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James Mahoney and Kathleen Thelen, *Explaining institutional change: Ambiguity, agency and power*, Cambridge University Press 2010, 254 p.p.

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## **James Mahoney and Kathleen Thelen,** **Explaining institutional change: Ambiguity, agency and power,** Cambridge University Press 2010, 254 p.p.

**W**ithin the historical institutionalism tradition there are two broad approaches on when and how institutional change unfolds. On the one hand, Pierson (Pierson, P., 1994, *Dismantling the welfare state?*, Cambridge University Press) puts emphasis on path continuity and 'positive feedback' processes that allow certain institutional arrangements to 'lock in' policy interests, explaining therefore why institutions retain their path even during times of shifting power asymmetries. For Pierson (Pierson, P., 2004, *Politics in time*, Princeton University Press) what allows institutional change to occur is the eruption of 'critical junctures' that allow previously neglected causal chains to gain strength at moments of institutional uncertainty. While not dismissing the effects of exogenous pressure, the late historical institutionalism literature highlights that change could also be provoked internally through actors' political contestation (see Streeck, W. and Thelen, K., 2005, *Beyond continuity*, Oxford University Press). This edited volume contributes to this discussion and attempts to provide a theory of institutional change. It claims to do so by focusing on ambiguity, agency and power.

The volume contains a lengthy introduction, written by the two editors, which aim to introduce a theory of institutional change, and it is followed by 5 (five) case studies and a concluding chapter by Peter Hall. In the introduction, Thelen and Mahoney aim to provide a heuristic tool for explaining patterns of institutional change based on two key parameters: namely political context and institutional characteristics. In the first case, institutions once established are realised as 'distributional instruments laden with power implications' (p.8) for agents, either due to intended or unintended consequences of action. Authors highlight that institutional continuity and stability require ongoing mobilisation of political support that is endangered either due conflicts over the allocation of resources or due to the challenges that other institutional distributions create.

The other parameter focuses on compliance as a variable of institutional change. Institutions confer certain expectations to agents, who act accordingly and expect that noncompliance will result into costs. However, these norms are not solid (as sociological institutionalism literature suggests) as there is a continuous struggle over the interpretation and the enforcement of these rules. In this struggle, resource allocation provides advantages and disadvantages to actors (e.g. capacity to negotiate complex rules). Essentially the key insight here is 'that institutions contain within them the possibility of change and what animates change is the power-distributional implications of institutions' (p.21). Based on these two parameters and the previous literature on modes of institutional change the editors provide a typology of explaining patterns of institutional change.

The typology is based on the characteristics of the political context and the targeted institution which produce a type of dominant agent. The political system variable is reduced in two categories of strong or weak veto possibilities. The characteristics of the targeted institution are realised by low or high level of discretion in interpretation and enforcement of rules and norms. By creating a two by two (2 x 2) table, the authors link each mode of institutional change with a specific type of agent. For example, a political context with weak veto points and an institution with low level of enforcement will advantage 'insurrectionaries' that seek to displace existing institutions while in

the same political context with high level of institutional enforcement 'opportunists' are expected to convert the institution towards a different aim. In a political context with strong veto points and an institution with low level of enforcement, 'subversives' are expected to emerge and work within the system to achieve their goals. And finally within a political context with strong veto possibilities and with an institutional high level of discretion, is expected to produce 'parasitic symbionts' who support institutional continuity, for their own private gain.

The selection of the case studies provides rich empirical material from a variety of case studies. In the second chapter, Falleti explores the Brazilian health care system and attempts to explain the paradox of institutionalising a universal public health care system where private sector was prominent. Falleti argues that while the private sector fiercely blocked all attempts at the federal level, the 'sanitarista movement', predominantly a left-wing group of doctors and physicians, acted as a 'subversive elite' that was able to slowly and incrementally infiltrate local administrative posts and in alliance with local governments managed to institutionalise a preventive public local health care program that paved the way for a public national universal health care system. In the third chapter, Onoma explores the land documentation system in Kenya to challenge the expectation that property rights will create positive feedback effects to land owners. The author identifies that the demise of the land documentation system enacted with 'parasitic symbionts' (sic) that exchanged land documentation with no corresponding ownership titles. Despite the revealing of these fraudulent actions, major political contesters utilised this strategy to raise money for their political campaigns and also politically blackmail the electorate. The outcome of these institutional manipulations was the eventual demise of the land documentation system and a straightforward challenge to property rights.

In the fourth chapter, Jacobs discusses the development of the US Social Security system and shows that its implementation by the Roosevelt administration was an outcome of political compromises and coalitional dynamics. The author argues that this program should be realised as a programmatic institution that 'constrains future policy options from which officeholders choose in the future' (p.99) and in this case, it was the funding mechanism of wage contributions that would place certain constraints to future officeholders. The fifth chapter explores the development of the authoritarian regime of Suharto in Indonesia and the mechanisms he employed to challenge the power of the army officials. Slater shows how Suharto managed to exploit the tensions and conflicts between the army and the emerging classes to create an institutional balance of power in his favour. The sixth chapter touches upon the rules and processes within the US Congress (1789 - 1881). Sheingate argues that once rules within the US Congress increased, so did the opportunities to re-interpret them. The argument is that institutional complexity provides the opportunity for creativity, as long as there is the ability (or affordability) to navigate through complex laws.

This typology does not become as heuristic as the authors argue, since two of the contributors (Jacobs, Sheingate) in this volume hardly touch upon it. Still, each contributor highlights the importance of incremental, endogenous changes that unfold over time that is only exacerbated but not explained, by exogenous pressures. The other major common thread across all contributors are that institutions should not be realised as static but rather as dynamic and contested process that produce rules and distribute resources, which under certain circumstances can be challenged. Both editors, as well as all contributors therefore focus on the plasticity rather than the solidity of institutions (as Pierson would suggest), and argue that power distribution is of key importance for their continuity and change. In my opinion, this insight is moving institutional theory towards the right direction, but poses two key challenges that this volume does not, in my opinion adequately, address.

First, this theoretical attempt lacks any theorisation on ‘power’, a subtitle of this volume, either by the editors or the contributors. Without expanding this point, there different aspects of power discussed in this volume, depending on the position of each agent (compare Suharto with the ‘sanitarista movement’). Second, there is no clear definition what constitutes a change. For example, if an institution (pension system) is not addressing the shifts in the socio-economic context then as Hacker (Hacker, J., 2004, ‘Privatizing risk without privatizing the welfare state’, *American Political Science review*, 98, 243-260) argues there is an ‘institutional drift’. However at the same time in this volume, the chapter by Jacobs regards as institutional change the reforms that US Social Security system had to go through in order to cope with striking changes in economic growth (stagflation) during the 1980s (lowering benefits, increasing contributions). Is there a point in naming this type of change, e.g. an ‘institutional update’? And does it really provide any additional analytical insight to agents’ interests and strategies? The problem in this theoretical attempt is that a certain institutional context is expected to produce or is expected to witness the emergence of these ‘change-agents’. By doing so, the typology is acquiring a functionalist overview of institutional development, that focuses more on context and less so in the strategies that actors’ themselves employ, their ideas, and policy alternatives. There are many cases throughout history where the time was right but actors lacked a concrete proposal to overcome the status quo.

In my opinion, a focus towards opposing actors’ strategies, alternative policies and more importantly the struggle over implementing these changes and the battle of ideas (see Blyth, M., 2003, *Great transformations*, Cambridge University Press) is essential to understand agents’ power struggle (see Thelen, K., 2003, ‘How Institutions evolve’, in Mahoney, J. and Reuschemeyer, D. *Comparative historical analysis in the social sciences*, Cambridge University Press). Towards this aim, the use of resources as a proxy to capture ‘change-agents’ ability to shape the direction of institutional change needs further clarifications.

To conclude, this volume represents a significant advancement for the theorisation of institutional change and this volume is a must-read for scholars interested in institutional analysis. Peter Hall’s concluding chapter, links rational perspectives with historical institutionalism, and provides a promising research direction, worth empirically applied. Scholars interested in public policy analysis and comparative welfare system would gain from the discussion on how institutions distribute unequal resources and are the subject of constant contestation. Certainly, embedding dynamism to institutional development is a step towards a promising direction.

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**Marlier, E., and Natali, D. (eds) with Rudi Van Dam**  
***Europe 2020, Towards a more social EU?***  
PIE-Peter Lang, Bruxelles, 2010, 277 p.p.

**2** 010 can be described as a turning point for the EU, as it marked both the end of the Lisbon Strategy launched by the European Council in March 2000 and the adoption of Europe’s new strategic framework for the new decade coined under the term “Europe 2020”. The ongoing debate that is taking place in relation to the new economic governance framework and the

decisions taken raise though important questions in relation to the commitment to a coherent economic, social and environmental approach at a time when this is mostly needed.

Against this background, *Europe 2020 Towards a More Social EU*, edited by Eric Marlier and David Natali with Rudi Van Dam takes on this issue and contributes to the debate on the role of social Europe in the new European strategy. The book was prepared at the request of the EU Belgian Presidency as an independent academic contribution to developing the operational basis for the Europe 2020 Strategy. It builds on the background document prepared for the international Conference “EU Coordination in the Social Field in the Context of Europe 2020: Looking Back and Building the Future” organized under the auspices of the Belgian Presidency, as well as on the conference presentations and discussions.

Its aim is to explore both the role and the format of EU cooperation and coordination at the social field within the new governance architecture and offer proposals for its reinforcement and the improvement of the instruments available at European, national and sub-national level, building on the lessons drawn from the implementation of the Lisbon Strategy over the past decade. As argued, maintaining and strengthening social Europe is not only a matter of social justice; social protection is a productive factor, while failure to defend the European social model risks putting the commitment of people to the EU project.

The book brings together the contributions of a number of scholars and experts in the field, focusing on the subject from different angles; the initial chapters (1-5) focus on governance issues, while also discussing the impact of the crisis on the future EU socio-economic governance and the role of the Open Method of Coordination (OMC). The following chapters focus on specific topics such as the European strategy for combating poverty and social exclusion (chapters 6 and 10) and the potential for a territorialized social agenda (chapter 7), as well as more technical issues such as the use of social impact assessment (chapter 8) and the potential of Eurotargets (chapter 9). The concluding chapter (11) puts forward a series of proposals aimed at improving the governance architecture of Europe 2020.

Despite the variety of issues discussed and the proposals made, contributors agree on a number of points. The first relates to the acknowledgement of the significant role played by the Lisbon Strategy in raising the importance of the EU’s social dimension. However, they also highlight that the social OMC did not succeed in addressing the tensions between economic, employment and social policies, leaving social policy as the poor relation of the Lisbon triangle and a rather uncoordinated patchwork with insufficient integration between social protection, social inclusion, education, health, justice, housing and other policy areas. The second point relates to the new opportunities offered under the Lisbon Treaty and Europe 2020. The latter in particular offers the possibility for a much more integrated and coordinated approach to economic, social, employment and environmental governance, thus ensuring that policies in these areas become genuinely reinforcing. The third point relates to the identification of the risks that may arise. These include the risk of social protection and social inclusion being swamped by economic considerations, ultimately losing than gaining visibility; the risk of moving into a bilateral and technocratic process instead of a multilateral and dynamic one; the risk of having a reduced room for the defense of social entitlements as a result of the emphasis placed on austerity measures and stricter implementation of budgetary stability in the context of the current crisis. The inability to clearly identify the connection between the new and the past governance architecture is also highlighted, as well as the incomplete integration of social objectives into National Reform Programmes, which could ultimately result in reducing the focus on the social inclusion target.

At a time when the EU is sending a contradictory message aiming on the one to lift at least 20 million people out of the risk of poverty and social exclusion over the next decade, while on the other forcing member states to pursue additional cost-containment reforms resulting in the weakening of national welfare states, when these ought to be strengthened instead, *Europe 2020 Towards a More Social EU*, provides a solid argument about the need to reinforce further the social dimension of the EU. The book emphasizes this by building on the successes of the past and putting forward recommendation for increasing the effectiveness of the new governance framework. The concerns raised by unions and social NGOs over the latest developments on the economic governance framework and the Pact for the Euro and their implications for the future of the European Social Model, provide additional support to the importance of the argument raised in the book (see also Degryse and Natali 2011 *Social developments in the EU*, OSE/ETUI).

In terms of advancing the debate and knowledge on the social dimension of the EU, the book provides an insightful analysis of past achievements and future challenges. Nonetheless it also moves a step forward by elaborating concrete policy recommendations. Overall, the book provides a useful tool for policy-makers, researchers and other stakeholders with an interest in contributing to the building of a more social EU.

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