

thinking of the family in terms of covenant relationships will suggest ways for laws to strengthen ties among existing family members. To the extent that modern American law has become centered on the individual, and particularly the adult, it works against family covenants and, ultimately, against the institution of the family and its community function” (8).

I am not sure that analyzing dissolution of the family firm, by divorce and by children moving out, requires abandonment of an economic approach. At least some of what Brinig discusses concerning divorce relates to the familiar law-and-economics distinction between property protections (if you want out of the marriage, you must secure my permission) versus liability protections (if you want out of the marriage, you need only pay what a court determines will make me whole). Mention of “community” invites analysis of families as providing public goods, an economic engine that has more analytic horsepower than “covenant” does. By the same token, however, an economist reading the chapters relying on covenant will find it enlightening to re-interpret Brinig’s points in more conventional economic terms.

Finally, it should be noted that this book works the extensive margin. The book is not exactly a survey, but a synthesis of a vast body of literature from various disciplines. Indeed, many will be startled to learn how much work, theoretical and empirical, has been done on the family. Brinig can walk the theory and talk the empirics; her own work regularly includes both. But faced with a mountain of literature and limited to some 200 pages of text, she can only skim. The theoretical models are both simple and familiar, and so synthesis works well along that margin. But the empirical results, many derived from multivariate estimations (again, often from Brinig’s own work), are necessarily short-changed in the synthesis.

That is not a criticism. Brinig is maximizing under space constraints, and discussion of empirical results is relatively costly. Interested readers will want to visit the original empirical sources, visits for which this book provides a marvelous map.

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Adam Przeworski, Susan C. Stokes and Bernard Manin (Eds.), *Democracy, accountability, and representation*. Cambridge Studies in the Theory of Democracy. Cambridge: Cambridge University Press, 1999. ix + 351 pages. \$59.95 (cloth); \$22.95 (paper).

Understanding the relationship between what citizens want government to do and what the government does is at the very core of a sizable portion of research conducted in political science and political economy. There is no shortage of research on representation, on the links between public policy and public opinion or between public policy and some notion of the public interest, and on what voters know or pay attention to when making decisions in the voting booth. To try to do justice to a list of citations of good publications on these topics would take a long time. Furthermore, any book that claims to have an original angle on these topics has set itself a high standard. That said, this edited volume, despite some flaws, provides some interesting contributions to the study of representative government.

The book contains a set of essays on representation and democratic accountability held together by the common thread of the principal-agent problem. To varying degrees, the essays focus attention on the problem of how much we can expect elected representatives, as agents, to act in the interests of the people, the principals, who elected them. As in most principal-agent models, there are problems of moral hazard and of adverse selection. With moral hazard, agents have incentives to shirk their responsibilities and are aided by their ability to hide some behavior from the principals. With adverse selection, principals have difficulties choosing the right type of agents to carry out tasks because it is often the case that the wrong types of agents have incentives to misrepresent their true types.

In the context of democratic elections and representative institutions, these two concepts can be applied as follows. Consider the normative position of this book, which most of us probably share: “good” democratic representation occurs when the government acts in the interests of voters, and most of the time the interests of voters are what voters say or think they are. If this “good” version of representation is mostly threatened by problems of moral hazard, then elected officials have different preferences from voters and have a lot of discretion once they win office. In the extreme case, they can virtually ignore what voters want them to do, and can in some cases plunder the state. Voters, because they lack enough information about what the government does, cannot adequately sanction elected officials. If the “good” version of representation is mostly threatened by problems of adverse selection, then voters lack enough information to choose the right kinds of politicians to lead them, where the right kind means those who share the same interests as voters. It is all too easy for candidates of the wrong type to fool voters into electing them.

Several of the essays offer novel insights or surprising empirical claims about moral hazard and adverse selection in the context of democratic representation. Among the theoretical contributions, there are chapters by James

Fearon and John Ferejohn. The chapter by Fearon discusses a game theoretic model of representation. The results of the model lead him to side with those who think the major problem is adverse selection, although he needs the moral hazard problem as a foundation for the argument. The insight from the model is that when voters both select politicians of relatively fixed types and can sanction those politicians who stray once in office, the sanctions should be rarely enforced. Sanctions and selection reinforce each other, but the former do not occur frequently because the threat of them will be enough. This turns the voters' tasks mostly into one of selection, and therefore the issue comes down to the degree to which voters have enough information from campaigns to discern good types of politicians from bad types.

Ferejohn presents a principal-agent model where agents compete for office by trying to win the principal's approval. Like Fearon, he too studies a combination of moral hazard and adverse selection in one model. In most principal-agent models, agents are rewarded or punished based on measurements of performance criteria. Ferejohn shows that the agents in competition have incentives to offer principals the chance to observe agents' actions, not just the end results. The reason is that principals will entrust agents with more resources if they can observe what the agents do with those resources. In equilibrium, because of the competition, the principal gets to observe the agent's actions and ensure enough compliance, but at the same time the winning agent gets more resources than he or she would otherwise get (and from which he or she can skim a bit off the top).

Other chapters summarize new empirical results. Susan Stokes shows surprising data to indicate that a great many presidents in Latin America in recent times have campaigned and won election on platforms of social responsibility and generous jobs and welfare programs, only to shift gears once in office and adopt policies of fiscal responsibility and neo-liberalism. Her explanation, which seems entirely plausible and is supported by a lot of case study material, is that these politicians knew during their electoral campaigns that they were misleading the public, but that they had to say certain things to get elected. The politicians privately anticipated having to change policy directions. Stokes demonstrates convincingly that an alternative explanation, that the politicians once in office discovered information they did not previously have about the fiscal health of the state, does not hold water.

Jose Maria Maravall in his chapter discusses a conundrum of Spanish politics. How did the Socialist party maintain power from 1982 to 1996, through four elections, even though it governed during a lengthy period of repeated scandal, incompetence, poor economic performance, and unpredictable policies? Why didn't Spanish voters sanction the Socialists? Maravall tells the story of how the party used crafty, misleading campaign methods,

relied on brand name power, and took advantage of incompetence among the opposition, to cling to power. The message is less than comforting: skillful politicians can overcome poor performances in office to get reelected. The question I am left with is why better options were not presented to Spanish voters, and I suspect the answer lies in the methods for candidate advancement in the Spanish party system.

While the theorists in the volume tend to lean toward selection as the main device for promoting democratic accountability, James Stimson offers empirical evidence from the United States to show that in fact the threat of sanctioning will do the trick (which is similar to Fearon's argument). He uses highly aggregated public opinion data, legislative voting scores, and partisan proportions from the postwar Congress to test whether voters changed their behavior to correspond to changes in their policy preferences (i.e., voted for different parties when they want different policies), or whether it was more the case that the parties responded to changing voters' preferences by altering policy positions. Relying on sophisticated statistical techniques, Stimson concludes that the latter is the more accurate story. American voters do not need to change personnel in the Congress to move policy because the parties will change their positions along with voters' preferences.

The chapter by Chieub and Przeworski offers the most striking empirical results, although I found them difficult to evaluate. They have searched hard for evidence from a wealth of cross-national data that incumbents who preside over governments during poor economic times are more likely to lose office than incumbents who preside over governments during times of relative prosperity. In short, are incumbents punished for bad economies? The answer seems to be "no". Even after they factor out the cases for which incumbents lose office due to term limits, personal scandal, or death, they find no evidence that economic fortunes matter at all. My concern with this chapter is simply that they fail to provide enough detail on their methodology for readers to evaluate the claims. Nevertheless, assuming the methods are sound, this is a surprising finding. It is also informative to learn of the sheer number of incumbents in post-war democracies who have been prevented from retaining office due to institutional impediments other than lost elections, such as term limits and lost votes of confidence.

I have highlighted what I take to be the most original and provocative parts of the book. The volume is hardly of "one piece", although edited volumes rarely are. I found, for instance, that the editors kind of get in the way. In the introduction and in a subsequent essay, the editors offer for our consideration a distinction between mandate representation and accountability representation. It turns out that these notions are really what Fearon refers to in his chapter as selection and sanctioning, and other authors of later chapters tend

to use the concepts of moral hazard and adverse selection, to greater effect than the concepts put forth by the editors. In other words, there are several related dichotomies going on in the book, and only after the editors have had their say are the various concepts parsed out clearly by others. Also, a chapter by Jon Elster on accountability mechanisms in ancient Athens fits awkwardly in the book. Michael Laver and Kenneth Shepsle summarize their theory of parliamentary government in one chapter. Most of the ideas in their chapter are contained in their 1996 book, *Making and Breaking Governments* (New York: Cambridge University Press.), and the only new offering they provide here is a reframing of their equilibrium government concept to fit the theme of accountability presented in this volume. Finally, nearly every chapter summarizes the problems of moral hazard and adverse selection and relates these to democratic representation. By the third time, the definitions are tedious to read, and by the sixth time, it becomes downright annoying.

This is the kind of book that, instead of offering a consistent and tightly constructed intellectual theme, contains a number of nuggets worth mining. One could begin with the chapters I have highlighted, and it would be well worth the read.

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Roger E. Meiners and Andrew P. Morriss (Eds), *The common law and the environment: Rethinking the statutory basis for modern environmental law*. Lanham, MD: Rowman & Littlefield, 2000. xiv + 279 pages. \$70.00 (cloth); \$24.95 (paper).

When many people think about environmental law today, the perception is that federal dominance of environmental protection has existed since environmental problems were first recognized. Alternatively, for those who remember that there was almost no federal role in environmental policy before 1970, the belief may be that severe threats to the environment and a general absence of effective mechanisms offered by other levels of government to institute protection policies forced the federal government to act. Both of these perceptions are wrong, however, as the ten chapters contributed to this important book clearly illustrate.

When environmental threats were recognized, individuals sued polluters for damages and obtained injunctions in order to protect their property rights