
Book Reviews

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Brenda E. Holzinger

Handbook of Global Environmental Policy and Administration, edited by Dennis L. Soden and Brent S. Steel. New York: Marcel Dekker, 1999, 816 pp., \$225 cloth.

Environmental policy is one of the most dynamic and intellectually diverse fields in contemporary policy analysis, administration, and management. Not only does environmental policymaking span every governmental level from the local to the global, it also transcends a variety of very different jurisdictional boundaries, including political, intellectual, socioeconomic, cultural, and philosophical. Clearly, other policy fields are politically and scientifically complex with their own unique challenges. However, environmental policy is one of the few fields where practitioners, analysts, and academics must galvanize their knowledge and other available resources simply to cope with the daily realities of policymaking at the end of the 20th century. Until recently, the environmental policy literature has consisted primarily of conceptually limited works aimed at specific facets rather than forging a more comprehensive approach to studying the field. While this is certainly understandable given the relative newness of the field and its broad and diverse components, it nonetheless presents a difficulty for both students and practitioners of environmental policy because many sources must be consulted during any information quest. The *Handbook of Global Environmental Policy and Administration* contributes significantly to the informational and analytical needs of contemporary environmental policymaking because it is one of few attempts to approach the field from an extremely broad range of conceptual perspectives.

In their introduction to the volume, Dennis L. Soden and Brent S. Steel state that their purpose is to provide a global rather than solely state-centered perspective on national, transnational, and international environmental problems and policies. By including 39 chapters in this 816-page volume, written by 61 contributors who represent a vast range of academic disciplines, practitioner positions, and nationalities, Soden and Steel make a significant stride toward their goal of a state-of-the-art book for the global environmental policy field. The *Handbook* is aimed at both individuals with experience in environmental policymaking as well as newcomers. Not only does it provide more evidence about the global nature of environmental dilemmas; it also

avails the reader of greater knowledge about environmental policymaking in a variety of different geographical and institutional locations.

The *Handbook of Global Environmental Policy and Administration* is divided into four broad parts, each of which contains a brief introduction by the editors. The first section presents a general overview of the various methodological and analytical approaches used to study environmental policymaking and management. By and large, these methods represent the tools of the trade that prevail in the current policy literature. The second part of the *Handbook* addresses environmental policymaking and management in the developing and industrializing countries, and the third part focuses solely on the advanced industrial nations of the global community. The final part looks more generally at international environmental policy and administration issues, and emphasizes the political difficulties and other complexities associated with transboundary issues.

The 13 chapters of the first section review the various “lenses” that have served as focal points for different approaches to environmental administration and policy. As a unit, this section indicates the broad range of intellectual fields of thought and policy practitioners that have been united by environmental concerns. The section also suggests that the field of environmental policy, administration, and management has moved from learning to doing by choosing among the best ideas offered by policy and administrative studies and actually applying them to real-world problems affecting many residents of the global commons. While space limitations prevent doing justice to any of the individual pieces of scholarship in the *Handbook*, they all deserve at least brief mention. This part’s subject matter covers methodological approaches from quantitative to normative and includes a representation of many perspectives in between the two extremes. Specifically, the chapters address opinion surveys; ecosystems management; geographical information systems (GIS); government-versus-market regulation; contingent valuation; alternative dispute resolution; public incorporation into environmental affairs; and an increased focus on indigenous peoples, environmental justice, and ethics. The most significant point that emerges from this part of Soden and Steel’s volume is the need to incorporate a variety of perspectives when approaching any environmental issue. Thus, the editors advocate analytical frameworks that harness multiple methods in their environmental inquiries.

Part 2 focuses on environmental policymaking in developing and industrializing nations. In these regions of the world, environmental concerns are often far less salient than issues of rapid population growth, poverty, and large populations concentrated in rural areas. Each of these issues in turn leads to its own behaviors that drive current overexploitation of natural resources at the expense of future generations. Thus, the question is how the developing and industrializing world can give higher priority to the environment while grappling with seemingly more immediate economic, social, and political problems. The nine chapters in this section offer insight into the possibilities of environmentally sustainable development and industrialization from a wide array of viewpoints. Individually, the works in this part explore grassroots efforts within the contexts of gender, ecotourism, and a case study (Rwanda). Additionally, they investigate elite decisionmaking in Nepal and Korea, as well as changing environmental policies in former or transitional communist countries, including the People’s Republic of China, the Russian Far East, and Central and Eastern Europe. As a unit, these chapters argue that sound environmental policy must incorporate economic development objectives that involve those directly involved in the economic development activities. In other words, environmental policy cannot be implemented by the governmental elite without extensive grassroots participation because humans are integrally related to the ecosystem.

The *Handbook’s* third part looks closely at environmental policy in advanced industrial countries. Societies in these nations are generally characterized by an

economically dominant service sector much more powerful than either manufacturing or agriculture. Such countries also have complex nationwide communications networks, a scientifically and technologically educated workforce, a high level of public motivation, increasing population growth and employment in urban areas, and historically unprecedented societal affluence. All these factors lead to changes in values and priorities that move away from basic subsistence to focus instead on quality-of-life issues. In turn, these behaviors have significant worldwide consequences, both intended and unintended. Each of the nine chapters in this part examines an aspect of these complexities within the context of individual countries, such as the United States, Australia, Japan, and Israel. Also investigated are issues unique to the European Union, including differing values among individual member states and transboundary challenges involving Canada and the United States within the substantive arenas of acid rain and fisheries management. In combination, the articles in this part raise a significant concern—Will domestic politics in advanced industrialized countries impede a truly globally oriented environmental policy?

The final section of Soden and Steel's *Handbook* concentrates on international organizations in environmental policy and administration. During the second half of the 20th century, numerous formal and informal institutional mechanisms have been designed in an effort to manage the shared resources of our global commons, many of which establish new rights and collective decisionmaking processes. In addition to international agreements, many nations have also developed multinational and binational arrangements aimed at particular environmental problems such as shared waterways, wildlife protection, and energy resource management. Some of the chapters in this part of the *Handbook* examine specific international organizations developed to implement, administer, and enforce the proliferation of supranational agreements such as the Global Environmental Facility and the Third United Nations Conference on the Law of the Sea. Other chapters explore problems of symbolism over substance in international environmental policymaking and the relationship between increased international trade and environmental relations. Taken as a whole, these chapters clearly indicate that effective international environmental management absolutely requires economic equity and environmental stewardship among all members of the global community. The challenge will be in pushing environmental policymaking to this next level of collective action.

Dennis Soden and Brent Steel's *Handbook of Global Environmental Policy and Administration* offers the reader a wealth of readily accessible, effectively organized, and substantively significant information and analysis. While the volume may not introduce any new groundbreaking theories or include every significant perspective, it does substantially and seriously contribute to a new vision of environmental policy analysis and management through its broad presentation of the field's many varied facets. The *Handbook* meets the editors' stated goals of presenting a state-of-the-art book that comprehensively examines global environmental policymaking. It will be a valuable tool for policy practitioners and students alike.

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Democratic Choice and Taxation: A Theoretical and Empirical Analysis, by Walter Hettich and Stanley L. Winer. New York: Cambridge University Press, 1999, 331 pp., \$59.95 cloth.

Taxing Choice: The Predatory Politics of Fiscal Discrimination, edited by William F. Shughart II. New Brunswick: Transaction Publishers, 1997, 396 pp., \$39.95 cloth.

I may be a hypocrite on tax policy—I liked the Tax Reform Act of 1986 because it reduced the allocative distortions of special interest provisions, but I also favor taxing cigarettes at penalty rates to discourage smoking. Both of these books challenge my preferences, and both do so by incorporating ideas about political choice into economic theory.

Democratic Choice and Taxation ambitiously ties collective choice theory to the standard microeconomic and general equilibrium frameworks used in public finance. It is not fully successful—after all, the task is extraordinarily difficult—but Hettich and Winer make significant progress. Their exemplary presentation carefully links positive and normative theory and follows theory development with empirical analysis. The book is written for academic economists; those who have not specialized in the economics of public finance or who are unfamiliar with economic modeling will have to proceed slowly. Yet the book is worthy of a read by any academic interested in tax policy. Tax practitioners who are willing to tolerate the academic window-dressing will find provocative insights on normative issues.

The book begins with a survey of formal models of collective choice. The authors reject the often-used median voter and Leviathan models (among others), relying instead on probabilistic spatial voting theory. They then develop a theory of the “set of minimal conditions under which a stylized tax structure is part of the optimal political strategy of the government” (p. 48). By government, they effectively mean the winning party in an electoral competition, which then governs by changing tax law. The party’s goal is to equalize marginal political opposition per dollar of tax revenue across taxable activities for each taxpayer and across taxpayers for each activity. But there are high administrative costs from discriminating so finely among taxpayers; to reduce these costs, the tax code groups heterogeneous taxpayers together. This causes taxpayers to bear greater economic burdens, and they respond by changing economic behavior. And since they are now grouped together, taxpayers are more likely to mobilize effectively to change the code. The minority party seeks majority status by proposing changes that respond to these interests, and the governing party does the same to retain its status. Electoral competition produces an equilibrium through the sorting of voters into new electoral alignments.

Hettich and Winer promise that future research will add more institutional detail to an already attractive model. In particular, they should incorporate the uncertainties parties and voters face, which is addressed in the prospective versus retrospective voting literature of political science.

A chapter of the book applies the theory with a computational general equilibrium model, in which Hettich and Winer analyze changes to the relative shares of capital and labor taxation in the U.S. tax system from 1973 to 1983. Their findings are fascinating in several respects. First, they show that underlying economic factors would have reduced the share of taxes on capital much more than actually occurred, which implies that labor increased its relative political influence during this period. They speculate that this might have occurred because of a lagged effect from the increased electoral participation by the poor in the 1960s.

Second, they compare a spatial voting model that accounts for general equilibrium effects with one that does not, and calculate that the latter set of acceptable outcomes is much smaller than the former. Depending on your perspective about the ability of

politicians to make tax policy using dynamic forecasting models—the plural of model is intentional—this may be comforting or discomfoting.

Other empirical chapters are less successful, though Hettich and Winer raise a strong defense that the data and econometric challenges are daunting. One chapter estimates why U.S. states in 1985–1986 relied more on income or sales taxes, and what caused some states to allow credits from property tax payments against income taxes owed. Careful modeling does not fully compensate for the difficulty that the political influences in the calculations are unobserved. Another chapter reviews Canada's relative reliance on debt, tariffs, and excises from Confederation to World War I, using output or membership proxies for the political influences of the manufacturing, labor, and agriculture sectors. One of the difficulties the authors note is uncertainty about whether political influence is continuous with changes in the resources held by interest groups, or instead discontinuous. Here Hettich and Winer show the disadvantage of being economists while attempting to incorporate politics into economics. They rely on rational modeling—an influential approach to political science heavily indebted to economics—but ignore relevant and leading work from inductive political scientists on interest group mobilization and differential influence over time [e.g., Walker, 1991; Baumgartner & Jones, 1993]. And important as is the work of Stigler, Becker, and so on, it surely does not deserve a designation as the origin of interest group theory [see, e.g., the seminal Truman, 1951, which acknowledges important predecessors]. A final empirical chapter develops some hypotheses about the effects of Westminster versus Madisonian institutional design on tax policies, with informal tests comparing Canada and the United States. This chapter is too simplistic on both theoretical and empirical levels and detracts from the book's overall high quality.

Democratic Choice and Taxation also carefully reviews equitable taxation, optimal taxation, and fiscal exchange theories, and then implies that political feasibility should matter a great deal in normative tax theory. Tax simplification is elusive because it promotes electoral defeat, and “it is possible to have a flat tax, or to have democracy, but not both” (p. 92). Anyone who rejoiced at the passage of the Tax Reform Act, and has observed tax policy since then, must admit that equitable taxation theory's dominance of the political debate was quite short [Conlan et al., 1990]. But some readers will likely conclude that Hettich and Winer go too far with their claim that the concept of tax expenditures loses a major underpinning after one recognizes that a complicated tax structure is the natural result of a struggle for office (p. 58). Agreed—politicians will always discriminate between the rich and the poor and between large and small groups. But accepting this reality should not force one to discard an appreciation for minimal standards of fairness.

Taxing Choice, in contrast, is obsessed with the claimed unfairness—among other demerits—of selective excise taxes and related prohibitions, particularly on “sins” like tobacco, alcohol, and drug consumption. All 16 chapters were written by economists who assume either a Leviathan-type predatory government or a weak government dominated by rent-seeking interest groups. The chapters mix public choice theory, historical reviews, econometric studies, and the cynical turns of phrase about the inherent deviousness of government, so common to this intellectual style. An example of the latter: Gary Anderson argues:

... in the U.S. economy, government agencies charged with the enforcement of particular prohibitions against capitalist acts between consenting adults are mechanisms through which corrupt bureaucrats and public officials can seek rents in the form of bribes from violators of the prohibition (pp. 148–149).

Bureaucrats were behind Prohibition (not the Temperance movement), and police agencies increased the drug war's intensity to take advantage of a new opportunity to seize confiscated assets (never mind the crack epidemic).

The editor, William Shughart, begins the book with an attack on three potential economic justifications for selective excise taxes. "Ramsey" taxation sets taxes on bases in inverse proportion to their elasticities of demand in order to minimize excess burdens; user fees make demanders pay for their benefits; and corrective taxes can force those who generate negative externalities to account for these costs, or can finance compensation to those who bear the costs. Some of the better chapters in the book extend Shughart's criticisms. Two chapters on alcohol taxes, by Richard Wagner and by Paula Gant and Robert Ekelund, expose how analyses advocating corrective alcohol taxes typically overestimate the social costs of consumption and how a relatively high tax on wine may lead to product substitutions that increase social costs. Another interesting chapter by Richard Vedder estimates the amount of cross-border avoidance activities for cigarettes. And several authors use historical analysis to predict the instability of policy on what might be called the "sumptuary-predatory dilemma." Consider the recent debate over cigarette taxes: Should the rate be that which would most restrict consumption while minimizing black market purchases, or that which would maximize revenue more than restrict purchases, so as to better finance health and other programs? Don't expect a consensus soon.

I do not share the general political perspective of this book—an innocent might finish it thinking the tobacco industry is an innocent lamb in the maw of the government wolf. Yet the authors are right to be concerned about discriminatory and confiscatory tax policies. The book might have been more convincing about these dangers if more authors had taken greater care in theory development, empiricism, and argumentation. In the latter case, slippery slope arguments slide into analytical silliness—for example, Shughart, in trying to diminish the power of social cost justifications for taxation, begins with second-hand tobacco smoke and proceeds to his next example: "Consumers of movie theater popcorn do not consider the tax revenue that will be lost if they die prematurely because of the extra fat and salt they've voluntarily added to their diets. And so on." (p. 3). In another author's regression model for variation in the cigarette taxes imposed by states, one predictor is the percentage of population belonging to an organized Christian religion. Yes, tobacco taxes are viewed as "sin" taxes, but no, at least in the modern era, most Christians do not hear warnings about tobacco from the pulpit.

The theoretical problems are more interesting. The editor claims:

Just as pork barrel offers a higher marginal political payoff to the politicians and policy makers who determine spending policy than projects whose benefits are more widespread, so can revenue be raised at lower marginal political cost by selectively taxing "sin" than by levying broader-based taxes (p. 25).

But excise taxes concentrate cost-bearing, which is often a political disadvantage; it is no surprise that the history set out in the next chapter shows that the percentage of government revenue now contributed by selective excises has never been *lower*. Readers of this book will find many inconsistencies of this type, which could suggest further research.

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Anna Maria Ortiz

Our Town: Race, Housing, and the Soul of Suburbia, by David L. Kirp, John P. Dwyer, and Larry A. Rosenthal. New Brunswick, NJ: Rutgers University Press, 1997, 267 pp., \$18.00 cloth.

“If you people can’t afford to live in our town,
then you’ll just have to leave.”

—Mt. Laurel City Committeeman

With these words began one of the most interesting legal battles in housing history. The sentence, uttered by a Mt. Laurel, New Jersey committeeman in response to several black residents’ proposal to build low-income housing units within city limits, spurred community activists to take the town to court with a case that eventually became known as Mt. Laurel I. Some 30 years later, the questions and arguments raised by Mt. Laurel I and its offspring, Mt. Laurel II and III, still plague suburban locales in New Jersey and beyond.

Our Town: Race, Housing, and the Soul of Suburbia is a skillful telling of the Mt. Laurel decisions, their precedents, and their aftermath. In the spirit of Pressman and Wildavsky’s [1984] *Implementation*, David Kirp, John Dwyer and Larry Rosenthal weave together pieces of the complicated and often depressing story of Mt. Laurel’s poor blacks’ continued attempts to build houses in the town they had considered home. *Our Town* explores the political, social, and economic forces working to entrench resistance to low-income housing on the part of wealthy, white Mt. Laurel residents.

Our Town opens with the story of the black community in Mt. Laurel. For centuries, blacks had lived side-by-side with white Quakers in Mt. Laurel, first as slaves and later as tenant farmers. With highway construction in the 1950s, the state took control of farmland that had constituted the majority of housing for those living as tenant farmers. Lacking the economic resources or social status to move elsewhere, blacks were increasingly forced to move into a decrepit neighborhood known as Springville. Typical Springville housing included converted chicken coops with dirt floors and no plumbing or heating.

In response to these abhorrent conditions, community activists began agitating to improve housing for blacks. In 1968, the newly formed Springville Community Action Council, one of many community action programs to receive federal funding under President Lyndon Johnson’s Great Society plan, garnered \$6000 in seed money for the construction of low-cost housing from the New Jersey Department of Community Affairs. If plans for housing had been approved by the Mt. Laurel township council, the Springville Action Council would have moved to apply for federal grants to construct the 35 proposed units.

The town of Mt. Laurel had a different plan for Springville. Faced with the influx of well-to-do white residents seeking to escape the urban ills of nearby Camden, officials began a “clean-up” of the neighborhood. Their plan consisted of razing the shacks in Springville when residents moved out, thereby avoiding the need to compensate or relocate displaced residents. This complemented other attempts to exclude perceived undesirables from the town, such as targeted zoning measures and political favoritism. In this environment, the Springville Action Council’s plans were doomed to fail. Its appeal to the township council coincided with a local developer’s proposal to build a large housing development for well-off (presumably white) newcomers. The township did not intend poor, or black, people to cloud this vision of the future.

Mt. Laurel officials were unprepared for the fight that followed their decision. Young legal services lawyers, having just won a housing case on behalf of poor residents in Camden, saw news reports about the Springville Action Council’s defeat and decided to join the battle. With the help of local activists and community leaders, the lawyers won the trust of Springville residents and filed the case known as Mt. Laurel I. The case alleged that Mt. Laurel’s zoning provisions, which had been used to deny the Springville Action Council’s plans, discriminated against race and class lines (72). Though the township agreed with most every fact about inadequate and decrepit housing in the plaintiff’s case, they argued simply that the market, rather than township laws, were the cause of the conditions of Springville. A frustrated judge rejected this claim and ruled that Mt. Laurel’s actions comprised unconstitutional economic discrimination.

Mt. Laurel was determined to fight back. After multiple hearings and delays, the New Jersey Supreme Court finally decided that the state constitution obligated regions to enable the construction of affordable housing. In response, Mt. Laurel grudgingly rezoned several swampy acres knowing that little could be done to build affordable yet up-to-code housing in the area. Other locales approved similar sham zoning practices or ignored the ruling altogether.

In subsequent cases, the courts backed away from their decision in Mt. Laurel I. Knowing that their efforts to help house the poor had failed, one of the original lawyers launched a second case to get the courts to enforce the Mt. Laurel decision. This case, Mt. Laurel II, was an unprecedented success. In it, the New Jersey Supreme Court ruled that every town take responsibility for its “fair share” of the state’s poor (101).

The ruling detailed a complicated formula for determining what constituted a “fair share” for each township. Still, many suburbs refused to comply, citing historical ambience, inability to rezone, or lack of land. Ironically, these moves were most readily challenged by developers who took townships to court to open the way for lucrative—though not necessarily affordable—housing developments. Over time, the suburbs pressured the state and sympathetic politicians into a retreat from the strictness of the Mt. Laurel II formula. In 1985, the state legislature passed a Fair Housing Act that further weakened Mt. Laurel II’s power, placing control for enforcement in the newly created Council on Affordable Housing (COAH). Court cases challenging Mt. Laurel II violations were transferred to COAH with few results, leaving many poor blacks and whites without housing or recourse. A final legal challenge in 1986, Mt. Laurel III, only affirmed the primacy of the Fair Housing Act. Though conditions for poor residents have certainly improved in the years since the Springville Action Committee’s first proposal, the victories won have been limited and tainted by the constancy of the struggle.

Despite the skill with which Kirp, Dwyer, and Rosenthal tell the tale of the Mt. Laurel decisions, *Our Town* leaves several things to be desired. Partly as a result of the multitude of information the authors weave together, the complexity of the cases

themselves, and the difficulties of multiple authorship, *Our Town* is often chronologically confused and somewhat redundant. A detailed timeline, which follows the text, covers local, state and national events over the course of the Mt. Laurel story and is essential for sorting out various segments of the story. Throughout the book, the authors seem to assume the reader's familiarity with the cases and rulings. Though the timeline helps, it would have been useful to summarize the cases earlier in the text, rather than describing them piecemeal as the book unfolds.

The complexity of the story is also problematic in other ways and can be unsatisfying on several counts. The authors were forced to make several trade-offs in seeking to tell the whole story, and because of this they miss opportunities to focus on smaller elements. For example, the history of Camden toward the beginning of the book is excellent. In this chapter, the authors concisely detail the rise and decline of Camden without blaming any one person or cause. However, the history, with follow-up on the later years of Camden, could have been a book on its own. And while *Our Town* adequately describes how a community so lacking in resources managed to build a coalition strong enough to push the cases through, there is much more story to be told here. More attention to the early stages of the process—such as how community activists managed to form the Springville Action Council, garner grants, and draw up the plans in the first place—would have been useful for those interested in social movements and community politics.

Though *Our Town* ostensibly tells both sides of the Mt. Laurel cases, it does not hide its bias in favor of the poor black residents of Mt. Laurel and their allies. The authors' insistence that the black community in Mt. Laurel was solidly working class throughout the entire duration of the cases is problematic on two fronts. First, it ignores economic and social realities that did, sadly, strike blacks and others during the duration of the cases: it is implausible to think that blacks within Mt. Laurel remained completely isolated from the economic strife of the 1970s or the urban chaos of nearby Camden. The insistence also makes for an unfortunate contrast between the "good, deserving blacks" in Mt. Laurel and the destitute, criminal blacks in other places. The authors are also quick to make broad philosophical statements without systematic evidence and to condemn those who do not fall on their side of the fence. A claim that the Republicans' 1994 "Contract with America" "amounts to a declaration of class warfare," (4) while quite possibly true, does not have a place in a book designed for academia.

Perhaps this is intentional. It is not clear that the authors of *Our Town* were aiming for an academic audience; nor, however, is it clear which audience they did have in mind. The book straddles the line between academic writing and historical nonfiction without being comfortable as either. Nor is it an appeal to policy practitioners, except in that it provides rich information as to some of the details that helped bury the original Mt. Laurel ruling. For example, though *Our Town* deals skillfully with the politics that underlie the supposedly neutral institution of the courts and describes how economic circumstances influenced judicial and legislative proceedings, it does not recommend how to overcome or avoid these complications in future cases. Furthermore, the endnotes of *Our Town* are ambiguous as there are no numbers within the text to correspond with the numbered notes at the end of the text.

Most disturbing from an academic perspective is *Our Town's* lack of a theoretical center. Though *Our Town* captures the extent to which the Mt. Laurel decisions were permeated with politics and social and economic struggles, the authors miss multiple opportunities to tie their story to existing theories in various fields. Action leading up to the Mt. Laurel decisions provides an excellent example of collective action in a politically (and socially and economically) marginalized community. Later, some of

the elite joined the Mt. Laurel battles and were crucial in prolonging the struggle; political science and sociology work on elites, pluralism and collective action would have complemented the story nicely. The details of the decisions themselves, and particularly how political and economic considerations shaped the courts and their actions, would have been enhanced by attention to theory of judicial behavior, coalition formation, or interest group politics. Perhaps the most obvious framework for Kirp, Dwyer and Rosenthal's work is the implementation literature their work so closely resembles. By using the Mt. Laurel decisions as an example of the potential barriers to implementation, or the shortcomings of court-imposed public policy (see, for example, Gerald Rosenberg's [1991] *The Hollow Hope* or Donald Horowitz's [1977] *The Courts and Social Policy*), the authors would have contributed something fresh and exciting to these fields. Instead, they back away from theory or policy recommendations in favor of occasional philosophical insights, which, while interesting, have little applicability beyond the bounds of the book.

In sum, *Our Town* is an solid history of a tale too important to ignore and too complex to summarize easily. Unfortunately, Kirp, Dwyer and Rosenthal miss opportunities to use or enhance theory with their tale or to draw lessons from the Mt. Laurel experiences, and too often, they make sweeping and speculative statements instead of drawing conclusions from evidence. Nonetheless, *Our Town* remains a refreshingly human case study of court-driven policy, suburban resistance, shifting politics, and stunted implementation, and will it be a welcome addition to the bookshelves of those in many fields.

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Elaine Reardon

Race, Self-employment, and Upward Mobility: An Illusive American Dream, by Timothy Bates. Baltimore, MD: Johns Hopkins University Press, 1997, 288 pp., \$16.95 paperback.

This book is simultaneously interesting and frustrating. The empirical puzzle that Bates takes on is why black self-employment rates are relatively low compared with other disadvantaged groups in the labor market. Immigrants in particular are often held up as an example under the assumption that high self-employment rates in and of themselves are an unambiguous sign of economic success and assimilation into the American economy. Drawing largely on original analyses of the Characteristics of Business Owners data collected by the U.S. Census Bureau, Bates argues that human capital (education, experience, and other skills) and financial capital are more important than race and ethnicity in explaining the dramatic differences in self-employment among various minority groups. He also argues that high self-

employment rates do not in and of themselves represent success, that it may instead indicate a disguised form of underemployment. In tandem, his two lines of argument imply that even if the reason self-employment is high among immigrants were perfectly understood, this would not in fact explain why the self-employment rate of black Americans is relatively low. The circumstances surrounding immigrant self-employment—education in schools not recognized by U.S. employers and possible language barriers—do not apply to African-Americans. Moreover, he argues, high self-employment rates can be difficult to interpret because one must take into account business longevity and profitability before declaring victory. That self-employment rates are low among blacks may not be the problem that some think it is.

The intended audience is nonquantitative academic sociologists inclined to credit social networks and ethnic ties over education and financial capital for high immigrant self-employment rates. The book is not theory-driven: Bates ranges widely over various explanations, marshalling data to make his point. Nor is the book an exercise in rigorous hypothesis testing: Bates uses tabulations and simple regression and logit models to summarize the data descriptively. This is in part what makes the book frustrating. What Bates has to say about self-employment will not come as a surprise to readers familiar with the economics literature on self-employment. At the same time, his data are collected at the individual level and are not designed to test hypotheses about social networks and ethnic enclaves. Without a direct test of the explanatory power of human and financial capital variables relative to social capital variables (his only measures are race and ethnicity; fraction of minority employees; and residence in the New York, Los Angeles, and San Francisco metropolitan areas), it is not clear that his argument will persuade nonbelievers. As Bates points out, the case studies by sociologists interested in this topic add important detail to knowledge of immigrant self-employment but their results are hard to generalize. Moreover, it is easy to become absorbed by the uniqueness of an enclave and miss how it fits into the bigger economic picture. The difficulty in Bates' self-imposed mission, however, is that the self-employed are a remarkably heterogeneous group, ranging from displaced workers calling themselves consultants while they look for work, to mom-and-pop stores that provide a decent living but will never grow, to computer software entrepreneurs aspiring to be the next Bill Gates. This does not lend itself to straightforward number crunching in nationally representative survey data that trade specificity for sample size.

Chapter 2 explores entry and exit rates into self-employment. Bates makes the crucial distinction that self-employment, rates result from dynamic processes that should affect the interpretation of high rates. They could result from low entry rates into self-employment but once in business, owners remain in business a long time. Conversely, very high entry rates and not quite as high failure rates could also produce high self-employment rates in a cross-section, but this instability depicts a less upbeat image of self-employment. Thus, Bates analyses of firm survivability and profitability in chapters 3 to 5 are important.

Nonetheless, Bates' tendency to overstate his case makes the book unsuitable for the general reader or for a researcher just beginning to work on this topic. For example, Bates finds that even holding education and wealth constant, racial and ethnic differences in entry into self-employment persist. Yet he concludes: "The analyses of this chapter suggest that self-employment entry rates for Asian Americans are explained largely by patterns of household wealth and education, not by being Asian" (p. 40). What might have made his point about the importance of race relative to other characteristics more convincing would have been to note that his results elsewhere in the book show that, while race and ethnicity appear to influence entry rates, they do not affect failure rates once owner age and education, firm age, and the

amount of capital invested in the firm are accounted for. Ethnic background may make someone more likely to attempt self-employment, but it does not necessarily help him (and most business owners are men, though this is changing) succeed in business. This point is wholly unremarked on, however. In short, Bates' arguments are important, and he is probably right, but his data do not unambiguously support his case and he does not always spend the time it takes to marshal his facts to support his overall conclusions with the subtlety they require.

Chapters 7 through 9 explore business ownership among black Americans, and chapter 11 analyzes government procurement programs targeted to minority business owners. On the whole, Bates has a fairly positive and optimistic assessment of black business ownership. Like the earlier chapters, there is a considerable amount of interesting information, but his conclusions—for example, that black business owners are disproportionately constrained by a lack of capital or that black mayors strengthen the black business community—do not appear well-supported by the data. Cause and effect are very difficult to disentangle with the econometric methods Bates uses.

Those looking for a closely argued thesis supported by data will be disappointed in this book. However, researchers trying to extract lessons from immigrant self-employment for black business formation, and readers who interpret high self-employment rates as a measure of success without considering business longevity and profitability, would be well-advised to consider Bates' arguments carefully.

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Clinton Andrews

Why Energy Conservation Fails, by Herbert Inhaber. Westport, CT: Quorum Books, 1977, 237 pp., \$59.95 cloth.

Chemicals, Cancer, and Choices: Risk Reduction through Markets, by Peter VanDoren. Washington, DC: Cato Institute, 1999, 99 pp., \$16.95 cloth, \$8.95 paper.

Common Sense and Common Law for the Environment: Creating Wealth in Hummingbird Economies, by Bruce Yandle. Lanham, MD: Rowman and Littlefield Publishers, 1997, 182 pp., \$53.00 cloth, \$21.95 paper.

If *JPAM* book reviews had titles, I might call this one “Common Sense from Cranky Conservatives.” Each of these authors is an advocate of small, hands-off government addressing environmental and natural resource problems from a public choice perspective. The odd thing about these works is how *un-radical* they are. These books unintentionally demonstrate the mainstreaming of free-market environmentalism and suggest an important maturing of environmental debates.

Libertarians and centrist environmental policy analysts now frequently speak the same practical language and make similar recommendations. While this may be a result of the center moving to the right rather than the other way around, the convergence is real and books such as these sometimes deserve broad audiences. However, their Limbaugh-esque tone can be off-putting to those who are not true believers, and there is need to separate wheat from chaff. First, the chaff:

Why Conservation Fails argues that energy-conservation policies are misguided because energy saved by one person merely encourages increased consumption by others. In addition, increasing the energy efficiency of any particular product or service

almost always encourages greater usage of that very item. To illustrate, in spite of having dramatically increased the average efficiency of the U.S. automobile fleet with Corporate Average Fuel Efficiency (CAFE) standards, Americans consume, individually and in aggregate, more gasoline than ever because more Americans drive farther. Given this “take-back” effect, the author, a Fellow of the American Nuclear Society, wants to show how futile energy conservation efforts are. While there’s nothing wrong with people adopting a personal conservation ethic if it makes them happy, there is no rational reason why that ethic should be imposed on others. Resource depletion, balance-of-trade, and national security rationales are all implausible, according to Inhaber, but he fails to mention obvious downstream, pollution-related arguments.

In short, this nuclear scientist has discovered economics, and he uses it with a level of conviction better reserved for physical laws. The book is clearly written, but many of the key points are argued by analogy, and often inappropriately. In spite of the many tables and charts, remarkably absent is evidence that could actually help determine the magnitude of the take-back effect, such as relative price elasticities of supply and demand in particular factor markets, and differences between short- and long-run behavior. The book consists of 23 short chapters, many of which include vignettes and asides. While the text is quite readable, the book lacks structure. Its message could have been conveyed more effectively in a short article, written with less libertarian bluster. Bottom line: Conserve your own resources and skip this book.

Clemson University economist Bruce Yandle delivers a much worthier product that I would re-title simply “Coase versus Pigou.” *Common Sense and Common Law for the Environment* is a quasi-textbook, an accessible monograph that builds a political economy argument favoring a property-rights approach to environmental protection. He takes us on an intellectual trip from a Lockean state of nature, in which humans, like hummingbirds, spend most of their time frantically competing for common-access resources, to a world with institutions that provide clear rules for access, enhance social stability, and allow accumulation of wealth. The author describes two institutional approaches to managing the commons problem: the top-down, Pigouvian “systems” approach and the bottom-up, Coasian “process” approach. These two approaches are linked to statutory law and common law, respectively, and over the course of seven chapters, Yandle makes the case for increased reliance on common law to solve many environmental problems.

The book shows how local common law resolved many historical environmental debates by providing aggrieved parties, such as farmers downstream from industrial polluters, with legal standing to sue for trespass or nuisance on privately owned property. Statutory law, especially at the federal level, has displaced common law as the grievance mechanism of choice during the past 30 years. Accompanying that shift has been an unwelcome distancing of decisionmaking from context, a reliance on rigid regulations rather than flexible incentives, and an opportunity for special interests to capture the policymaking process. Recall that Yandle introduced the well-known “Bootleggers and Baptists” image in 1983 to explain how industrial polluters and environmentalists create unlikely coalitions in support of strict environmental regulations. Regulations become barriers to entry that protect existing polluters’ market power while also protecting the environment.

Yandle is not dogmatic, though, and writes with equal clarity about the weaknesses of property rights approaches. For example, he devotes a chapter to the problem of mobile-source air pollution, where high transaction costs and innumerable affected parties preclude a purely decentralized approach to reducing pollution.

A standard environmental economics text like Tietenberg’s introduces most of the concepts Yandle discusses. The value added by this monograph is the legal history and the balanced, non-self-righteous application of the public choice paradigm to

environmental problems. I would assign chapters of this book in my environmental policy class. It is regrettable that the book is marred by numerous typos.

Peter VanDoren, author of *Chemicals, Cancer, and Choices: Risk Reduction through Markets*, is a leading light at the libertarian Cato Institute. Yet aside from the concluding paragraphs of each chapter, this tract reads like a mainstream environmental economics textbook. This short book uses microeconomic argumentation of the sort found in most public policy curricula to advocate market-based solutions to environmental problems associated with industrial releases of chemicals. In six brief chapters, VanDoren introduces the topic, reviews the relevant environmental science, evaluates management strategies, and recommends what to do next. He does a good job of summarizing the scientific challenge of extrapolating actual human health risks from small samples of animals given high doses, and shows that definitive assessments of low-level risks are unlikely to appear any time soon. He highlights a crucial but unstated value judgment built into risk-assessment practice—a greater concern for false-positive errors than false-negative errors. VanDoren goes on to distinguish private risks (such as household radon exposure) and public risks (such as outdoor air pollution) from chemical exposures. The real contribution of this book is its systematic evaluation of policy options for dealing with these two classes of threats. VanDoren carefully examines the pros and cons of public information provision, tort law, command-and-control regulation, tradable emissions permits, and insurance. The book is a good primer on risk policy as long as you skip the policy recommendations, which are predictable given the author's affiliation.

Two concerns weaken the book's value as a risk policy primer. First, while VanDoren does a good job of flagging the unstated normative assumptions of risk analysis, he does not mention a word about those underlying his own policy-analytical framework. Especially troubling is his uncritical embrace of Hicksian benefit–cost analysis. Given his ideological orientation, it is surprising to see individuals (some of whom will be winners and others losers under a net benefits decision rule) treated so callously.

My second concern is with VanDoren's analysis of the economics of information. His discussion would have been greatly enriched by use of the well-known distinction between information asymmetry in markets for search goods, experience goods, and post-experience goods. Low-level chemical risks clearly belong to the post-experience category, for which secondary markets work poorly and *caveat emptor* is a lousy policy prescription. But having forewarned you, I still recommend this book as a concise introduction to risk policy analysis, nicely priced.

In sum, I see a convergence among environmental policy analysts. This trio of books from the right uses much of the same language and recommends many of the same policy prescriptions as the plethora of readings available from the left and center. All that remains is for the factions to trust one another enough to enact reforms, a dim prospect in today's Washington, D.C.

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Erik A. Devereux

Consilience: The Unity of Knowledge, by Edward O. Wilson. New York, NY: Vintage, 1999, 367 pp., \$14.00 paperback.

E. O. Wilson has written a provocative and sweeping treatise on the nature of human knowledge. While a good deal of the book's subject matter may not appeal to readers

in the public policy and management field, three groups within the field will benefit from reading this book: deans of public policy schools, behavioral policy researchers, and anyone interested in public policies related to genetic engineering and human population growth. I will consider the relevance of Wilson's argument to each group in turn, but first it is necessary to briefly summarize his main thesis.

Wilson argues that the entirety of human knowledge can be and will be consolidated into a single framework of understanding. By knowledge, Wilson means not only science (natural and social) but also ethics and aesthetics. This consilience is possible because of the collapse of the mind-brain duality in the face of recent research into brain functioning. To paraphrase MIT computer scientist Marvin Minsky, Wilson asserts that the mind is what the brain does. Wilson augments this point with a more controversial assertion that the human species' evolutionary legacy, as evident in the architecture of the brain, is a significant factor in the organization of all human knowledge. Consequently, Wilson champions the cause of research into the consequences of human evolution on brain functioning and the implications of that research for all of human knowledge.

Having established this thesis, Wilson then turns a critical eye to the current state of the social sciences. In his view, the social sciences are deeply flawed because they have isolated themselves from biology in building theories of human behavior. While this isolation may have been justified 40 years ago, the rapid development of biological research on the human brain since World War II makes continued isolation inexcusable.

Wilson reserves his most detailed criticism for economics, which he sets aside for special consideration because, using the yardstick of the natural sciences as a measure, he finds that discipline to be the most advanced of the social sciences. Wilson lauds economics for its attempts to link the microlevel decisions of individuals to the macrolevel functioning of entire economies, but judges the current results of those efforts to be nearly useless. Many other critics have assaulted economics for its stylized models of individual behavior. Wilson's critique goes further by indicating a solution to that problem:

To infuse psychology and biology into economic and other social theory, which can only be to its advantage, means teasing out and examining microscopically the delicate concepts of utility, by asking why people ultimately lean toward certain choices, and being so predisposed, why and under what circumstances they act upon them. Beyond this task lies the micro-to-macro problem, the ensemble of processes by which the mass of individual decisions are translated into social patterns. And beyond that, framed by still a wider scale of space and time, is the coevolution problem, the means by which biological evolution influences culture, and the reverse. Together these domains—human nature, micro-to-macro transition, and the coevolution of genes and culture—require the full traverse from the social sciences to psychology and then to the brain sciences and genetics. (p. 222)

Wilson thus is calling for the social sciences to be grounded in a rigorous scientific understanding of the human species, an understanding that in his view is beginning to coalesce on the boundary between psychology and evolutionary neurobiology.

For deans of public policy schools, Wilson's argument touches directly on the potential of a multi- or interdisciplinary research environment to offer promising solutions to policy problems. If Wilson is correct, then policy schools cannot go forward into the next century without broadening their faculty to include those with significant training in human biology and psychology or, better yet, the interface between those two disciplines. The usual mix of economists, sociologists, and political scientists, in Wilson's view, simply represents the willfully blind coauthoring with the woefully ignorant.

For those interested in behavioral policy research, Wilson's argument suggests that economics is an insufficient theoretical foundation for that subfield. Instead, behavioral policy research must ground itself in the interface between biology and psychology. Wilson establishes that the elements of such a grounding are emerging from current research by psychologists and biologists, and those elements strongly indicate an evolutionary imprint on key aspects of human behavior and decisionmaking.

Wilson concludes his book by emphasizing several important policy issues that will confront humanity early in the next century. One of these pertains to the implications of genetic engineering. Wilson believes that we are entering a new era of our species, one in which we actively will redesign our genome using the knowledge that has accumulated so rapidly in the previous two decades. The implications of this, of course, are enormous. Wilson also launches a call for greater attention to the growth of the human population and the implications of that growth for the sustainability of the species. His call for an improved foundation for social science hits home immediately when we stop to ponder how social science might help to guide policymakers to respond to the challenges of human genetic engineering and population growth. Without more knowledge of the species incorporated into social science, Wilson doubts that such guidance will be useful.

As with any book that aspires to encompass all knowledge, Wilson's treatise has a few flaws. He is a bit too optimistic about the longterm durability of relatively recent research on human evolution and neurobiology. If a considerable amount of this research fails to stand the test of time, then much of his thesis will be undermined. He also elides the nub of the nature–nurture debate by wrapping it in new terminology—what he calls epigenetics or the propensity of genetically-based predispositions to moderate the expression of culture. As I read him, however, his money is on the genes as the more fundamental issue.

Wilson also overstates the importance of evolutionary influences on the brain when it comes to human cognitive activity. To the degree that the brain is capable of being a general computational instrument—the greatest supercomputer to which we have access at this time—its architecture can support a wide variety of “software” regardless of the internal wiring. To write Wilson's argument small would be to say that the difference between a Pentium III and an iMac was more than just in the speed with which computations are performed but in the actual output of the computations. This generally is not true.

To his credit, however, Wilson goes far out of his way to acknowledge the critics of his perspective, and the way in which he summarizes a wide range of views on these questions in an open and fair manner provides an example that many other authors would be advised to emulate. *Consilience* already has made its mark by landing on various best-seller lists in this age of sound bites and simplistic analyses. I believe that it will be recognized as a classic, one worthy of repeated readings and discussion by those interested in the foundations of the policy sciences.

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Glenn Beamer

When Government Fails: The Orange County Bankruptcy, by Mark Baldassare. Berkeley, CA: University of California Press and the Public Policy Institute of California, 1998, 317 pp., \$48.00 cloth, \$18.95 paperback.

Through the mid-1990s, the stereotypical view of municipal fiscal distress depicted a large industrial city facing a declining tax base, increasing services costs, and mounting debt that threatened a city's solvency. Orange County, California, challenged this view with its unexpected bankruptcy declaration in late 1994. Mark Baldassare provides a thorough analysis of the causes of this seemingly unexpected event in *When Government Fails: The Orange County Bankruptcy*. The author critically analyzes the politics and public policies that created the situation in which a treasurer would find it expedient to engage in high-risk investment practices that subsequently precipitated the bankruptcy.

Baldassare identifies three factors that directly contributed to the Orange County crisis—institutional political fragmentation, voter distrust, and the fiscal austerity the county and state government experienced as a result of California's prolonged recession during the 1990s. The author then analyzes not only the events leading up to the crisis in the context of these three constructs, but also the response to the bankruptcy as a fiscal emergency, the development of fiscal recovery plans, and attempts to reform the county government in the aftermath of the crisis. As a result of the identification of these constructs, Baldassare is able to consistently analyze Orange County politics and draw conclusions about the politics and outcomes from each stage of the crisis. These analyses lead to an understanding that the Orange County crisis was not simply the result of a rogue county official or wealthy suburbanite voters who refused to pay taxes. The inductive analysis and three-variable model provide essential analytic leverage that fosters a comprehensive understanding of Orange County politics. Although the author is concerned with the Orange County politics, the model could easily be applied and tested empirically in any number of other situations involving subnational politics and intergovernmental relations.

In addition to the theoretical strength of the model, Baldassare provides a comprehensive analysis of the events and transactions that led up to the Orange County bankruptcy in 1994. The book's focus leans toward political science, yet the treatment of public finance issues in the context of political science is a genuine strength. The explanations of the "reverse repurchase agreements," types of securities and equity purchases involved, and the use of debt by the county to generate general revenues are outstanding. Baldassare explains the complex public finance involved in a manner that is straightforward for public finance specialists and general interest readers alike.

Some readers might recall press accounts of Orange County Treasurer Bob Citron and his investment strategy relying heavily on "derivatives." The author demonstrates that derivative purchases, and unanticipated interest rate increases, were only two components precipitating the bankruptcy. The analysis strongly indicates that Citron's decision to leverage the fund such that two of every three dollars were borrowed and use of short-term loans to purchase long-term securities (which created the financial illiquidity of the fund) were equally important contributing factors.

The Orange County bankruptcy was in some sense all the more unexpected because it occurred when the national economy was beginning a prolonged expansion and the stock market was beginning a much-acclaimed bull run. Baldassare does a very good job investigating California's Proposition 13, enacted in 1978, and explaining its consequences for local government 15 years later. This citizen-enacted public policy and the severe recession of the early 1990s created fiscal austerity for California counties generally and Orange County specifically. The confluence of the tax limitation imposed on the county with the passage of Proposition 13 in 1978 and the severe fiscal constraints created at the state and local levels created the circumstances in which the county came to rely on interest revenues from its investment pool for nearly 12 percent of its total revenues. This proportion was four times higher than the average

county's reliance on such revenues (p. 69). The author carefully builds the case that economic growth during the 1980s delayed the financial reckoning wrought by Proposition 13. The severe recession of the 1990s, actions by state officials to recoup property tax revenues that had been remitted to local governments, and rising demands for local social services created a situation in which the county aggressively borrowed and invested in an effort to reconcile these conflicting fiscal stresses.

At this point, the book would have benefited from a more direct analysis of the extent to which Orange County's relative affluence and political conservatism motivated its politicians to borrow over \$10 billion dollars. The author downplays some of the relative political differences that may persist in Orange County even as the county's demographic profile has converged with the profiles of its California counterparts and the rest of the nation. For example, attention to the voting participation by various demographic groups within the county would have helped develop a more thorough understanding of Orange County referendum and electoral politics.

Baldassare reasonably argues that Orange County voters resisted taxes before the bankruptcy and became more distrustful of government in the wake of the crisis. The author directed several polls for the *Los Angeles Times* measuring public preferences about and trust in elected officials, public perception of causes of the crisis, and policy responses to it. These polls are informative, but the analysis would have been improved by more contextual information about voters' views of local politics in California and the United States. In several passages, the author notes that voters typically could not identify the members of the board of supervisors. However, such a lack of political knowledge is not unique to Orange County, although increasing urbanization and fragmented institutional structures may have exacerbated it. Nevertheless, *When Government Fails* would be stronger if Orange County citizens' views about government officials, taxes, and local government reform had been more thoroughly compared with citizens' views outside the county. Considering the coincidental budget crisis transpiring in Los Angeles County—precipitated not by investments but by massive increases in demands for public health and welfare services—polls of voters in each county might have been fielded cooperatively to provide some very interesting comparisons across the two counties.

Overall, the organization of *When Government Fails* is superb. The first two chapters provide a descriptive foundation for the analysis. Chapters 3 through 6 present well-reasoned and intellectually intriguing analyses of the Orange County bankruptcy, the immediate political decisions and events precipitating the crisis, and county and state officials' responses to the crisis in its immediate wake and following the resolution of the bankruptcy. Chapters 7 through 9 contend with reforms following the crisis, lessons from the crisis, and recommendations for the future. Although these latter chapters are not as gripping as the "crisis" chapters, they are valuable in laying out sets of options and reasoned policy prescriptions essential to learning from the Orange County bankruptcy. To its advantage, the book is written in such a way that a reader could choose to read all or any combination of the last three chapters. Each is informative in itself.

When Government Fails: The Orange County Bankruptcy is a first-rate case analysis of what will likely be defined as the monumental municipal finance issue of the 1990s. The author's careful construction of a political model explaining the collapse of the investment pool and his consistent analysis based on institutional fragmentation, voter distrust, and fiscal distress make the book compelling for its methodological and analytical contributions. The only weakness in the analysis is the limited context for understanding public opinion in Orange County, and this does not substantially detract from the book. This book will be of interest to scholars and students of urban

politics, urban planning, and public finance. It will also be valuable to local government officials and public finance experts.

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James T. Hamilton

Environmental Politics in Japan: Networks of Power and Protest, by Jeffrey Broadbent. Cambridge, UK: Cambridge University Press, 1998, 418 pp., \$59.95 cloth.

NIMBY Politics in Japan: Energy Siting and the Management of Environmental Conflict, by S. Hayden Lesbirel. Ithaca, NY: Cornell University Press, 1998, 187 pp., \$39.95 cloth.

The culture creates consensus. Stories of Japanese politics, especially as told by *gaijin* (outsiders), often end with this punch line. But what about the times when consensus breaks down in Japan, when disputes over policies appear to be a tale of one group imposing losses on another for its own financial gain? And what if culture is rejected as the primary answer to questions about why the disputes arise in a particular way or are resolved in a given manner? Two new books on the siting of controversial industrial facilities in Japan demonstrate how environmental policies there can best be understood as predictable products of class conflict and economic bargaining rather than as unique products of a Confucian culture.

In *Environmental Politics in Japan: Networks of Power and Protest*, Jeffrey Broadbent uses historical narrative and sociological theory to trace the origins of pollution policies in Oita prefecture, a coastal area of Japan. The author starts his tale of tradeoffs between growth and the environment by tracing the initial push to attract industry to Oita after World War II. Initially, the area's residents and their representatives sought industry to generate jobs and economic expansion. As oil refineries and chemical facilities (rather than the hoped-for job-intensive manufacturing plants) located on the coast, pollution problems and complaints about their emissions rose.

Broadbent traces the growing opposition to facility expansion by examining the origins of protest in eight coastal cities in Oita. He first puts these local stories into perspective by devoting a chapter to the development of national pollution policies in Japan. He then describes how people whose health and livelihood were threatened by developments, such as the opening of new industrial landfills, mobilized for local protests. Most of these protests were "not-in-my-backyard" (NIMBY) movements directly focused on halting a particular plant. While some of these local movements succeeded in slowing the growth of polluting facilities, Broadbent describes how supporters of greater industrial expansion pressured local officials to continue the pro-growth policies.

Assessing the lessons from these NIMBY battles, he argues that the outcomes of pollution disputes in Japan are best explained by what he terms the social intensity of pollution—the absolute number of people affected by pollution. He argues that the best hope for environmental activists in industrialized countries lies not in changing the hearts and minds of the ruling elite. A more successful strategy is to link environmental outcomes to health and economic issues that affect constituents. The voting power of affected constituents then becomes a balance to the political influence of industries likely to profit from weaker pollution laws.

In *NIMBY Politics in Japan: Energy Siting and the Management of Environmental Conflict*, S. Hayden Lesbirel looks at conflict over facility siting through the theoretical

lens of bargaining theory and via a different methodology, regression analysis supplemented by case studies. Lesbirel notes the temptation to ascribe outcomes in Japanese politics to culture, to the country's set of social conventions and mores. He rejects this view and instead demonstrates how environmental disputes in Japan can best be understood by applying concepts from bargaining theory.

Lesbirel focuses on disputes over the siting of 100 conventional and nuclear power plants in Japan. In 1963 the Ministry of International Trade and Industry (MITI) established the Compensation Standards for Electric Power Development, a set of guidelines meant to facilitate the siting of new power plants. Under these guidelines utilities can offer monetary and nonmonetary compensation to affected communities to gain the right to site a facility. Land owners and fishing cooperatives may gain compensation based on the discounted value of net earnings from property rights transferred to the utility or based on the value of agreements made in similar situations. Utilities may also facilitate siting by offering subsidized power rates and more jobs. The expected impact on the community can be reduced at times through risk mitigation measures in facility design and location. Perceived costs can also be reduced through the utilities' information campaigns. This emphasis on compensation and compromise has resulted in the successful siting of a large number of utility plants in Japan, though the process of negotiation may often take years.

Lesbirel predicts that the time to resolve disputes over a construction project will depend on a number of factors: the economic surplus derived from a project's net benefits and costs; the distribution of these benefits and costs; the bargaining power derived from alternatives; the bargaining skills of negotiators; the changes in expectations about bargaining positions that can arise from outside shocks or from strategic choices by bargaining participants; and uncertainty about the nature of the bargaining environment, which can derive in part from incomplete information about outcomes and values. For a set of 48 power plants developed from 1960 to 1979, he uses statistical analyses to test which factors help explain the approval times for these utility projects.

Lesbirel shows that all NIMBY battles are not alike, that approval times for the siting of power plants vary widely, and that these variations arise from differences in the bargaining environment. Delays are longer for projects that impose greater negative spillovers on communities, for plants where the market demand appears lower, and for projects where managers do not provide sufficient compensation to those affected. Some differences in delay can be predicted by technology. The lead-time for approval of nuclear plants (154 months) is twice as great as that of fossil-fueled plants (75 months). What sets the analysis in this book apart from other statistical examinations is that the author uses case studies to supplement the data analysis. In particular, Lesbirel devotes chapters to examining specific power plants where his model yielded high residuals, for example, where a plant was sited more quickly than predicted or much more slowly than predicted. His case studies reinforce his major conclusion—that the pace of disputes over power plant construction in Japan is best explained by the explicit compensation mechanisms in place, the economic costs and benefits associated with the bargaining environment, and the politics of the compensation process.

These two books will be of interest to academics and policymakers interested in environmental policies, NIMBY disputes, and political bargaining. Both reject the hypothesis that culture is the key variable in understanding the resolution of environmental disputes in Japan. Each stresses that NIMBY battles in Japan can be understood with the application of broadly applicable theories and data. Broadbent uses historical narrative, sociological theory, and his experience from living in Oita

prefecture to help the reader understand the resolution of tensions between growth and the environment in Japan. Lesbirel uses statistical analysis and the case method to demonstrate the ability of bargaining theories to explain outcomes in the siting of utility plants. Since both authors use broadly applicable theories to examine outcomes in Japanese environmental politics, their works should be pertinent both to scholars interested in Japan and those interested in the inevitable NIMBY battles surrounding the siting of facilities with concentrated costs and diffuse benefits.

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