

Book Reviews

Poul Erik Mouritzen: *Den politiske cyklus*. Århus: Politica, 1991, 660 pp.

The theory of public expenditures is stuck between the formal modelling of the main stream economics framework and the empiricist mode of conducting political science comparisons of unit variations at various levels of government. Whereas the former approach is *model driven*, using the empirical information in order to validate mathematical equations, the latter approach is *data orientated*, maximizing the number of variables and cases to be included in research. The economics modelling easily results in empty elegance without foundation in the real world, whereas the political science search for relevant information is endless and erratic. Is there a new balance between theory and data worth aiming at here?

Danish political scientist Poul Erik Mouritzen takes the field of public expenditure explanation a few steps ahead in his impressive Ph.D thesis. What he shows is that the myriad of data about local government policies may be understood by taking a number of middle range steps at the level of theory. Some aspects of the large public sector area of local government spending may be interpreted by means of the classical demographic approach in the Dye-Danziger-Newton tradition. Other aspects require the new theoretical tools of the public choice approach. Actually, all the paraphernalia of local government policy-making become alive if we are open-minded in the choice of the theoretical language. The conduct of public expenditure analysis has to be based on a pragmatic epistemology.

Using some 660 pages, Mouritzen presents an overview of the debate about public spending interpretation and also engages in a number of well-grounded empirical analyses. Both cross-sectional and longitudinal studies are reported upon. Looking on the public sector as involving both a *demand side* in the electorate and its principals as well as a *supply side* with a number of agents looking after their narrow self-interests, Mouritzen shows that the familiar phenomenon of fiscal stress underlies the explanatory power of demand side factors and restricts the impact of supply side factors. This is a brilliant finding.

Mouritzen moves easily between demand side and supply side variables. Explaining the between local government variation in levels of policy efforts in a number of local government programmes by means of demand factors, he employs supply factors to interpret the over time variation in the growth rates of these programmes over a time period, viz. 1982-6. His main finding is that there is a political business cycle in the local government household as it operates over an election cycle. If the public choice models are highly contested, rejecting the unclear notion of a public interest existing as it were besides all the interests of the participating actors, then it is worth emphasizing that such a controversial model as the political business cycle has been corroborated at the local government level. It has been applied with varying success in the modelling of national government level data.

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would enrich the international debate which cannot employ such a peculiar language as Danish. As a matter of fact, this would have happened had the book not been published as a Danish Ph.D. thesis as this format is also much too much a peculiarity.

Jan-Erik Lane, University of Oslo

Jan-Erik Lane & Svante Ersson: *Comparative Political Economy*. London: Pinter Publishers, 1990, 296 pp.

The purpose of this book is – in the words of the authors themselves – to make a contribution to the emerging field of political economy. Political economy is defined as the study of how politics and economics are interrelated. This very broad definition, however, is specified by five methodological preconditions for a new political economy starting from the traditional field of comparative politics and moving towards a theory of politico-economic interaction:

- The new field of political economy should bypass short-run political economy models and focus on long-run developments.
- It should recognize the relevance of middle range theories and abandon the hope for a general theory of political development.
- It should emphasize the need for genuine comparative analysis and differentiate itself from case-study analysis.
- It should underline the emptiness of theory without data and the blindness of data without theory, and should do a great deal to conduct systematic empirical inquiry into both economic and political development.
- And last but not least, it should describe political regimes and public policy in terms of institutions and institutional effects on economic growth and affluence, departing from traditional comparative politics and its focus on rules or constitutions and descriptive economics.

In fulfilling their purpose, Lane and Ersson review an impressive body of literature in the field of comparative politics including even very recent publications. The authors, however, are provoked by a far greater challenge than to bring an encyclopaedic description of old and new concepts and theories. While these are used to pinpoint methodological preconditions for a 'modern political economy', they also serve as an abounding reservoir of unanswered questions and unquestioned hypotheses – to be challenged by applying quantitative techniques to explore similarities and differences between economic growth and political democracy in different politico-economic regimes. One of the many bold questions raised in this connection is: if it is true that capitalism in the 1980s performed better than socialism then performance data would tend to differ between regimes with regard to average performance scores. Right or wrong? To answer this question one hundred countries from the four continents are classified, using five categories of regimes: *capitalist* (e.g. USA and Japan), *capitalist-state* (e.g. India and Spain), *mixed-capitalist* (e.g. Denmark and West Germany), and *socialist* (the Soviet Union and Yugoslavia). The average performance scores of the countries are then compared (1980–85) according to the level of affluence, economic growth, democratic rights, welfare efforts and income inequality, and to quote from the results:

- The mixed capitalist systems tend to perform better on all evaluation criteria than the other regimes.