illustrate how path dependent and evolutionary change occurs. A study of reform in the United Kingdom's national health care system shows how interactive learning causes change in ways that result in a degree of evolutionary change even in episodes that appear to exhibit sharp breaks with past practices. Finally, the case of regulatory reform in the UK pharmaceutical industry demonstrates how the complexity of institutions may result in contradictory policy mandates that drive policy change. All of these cases are short, but serve well enough to make the point that analytic themes can be used to structure historical analysis.

Lurking behind much of this is a criticism of rational choice theories of policy-making. First, rational choice theory favors the nomothetic approach, which Kay rejects as being unable to model the complexities of real-world institutional environments. Of course, in this regard rational choice theorists are not the only ones implicated. So are many social scientists who seek to test models and establish generalisable causal arguments albeit within well defined scope conditions. Second, it assumes a relatively simple view of actors, preferences, and action. Here his concern is that the complexities of institutional environments often present actors with confusing and sometimes conflicting interests and policy choices, which neither they

nor the analysts studying them can easily discern from an extant constellation of complex institutional dimensions and layers. Hence, a considerable amount of interpretation on the part of the actors must be acknowledged in any analysis of a policy-making episode—interpretation that makes it virtually impossible for analysts to predict how these actors will behave or what decisions they will make. For these reasons, many political scientists in North America, where rational choice theory has established a certain hegemony will certainly recoil at the arguments made in this book.

Kay is much more sympathetic to historical institutionalism, from which he has learned a lot in terms of the path-dependent and evolutionary nature of policy and institutional change. Many of those who subscribe to this approach will be more comfortable with the arguments in this book. However, I suspect that some of them will still hesitate to embrace the structured narrative approach insofar as it rejects more nomothetic model and hypothesis testing. After all, there is a vast literature from within this tradition in comparative political economy that wants to generalise about styles of policy-making change, particularly in response to economic globalisation, that cut across countries (e.g. Esping-Andersen 1999).

Those among historical institutionalists who emphasise how discourse and interpretation should figure into policy analysis will applaud Kay's theoretical move in this direction (e.g., Blyth 2002; Schmidt 2002). Yet they are still likely to feel that all of this is highly under specified in his argument and does little to advance our understanding of why actors interpret their situations as they do, why they frame their solutions as they do, and how they are constrained by the interpretive and discursive frameworks that they have inherited from the past. These are things toward which he points, but does not elaborate—even in the empirical chapters. In particular, they may find his discussion of the importance of policy memory to be tantalising but requiring further elaboration.

Suffice to say, this book stakes out positions in important theoretical and methodological debates that are controversial. They should be of interest to everyone who considers institutional

analysis an important tool for understanding change in public policy as well as the institutions within which it occurs.

John L. Campbell

Dartmouth College, USA, Copenhagen Business School, Denmark

References

- Blyth, M. 2002. *Great Transformations*. New York: Cambridge University Press.
- Campbell, J.L. Forthcoming. 'Institutional Reproduction and Change.' In *Oxford Handbook on Comparative Institutional Analysis*, eds G. Morgan, J.L. Campbell, C. Crouch, P. Hull Kristensen, O.K. Pedersen, and R. Whitley. New York: Oxford University Press.
- Campbell, J.L. 2004. *Institutional Change and Globalization*. Princeton: Princeton University Press.
- Crouch, C. 2005. *Capitalist Diversity and Change*. New York: Oxford University Press.
- Esping-Andersen, G. 1999. *Social Foundations of Postindustrial Economies*. New York: Oxford University Press.
- North, D. 2005. *Understanding the Process of Economic Change*. Princeton: Princeton University Press.
- Pierson, P. 2004. *Politics in Time*. Princeton: Princeton University Press.
- Thelen, K. 2004. *How Institutions Evolve*. New York: Cambridge University Press.
- Schmidt, V.A. 2002. *The Futures of European Capitalism*. New York: Oxford University Press.
- Streeck, W. and K. Thelen, eds. 2005. *Beyond Continuity*. New York: Oxford University Press.

Water Politics in the Murray-Darling Basin

Daniel Connell (Federation Press, Sydney, 2007, ISBN 97818628 6330, 241pp.)

Thanks to one of the worst droughts in our history, and unprecedented water restrictions in many towns and cities, most Australians now realise that we inhabit a dry continent. Or do we?

In the little town of Bungendore, 40 kilometres to the east of Canberra, development is

proceeding apace. Bungendore lies within commuting distance of Canberra, and the impetus of that city's growth, plus the Defence Joint Operations headquarters being built nearby, has fuelled a demand for new housing.

Residents have been fighting, not only to retain the traditional character of the town, but also to force the local council and developers to deal adequately with the very real problems that further growth poses for water availability. Sewerage infrastructure is another key issue. Residents successfully opposed one development in the NSW Land and Environment Court, but another, with almost 500 lots, has been approved and is currently being built, despite the fact that the council is already drawing its full entitlement from the aquifer that supplies the town.

The council, which needs the rates the new residents will pay, has proposed that, after a bridging period, the water needed for the existing development (and others to come) will be sourced from a new bore to the north-east of the town. Opinion differs as to the sustainability of the new source, and expensive treatment will be required. And of course the water all belongs to the one overall system, the beleaguered Murray-Darling Basin.

The Bungendore story encapsulates the complexity – and the intractability – of the water politics of the Basin. Water politics are not only multi-sectoral, they are also multi-level, with local, regional, state, inter-state, and national ramifications. As a result, public policies – or to be more accurate – institutional arrangements, are bewilderingly complex. These arrangements, as Daniel Connell argues forcefully in *Water Politics in the Murray-Darling Basin*, have proved incapable of delivering the kind of governance regimes that are needed to save the Murray-Darling from continued ecological (and ultimately social and economic) decline.

Connell does an excellent job of describing the evolution, achievements and shortcomings of the key inter-governmental institution designed to deal with the Basin as a whole – the Murray-Darling Basin Commission (MDBC), and the Ministerial Council that oversees its operations. There is interesting material on the

Commission's predecessor, the River Murray Commission, which was created in 1915 by the governments of South Australia, Victoria, New South Wales and the Commonwealth in order to sort out their disputes over water. The MDBC, legislated in 1992, extended the management framework to the entire Basin, gradually involving Queensland and the ACT in decision-making.

The book is very much the story of the MDBC, and Connell tells it very well. He worked with the Commission for eight years, and has much wisdom to offer on its struggle to implement the various strategies it has promulgated over the years, from the Natural Resources Management Strategy of the early 1990s, to the administration of the extractions Cap from 1995.

For a book about politics, though, Connell offers few insights into the intersections of interests, institutions and values that have created the current situation. Nor does he have much to say about governance at the local or even regional level, although much of the action, both in the past and now, takes place within states rather than between them. The perspective is very much a national one, and the states figure in it as participants (often less than willing) in the various initiatives of the federal government to contain and re-direct their activities. As the 1990s progressed, these initiatives operated, increasingly, through the Council of Australian Governments, rather than the Murray-Darling Basin Commission itself.

The states do not come out of this account at all well. Indeed, Connell argues, the political trade-offs that underpinned the renovation and re-launching of the Commission in the early 1990s, particularly the crucial role of the Ministerial Council, exacted a heavy toll on the implementation capacity of the Commission. New South Wales shows up as being particularly self-serving, but in Connell's view it is the fundamental mismatch between political, institutional and environmental boundaries, together with state veto powers, that has prevented effective management of the Basin.

I am not sure that Connell is being entirely fair here. The states, individually and collectively, have over-allocated the available water

many times over in their never-ending quest to increase economic development in general and irrigated agriculture in particular. But the record is far from being entirely negative. Victoria, for example, has worked hard to reform the management of its irrigation areas and (as Connell shows), quite successful strategies have been developed both within and between states to combat irrigation-related salinity. At the same time, the Commonwealth, by imposing its own version of policy reform, for example, through the property-rights principles underpinning the National Water Initiative, has arguably muddied the waters, rather than clarifying them.

Connell's account ends with the Howard government's bold plan, announced early in 2007, to acquire control of water management from the states, compensate irrigators for reduced entitlements, improve efficiency of water use, and at the same time, boost its somewhat exiguous environmental credentials at the expense of the four Labor-controlled states (and one Territory) in the Basin.

Connell knows too much about the real problems of the Basin to believe that the Commonwealth's initiative, at least in the form in which it was announced, amounts to anything more than an election-year stunt. But while he describes the twists and turns of policy over the years, he has little analysis to offer as to what needs to be done. At one point (pp. 210–212), he endorses an interesting blueprint for a much more powerful Commission, able to take control of the situation, essentially by depoliticising it. But this recommendation is immediately followed by further discussion of the National Water Initiative, and the book winds up with Connell reflecting, once again, on the terrible fate to which continuing inaction will consign us.

This sounds like a reasonable conclusion to draw, except that the policy history described in *Water Politics* is far from being one of inaction. Rather, there is too much hortatory and symbolic action, too many top-down strategies and initiatives, and too little implementation of practical programs.

Why? My own view is that when it comes to water management, policy-makers have for

too long regarded local communities as part of the problem, rather than part of the solution. We need negotiation, planning, and expertise at the local level, as well as at the top. Connell mentions this point at the end of his book, but could have made much more of it along the way. Finally, someone should have made much more of the index, which is irritatingly rudimentary for a discursive book of this type, and detracts considerably from its usefulness.

Jenny Stewart

University of Canberra

The Chameleon Crown: The Queen and her Australian Governors

Anne Twomey (Federation Press, Sydney, 2006, ISBN 9781862876293, 256pp.)

The title of this important new book refers, in the words of the Hon Michael McHugh, former Justice of the High Court of Australia, writing in the forward, to the theme that ‘the Crown has been a chameleon-like institution that has protected itself by remaining in the background and adapting its nature to the changes in the political landscape’. The result was inevitably a misunderstanding of the nature of the Crown, by scholars, politicians and others. In essence, the book shows that the common assumption that for many years before 1986 and the passage of the Australia Acts, the Foreign and Commonwealth Office of the United Kingdom was merely a channel of communication for the views and advice of Australian governments concerning state constitutional and political questions, was wrong.

For their part the states were united in their endeavours to prevent the Commonwealth abolishing the right of appeals to the Privy Council, and the enactment of the Australia Acts, and so were not opposed to continued British involvement which went beyond being a mere ‘rubber stamp’. They feared – justifiably – that the Commonwealth government sought increased power over the states. Meanwhile the United Kingdom was unwilling to enact legisla-

tion eliminating their own role without a unanimous request from the states. Consequently it found itself maintaining an imperial obligation in Australia many years after it had been widely thought that this had ended.

In some respects the continued imperial link echoed the Canadian constitutional journey, which ended with the ‘patriation’ of the *British North America Act* in 1982. The key distinctions were, however, that the Canadian situation concerned legislative limitations, and was public knowledge; in Australia it concerned the right to advise the Crown (though this had a legislative basis), and was obscured and disguised, partly deliberately, because of embarrassment, and because of a desire to protect the Palace from direct political controversy. Unfortunately, while the passage of the *Canada Act* 1982 appears to have successfully resolved the Canadian dilemma, Twomey argues disturbingly but persuasively, that serious conceptual difficulties remain in Australia. These difficulties – and indeed the survival of the British involvement in state constitutional affairs until 1986 – were founded in the history of colonial development and the role of the Crown in that process.

The focus of much of the discussion which led eventually to the Australia Acts was on the question of the source of advice to the Crown. The states wished to acquire the right to advise the Crown; the Commonwealth wanted the exclusive right to do so – and the Palace itself tended to prefer the latter, if only because it feared receiving conflicting advice. But this preoccupation in the debate did not lead to a serious consideration of the deeper question of the nature of the Crown. If the Queen receives advice on state matters from the ministers of a state, is she not Queen of that state? This is a question to which the answer is uncertain.

It remains constitutionally important because the relationship of the Commonwealth with the states is at the heart of the Australian federation. While the relationship of the Crown within that system remains uncertain any attempt to dismantle the institution of monarchy threatens to reveal unexpected aspects of state sovereignty which might lead to the balance of power in the Commonwealth shifting radically. Twomey

has shown us how preconceptions can lead to a highly misleading comprehension of a constitutional system. This can, of course, have serious consequences, particularly when constitutional change is being considered.

The Chameleon Crown relies on highly important archival sources, many of which have not been readily available, or utilised previously. The British government and the states were generous in according access to their records. There was markedly poorer access conceded to Commonwealth records. Buckingham Palace had a significant role to play, both in the constitutional events which are described in the book, and in making the writing of the work possible. As Twomey notes in her preface, 'some of the more interesting material concerning the Queen's involvement' was removed at the insistence of the Palace. But enough remains to make the scale and significance of the role of the Queen and her immediate advisers apparent. Unfortunately, as the theme of the book illustrates, if one shelters the Crown too successfully it can lead to misconceptions at the highest levels, and consequently long-term risk of conflict.

The book is written for a general audience, but offers much for the specialist, whether they are political scientist, historian, or constitutional lawyer. It is to be followed by a more technical work, aimed at the specialist reader, which is eagerly awaited.

Noel Cox

Auckland University of Technology, New Zealand

Public Policy: The Competitive Framework

Ewen J. Michael (Oxford University Press, Melbourne, 2006, ISBN 0195555260, 271pp.)

Ewen Michael has produced a valuable overview of the rationales for public policy and the factors shaping policy design within advanced industrial democracies. The book draws on standard microeconomics for developing an

interpretation of economic and social organisation. Taking his cue from public choice theory, Michael applies the rational actor model from economics to the interpretation of political processes and policy development. This consistency of analytical perspective across market and non-market settings is refreshing, and it generates clear hypotheses concerning the politics of mechanism design. Using this model to explore some real world situations, Michael produces several compelling interpretations of contemporary developments on the policy scene, especially privatisation efforts, the creation of new regulatory regimes, and strategies to balance economic and social goals within a market-driven setting.

Often, books that adopt this kind of perspective and address subjects in the broad realm of political economy can make for dry reading. That is not the case for *Public Policy: The Competitive Framework*. The author has a clear and effective writing style. He makes just enough use of economic theory to provide a strong backbone for his analyses. At the same time, he makes an impressive effort to draw out important and interesting insights. This makes for a straight-forward and informative read. Substantively, the book makes primary reference to the Australian case, with occasional reference to policy-making in New Zealand. This is a significant advantage, because other good policy textbooks tend to present case materials drawn from the United States. As such, those other works – while extremely valuable in many ways – can seem somewhat abstract to university students in the antipodes. Given the breadth of its coverage and its accessibility, Michael's book would serve as an effective core text for advanced undergraduate or graduate level courses in public policy in Australasian universities. In addition, coupled with a range of other policy texts exploring more specialist themes, this book could work in courses on topics such as government regulation of business, bureaucratic politics, and new public management. Yet another virtue of this book is that the author appears to recognise the bounds within which the public choice approach work well. He focuses on political economy concerns, leaving to others the interpretation of the array of

social, cultural, moral, and ecological topics that are now prominent in public policy discourse and debates.

The book begins by placing the state at centre stage, and reviewing how scholars working out of different disciplines have developed differing understandings of the function, scope, and organisation of the state. The importance of constitutions and the nature of democratic management of the state are also considered in this early chapter. That is followed by a discussion of the market system, which strikes a sound balance between breadth and technical depth. This leads naturally to a more focused discussion of issues in public economics. The causes of market failure and government failure are treated in a stand-alone chapter that also reviews the range of policy instruments open to use by governments. The six chapters that comprise the theoretical core of the book are rounded out with a focus on decision-making processes and agenda setting.

Having laid out the theoretical apparatus of the book, the author devotes the subsequent five chapters to focused discussions around policy-making and the emergence of a more market-oriented state. Here, Michael provides a sound overview of interest group behaviour that indicates ways we might effectively anticipate interest group actions and government responses. Contemporary competition policy next receives careful scrutiny. In that chapter, the author provides a concise and useful review of regulatory strategies. A further chapter is devoted to the analysis of privatisation and its consequences. Community Service Obligations also receive a dedicated chapter and this serves as an excellent inclusion in the book. In recent times, governments at both the national and sub-national level have sought to reduce bureaucratic waste and promote allocation of resources based on profit-motives and decentralised decision-making. This has often led to the transformation of former (supposedly) service-oriented government agencies into government business enterprises. But the creation of these trading entities has raised the corollary concern of how to harness market-like forces without setting things up for the

return of incipient forms of market failure (especially profiteering by natural monopolies). Effectively tackling this contemporary dilemma requires a lot of savvy, both in terms of well-informed policy planning and astute political judgement. Thus, the discussion of Community Service Obligations provides a sound opportunity for readers to appreciate the value of many of the concepts and analytical approaches introduced in preceding chapters of this book.

Public Policy: The Competitive Framework makes a focused, consistent contribution to the contemporary literature on public policy. It will reward reading by seasoned policy scholars as well as practitioners and students. The individual chapters are supported by helpful opening summaries and suggestions for further reading. The book also contains an insightful closing chapter on accountability and the democratic process. The glossary of terms will be of further benefit to many readers, especially since the analysis of public policy now attracts people from a wide variety of backgrounds, many of whom do not have prior knowledge spanning the fields of economics, politics, or public administration.

Michael Mintrom

University of Auckland

Localising Human Services: A History of Local Government Human Services in Victoria

Robert Lowell (Australian Scholarly Publishing, Melbourne, 2006, ISBN 1740970977, 222pp.)

The basis of this book was drawn from Robert Lowell's doctoral thesis which traced the development of human services in Victorian local government from 1960 to 1993. At first glance this might appear to some readers to be a relatively inconsequential issue but this belies the importance of the changes to Australian local government brought about by the adoption by Victoria and South Australia of human services

as a key service delivery area and the subsequent acceptance by governments at all levels in the Federation of local government's fundamental role in this area. Hitherto, services delivered by local government were described as 'roads, rates and rubbish', typically a descriptive more than a pejorative label. However, by the 1980s, local government's legitimate role in delivering human services was generally recognised, indeed even encouraged by the Hawke federal government through its endorsement of the 'rationalisation program'. For this transformation of the role of local government, the Victorian experience has some historic importance. The transformation has been well researched and carefully described by the author in this volume.

The period immediately after 1993 saw massive change in local government in Australia, especially in Victoria with the introduction of Kennett government's radical reforms. While the author does deal with this period he does not provide the reader with sufficient information on the impact of these reforms on both users and providers of human services. He also leaves the story at the new millennium. It is clear that the capacity of institutional local government in Victoria was severely stretched during the 1990s as a result of dislocations from major municipal amalgamations, the introduction of compulsory competitive tendering and the steady erosion of the capacity of many rural and remote communities to deliver the human services demanded by their communities (indeed, many services at all!). This has encouraged the Victorian state government (and governments in other states such as Western Australia and Queensland) to assume a stronger leadership role in local community development by initiating programs to encourage more sustainable communities and to adopt more participatory forms of local governance.

In this context, the book has not dealt with this important contemporary shift in localising human services, especially in more remote communities, from institutional local government to state government and community-based organisations. Given that he describes the local government reform process as 'reform without reform' because of the strictures

imposed by state government on the process, it would have been a relatively easy task for the author to describe this shift in terms of state government's continuing unwillingness to grant greater autonomy to local government. The theme of state government dominance of local arrangements permeates the book and is well described by the author as a failure of the state government to embrace the concept of 'subsidiarity'.

A quick look at the reference list supports this reviewer's contention that the book is dated and limited in scope to the role of institutional local government in local human service delivery. Its interest and relevance is restricted to those who want an historic perspective of the pioneering role that Victorian local government played in forging a role for local government in providing human services for their communities. For these readers, the book is worth the read as they will find it thoroughly researched, clearly written and of relevance to developments in local government in the last decades of the twentieth century.

Chris Aulich

University of Canberra

Australian Local Government Economics

Brian Dollery, Lin Crase and Andrew Johnson (UNSW Press, Sydney, 2006, ISBN 0868407518, xii + 322pp.)

While Australian federalism in general has long been neglected by scholars, this neglect has been at its most stark in the area of local government. This disregard is unfortunate in several respects. After all, although local government may be smaller than its state and national counterparts, it nonetheless employs over 150,000 people and spends in excess of \$16 billion annually. Moreover, local councils deliver those services that most decisively affect the daily lives of millions of Australians and are thus intimately linked to their local communities.

In an area that is thus chronically under-researched, the publication of *Australian*

Local Government Economics is therefore especially welcome. Indeed, it is the first volume dedicated exclusively to the economic and financial dimensions of Australian local government thereby filling a grievous gap in an already Spartan literature. It will surely become a staple in professional and academic libraries for years to come and the authors should be commended for their pioneering efforts.

The book itself is divided into three broad parts. Part A is devoted to the history and origins of local government in Australia. It also lays the foundations for a thorough understanding of the acute financial distress presently afflicting local councils across the country.

Part B deals with the economics of local government. Successive chapters examine the theory of fiscal federalism, local government charges, local government taxes and the complex system of intergovernmental grants that operates in Australia. While the emphasis in this section of the book falls unashamedly on locating Australian local government within the economic approach to multi-level government, it also does a good job at highlighting the peculiarities of the local government system in this country.

Part C of the book examines various important policy themes in contemporary Australian local government. For example, the authors investigate the controversial question of municipal amalgamation and place their discussion within an excellent framework of alternative models of local government, economies of scale and scope economies.

Other important policy themes explored in Part C include the empirical economic efficiency in Australian local government service delivery, the purchaser-provider split and outsourcing, cost-shifting from higher tiers of government and public-private partnerships in local infrastructure provision. A particularly useful chapter also focuses on the increasingly prominent role of local councils in local economic development.

Australian Local Government Economics is not without its faults. By far the most significant omission is the thorny problem of local government financial sustainability. Over the past several years, the local government asso-

ciations of South Australia, New South Wales, Queensland, Western Australia and Tasmania have held intensive inquiries into the long-run financial prospects of local councils. At the national level, the Commonwealth Grants Commission Report (2001), the Commonwealth House of Representatives Standing Committee on Economics, Finance and Public Administration ('Hawker Report') *Rates and Taxes: A Fair Share for Responsible Local Government* (2004), and the recent PriceWaterhouseCoopers Report *National Financial Sustainability Study of Local Government* (2006) have considered broadly the same problem across all local government jurisdictions. These inquiries have all emphasised the acute degree of financial distress in Australian local government and especially its impact on local infrastructure.

Australian Local Government Economics largely ignores most of these inquiries and does not carefully consider the problem of financial sustainability. This is perhaps explained by the fact that some of these documents appeared immediately before or after the publication of the book. In any event, a second edition of *Australian Local Government Economics* should include detailed coverage of this difficult problem.

Andrew Worthington

University of Wollongong

Temptations of Power: The United States in Global Politics after 9/11

Robert J. Jackson and Philip Towle (Palgrave Macmillan, New York, 2006, ISBN 1403946779, 228pp.)

Temptations of Power: The United States in Global Politics after 9/11 is an empowering and engrossing book that encourages the reader to reflect on the world populus following events post 9/11. It traces the implications for the Bush administration, global governance and international security. It examines the concept and realities for international relations while examining the future of international security. *Temptations*

of Power encourages the reader to ask questions such as: Are proponents of all philosophical viewpoints right? Does one nation state have the right to attempt to have their democratic philosophies or religious beliefs forced upon other nation states? Is the growth and promotion of democracy being encouraged by military action following the failure of international diplomacy? Is the failure of all parties to collaborate and act in a conciliatory nature resulting in forcing 'right by might'? Do the purveyors of democracy have a chance or are they simply whispering in the wind? *Temptations of Power* places at our hand an opportunity to make up our own mind.

The book takes us on a 'power trip' over the three decades from American relations with the USSR during the Cold War to present relations with world nation states and the 'war on terror'. They trace the impact of the USA on global politics and the impact of global politics in the USA itself and how it sees its 'mission'. Jackson and Towle argue that the influence of the USA has declined in shaping the rest of the world in its own image.

The book describes US foreign policy under Bush, the place of the United States in Europe and the world and the challenges to US hegemony in the context of China and the Muslim resurgence. *Temptations of Power* focuses on military power, preventative war, terrorism, USA homeland security and insecurity. It also discusses the ponderous and difficult issues of 'winning wars' and 'losing the peace'. It concludes with an excellent chapter on 'The Burden of Power' which argues that US attempts to rid the world of international terrorism by using 'preventative war' in Third World countries can exacerbate the problem, corrode international law and affects the US economy without producing greater security.

The authors view power as cyclic, with 'real' politics constantly revolving and never-ending

struggles erupting in the nation states of the globe. Theirs is a 'real politik' world of power and interests.

Jackson and Towle have provided a book that will be useful both as a text and reference, not only for academics and students of international relations, international policy and governance, but as a very readable book for the generalist interested in developing and forming an informed and honest opinion of the Bush administration and American international politics since the end of the Cold War.

Although *Temptations of Power* is a book borne of an attempt to provide a clear evaluation of the place of the United States in global politics after 9/11, it clearly shows that the 'out of touch' Bush administration is still trying to come to terms with the new world reality that the American ideology of 'military might' is not necessarily the way to win a 'war on terror' nor to promote democracy in developing parts of the globe.

Is America seen as an empire, an imperialist state, a superpower, a substantial global force in the military, economically and cultural sense? These possible roles are discussed with the authors engaging in a critical dialogue with Samuel Huntington, Niall Ferguson, Robert D. Kaplan, Michael Mandelbaum, Chalmers Johnson, Emmanuel Todd and Robert Kagan and many other scholars, journalists and commentators.

This book is engrossing and thought provoking and takes the reader to consider how international politics and policy driven by globalization, the environment and insurgency may in coming decades be seen in a new world driven by political futures similar to educational futures.

Victoria Redfern

The Australian National University