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Boekbespreking van: **Beleid, Cultuur en Instituties**

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The third and final part of the book is devoted to a discussion of theories that seek to explain the existence of the non-profit sector, and theories that try to explain why people join voluntary associations. It is a good overview of existing theories as well as a critical reflection on the accomplishments of different rational choice explanations. As far as the reasons for the existence of the non-profit sector are concerned she discusses the contributions of Hansmann, Weisbrod and James, and of Salamon, Seibel and Evers. The discussion of the reasons why people join organizations consists of a treatment of Olson's Logic of Collective Action, Salisbury's Exchange Theory and the Resource Mobilisation Approach.

After reading the book one could ask whether Zimmer has indeed shown that associations are the basic elements of democracy – as the title of the book suggests. Strictly speaking she has not, and I think this may be due to the fact that she employs the third-sector perspective. In order to prove her case it would probably have been better to look at associations through the eyes of a political scientist, however limited such a perspective might seem from her point of view. Claims about the beneficial effects of associational membership on political participation could then have been substantiated by means of an empirical analysis of individual-level surveys or by a more comprehensive overview of the literature than the one presented in the book. This perspective would also enable a more thorough analysis of the relations between associations and local government. It is important that she devotes attention to the output side of the political process by looking at the financial links between government and associations. But this naturally begs the question of what is happening on the input side. It would be nice to know in which different ways these organizations are politically active and to what extent their involvement in providing public services constrains or expands their options for political participation.

Zimmer has written a book that is not only very interesting and informative, but also well documented (her bibliography contains more than 600 entries). It is a valuable reference work for all scholars interested in the role and functions of voluntary associations.

Herman Lelieveldt

Frank Hendriks, *Beleid, cultuur en instituties: Het verhaal van twee steden (Policy, culture and institutions: A tale of two cities)*. DSWO Press: Leiden 1996

For some time, the so-called cultural theory, which was primarily developed by Douglas, Wildavsky, Thompson and Ellis, has been gaining importance in political science and its branch, policy science. It is important because, among other things, it offers the possibility to categorize political actors and explain their views on a policy

according to four 'cultural ideal types'. According to its advocates, a cultural approach can serve as a supplement to the classical rational actor approach. In a rational model, for example, a policy is presented as the product of a conscious weighing of needs, wishes, and means through which these needs and wishes can be fulfilled. With a cultural model policy is explained on the basis of dispositions, which may have arisen consciously initially, but which are now, as limiting conditions of behaviour, or the reflection of behaviour for a certain actor, no longer directly recognizable as such. Rational weighing takes place under, or is even decided by these culturally-determined limiting conditions.

Despite the large amount of attention that the cultural theory has received, only a relatively small number of empirical studies use this interesting theory as their starting-point. The thesis by Frank Hendriks, which attempts to interpret the post-war policy on car traffic in Birmingham and Munich using the cultural theory, deserves esteem if only because of its empirical orientation.

Hendriks connects the cultural theory with the neo-institutional approach in the political sciences. Central elements in his study are policy cultures and administrative institutions. Policy cultures comprise the values, norms, and rules that policy actors and policy communities believe in and follow with regard to contentious policy matters. Administrative institutions refer to the 'social conducting mechanisms' that are characteristic for the administrative system in which policy actors and policy communities are imbedded. Hendriks (p. 6) develops the following dual problem statement:

- What relation is there between the institutional composition of the administration and the ways in which cities such as Birmingham and München deal with diverging attitudes concerning the position of the car in public areas?
- What is the meaning of the institutional factor in the administration and how can this factor be described from the point of view of public administration?

The cultural theory, in short, means the following. On the basis of the dimensions 'group' and 'grid', five patterns of social relations are distinguished. 'Group' concerns the incorporation of an individual in a group. This means that the greater the incorporation, the more individual choices are determined by the choices and the norm and value patterns of the group. 'Grid' refers to the binding nature and the extensiveness of rules or directions that structure the individual choice processes. A combination of these dimensions, which originated from Durkheim, leads to four basic categories of social patterns that are linked to notions about man and his place in the world. These categories are: powerless fatalism (low group/high grid); hierarchical collectivism (high group/high grid); competitive individualism (low group/low grid); and egalitarian sectarianism (high group/low grid). There is a fifth category (low group/low grid) in which persons are placed that refrain from any form of social life (the hermit's position).

A central assumption in the theory is that the beliefs, actions and norms of an

individual coincide with 'the organization of the social relations'. These limit the rationality of the individual and his choice processes. There is thus a cultural distortion that leads to a certain form of 'bounded rationality'.

Hendriks regards the group and grid dimensions as characteristics of institutions, but he also says that these dimensions only concern one aspect of institutions, namely the formative aspect. Facilitative and restrictive aspects can, however, also be recognized in institutions. By this, the author means that administrative institutions also contain rules, connections, barriers, and interdependencies that have an influence on the articulation and aggregation of policy cultures. More intelligibly formulated, Hendriks seems to want to say that administrative institutions promote or in fact hinder certain policy cultures (in terms of the types of the cultural theory). However, it remains unclear in his theoretical exposition what the relation is between institutions and the fatalistic, the hierarchical, the individualistic, and the egalitarian policy culture. The culture of the hermit is not taken into consideration by Hendriks. The other group and grid dimensions are of course also restrictive to the action alternatives of individuals, but in a way also facilitating because 'group and grid' give individuals action possibilities too. The 'hierarch' has, for example, more alternatives at his disposal than the 'fatalist', because he can employ the power and the security of the group as a resource, while the fatalist does not dispose of these possibilities.

After the discussion of his conceptual model, which is more a reflection of the cultural theory and the neo-institutionalism than an integrated framework of analysis, Hendriks studies the policy with regard to car traffic in Munich and Birmingham. To do this, he has translated the more general typology of policy cultures towards a policy aimed at car traffic. In a fatalistic culture, problems that are related to car mobility are vaguely formulated. For example, it remains unclear what the causes of traffic jams are. In line with this, there are few ideas about possible solutions. The fatalist lives in a world in which everything is decided by others or by factors that are hard to understand. The hierarchical culture, on the other hand, is steeped with ideas about surveillance and control. Car traffic is then also looked at in these terms. A hierarch will attempt to regulate car traffic in a technical-functionalistic way without too much ideological involvement. In the individualistic culture, the car is seen as a very positive object. This means of transportation does justice to the individual freedom of choice; it is fast; it increases accessibility; and it offers privacy. Problems regarding car traffic are seen by the individualist as restrictions to the car. The egalitarian culture contains values such as liveability, durability and justice. Seen from these values, modern car mobility is problematic. The egalitarian strives to limit car traffic and stimulate more environmentally friendly means of transportation.

The empirical evaluations of the theoretical notions lead Hendriks to the following conclusions, among others:

- The design of the administrative institutions in Birmingham stimulated an individual, hierarchically-tinted policy culture with certain fatalistic aspects. A result of this was that a policy was conducted, which was unilaterally directed at

removing restrictions to car traffic, and that other solutions, such as the expansion of public transportation, were ignored.

- In Munich, the institutional context allowed a more balanced policy culture with more egalitarian elements. This led to the realization of a policy which paid attention to the flow of car traffic, the environment, as well as to the liveability of the city.
- Institutions, such as participation at a local and sub-local level for example, exercise influence in mutual cohesion. This cohesion expresses itself in a so-called administrative system of institutions.
- The administrative system is reflected in eight different characteristics: as a medium, as a meaning system, as a pool of 'conventional wisdom', as an attention structure, as an action corridor, as an opportunity structure, as a limiting structure, and as a power structure.
- The institutional designs in Birmingham and Munich are related to the institutions on the national level. The English Westminster-model (power-centralizing and power-concentrating) versus the German federate model (power-diffusing and power-sharing). The first model is suitable for an adequate and quick policy implementation, but is not aimed at a critical reflection of the policy (learning) and the creation of consensus. The second model is capable of creating consensus and learning from the policy implementation, but does bring about lengthy, laborious policy processes.

Hendriks has written a well-readable and interesting study, which is however disappointing for several reasons. Mention has been made before of the lack of an adequate analysis framework. Furthermore, the institutional design of the administration (the independent variable) and the policy culture (the dependent variable) are not clearly separated from each other. Hendriks deems policy culture closely related to the structural aspect (p. 51) and in practice interwoven with administrative institutions. In order to prevent contamination, he endeavours to make a conceptual distinction between both notions. That he did not succeed is shown by the fact that in his description, a policy culture consists of rules (p. 92), while administrative institutions are seen as social conducting mechanisms (p. 92) and thus also include rules.

Another important problem is that the theoretical concepts have been operationalized to a limited degree. It is therefore not surprising that the extent of the section, in which 'the transition from theory to practice' is discussed, is no more than one and a half pages. A result of this omission is that in various areas of the empirical analysis, it is claimed that the culture types recur. There is no clear and verifiable argumentation in which, for example, the group and grid dimensions are distinguished on an empirical level. Because of this, it is also not possible to examine critically the relations between the group and grid dimensions and the notions about man and his place in the world (myths of nature) which, in my opinion, constitute the heart of the

cultural theory. The importance of Hendriks' thesis does not so much lie therefore in an empirical test of a number of theoretical concepts or in an exploration of the relation between institutions and culture, but rather in the fact that it draws attention to a number of interesting themes in the political and policy sciences.

Oscar van Heffen

D.-J. Kraan, *Budgetary Decisions: A Public Choice Approach*. Cambridge University Press: Cambridge 1996

Budgetary Decisions is a revision of Kraan's dissertation *Budgetary Decisions: A Micro-Economic Approach to Allocation and Distribution in the Public Sector* (1990). The book offers an introduction to the positive theory of public choice. Kraan wrote his book while working in the Directorate General of the Budget at the Ministry of Finance. The book is highly recommended by Gerrit Zalm, Minister of Finance, and Gordon Tullock, the well-known Public Choice theorist. According to Kraan budgetary decisions are the output of the political system. He combines Easton's input-output theory of the political system with the individual rationality assumption of the public choice approach. In this respect his book is an innovative alternative for Van den Doel's *Democratie en welvaartstheorie*.

In the first chapter Kraan presents several perspectives on budgetary decision-making. The distinction between public choice theory and other theories is described with the help of three key concepts: rationality, competence, and strategic interaction. The rationality of decision-makers is defined as the capability to order individual preferences for potential consequences of choice alternatives in a consistent way. The competence of the decision-maker is the set of choice alternatives that is available to him. His competence is defined by legal rules and constitutional constraints. The notion of strategic interaction refers to the idea that individual decision-makers have a noticeable effect on the process. Game theory is used to analyze interactive decision-making.

In the second chapter Kraan describes the structure of the budgetary process. This structure is a schedule of the basic competence rules of the budgetary process in the parliamentary and presidential system. The third chapter illustrates the public choice theory of public goods and private goods. To analyze the optimum of the demand for public goods, Van den Doel's two-dimensional graph is replaced by a three-dimensional indifference surface. The mathematical appendix examines the n-dimensional Preference Function (PF) and shows that the PF has the characteristic of single-peakedness. Chapter four presents the cost and benefit analysis of supply in the public sector. In this chapter Kraan also displays several models that illustrate the strategic games that the bureaucrats and politicians play with each other. In chapter

five Kraan uses game theory and Duncan Black's theory of committees to characterize political decision-making. The single-peaked preference functions (PF) of politicians define the core of an N-person budgetary game. Chapter six elaborates the role of the bureaucrat in decision-making. The expectation of the outcomes of the political process and the interaction with other bureaucrats is part of his strategic behaviour. In Kraan's model the bureaucrats can choose between a monopoly strategy, a monopoly strategy with price discrimination, and a competitive strategy. The monopoly strategy in the budgetary game for public goods does not always lead to a stable result (i.e., the monopoly strategy does not guarantee the core as the solution of the game). The two other strategies can generate a stable outcome of the budgetary game. But according to Kraan, the monopoly strategy with price discrimination is not very attractive for bureaucrats, because it would benefit only a minority of politicians and therefore it would therefore undermine the functioning of coalitions of politicians. This means that bureaucrats have a strong incentive to choose the competitive strategy and offer their services at cost price. Chapter seven analyzes the institutional feasibility of those situations where the budgetary game does not result in a stable solution. Tullock's log-rolling equilibrium is not very robust if coalitions are allowed to finance increases of outputs with decreases of other outputs. If a coalition accepts the rule of non-intervention a stable solution will occur. The agenda rule of non-intervention is an institutional option to reach an equilibrium on the level of the budgetary committee. The downside of this rule of non-intervention is, however, that it can reduce the level of social welfare of society at large. The last chapter, chapter eight, looks at ways to reform the budgetary decision-making, such as better information about the financial management of government, and several types of privatization. Kraan concludes his book with a positive judgement of public choice theory as a tool to analyze the problems of budgetary decision-making and to develop solutions of these problems. His work in the Directorate General of the Budget at the Ministry of Finance enables him to see that the fruitful ideas of public choice theory have not entered the official documents. But Kraan hopes that his book will make a contribution in budgetary decision-making.

Kraan's purpose was to write a systematic introduction to the budgetary process, a subject of public choice theory. He succeeds in presenting such an introduction: the book presents the theory of public choice very adequately and gives the reader a good idea what the relevant discussion is in this field of public choice theory. I doubt that 'the only desirable prerequisite is an elementary knowledge of microeconomic theory' because some analyses go beyond the elementary level. In short, this is a good public choice book written for public choice theorists by a public choice theorist. A political scientist on the other hand, will not always be satisfied with this book. He would criticize Kraan for not giving us a first-hand, insider's view of how budgetary decision-making really works in the Ministry of Finance. The models, graphs, and ideal points of actors in a three or more dimensional utility space will not convince political scientists that public choice is a useful approach for an empirical study of