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Robert H. Bates and Anne O. Kruger (Eds.). Political and Economic Interactions in Economic Policy Reform (Book Review)

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Robert H. Bates and Anne O. Krueger (eds.). *Political and Economic Interactions in Economic Policy Reform.* Cambridge: Blackwell. 1993. $59.95.

This volume is a welcome attempt to combine extremely disparate regional literature on structural adjustment programs. The empirical research for the book was conducted in such a way as to generate truly economic hypotheses and conclusions. Bates and Krueger commissioned eight teams of researchers; each composed of at least one political scientist and an economist. The teams' initial agenda was to unravel the puzzle of why good economics means bad politics in relation to these structural adjustment programs. To meet that end, the teams were asked to investigate three phases surrounding the adjustment programs. Informed by current theories of interest groups, rent extraction, and bureaucracies, these analysts explored the political and economic background of the period prior to the reform process itself, and the political and economic reactions to adjustment. Included in the volume are the standard cases of stabilization and adjustment (Ghana, Zambia, Brazil), yet case selection is varied, resulting in fascinating studies of Turkey, Ecuador, and Egypt. In considering these less studied countries, the volume adds a wealth of monographic data to its theoretical agenda.

Comparativists will find much of note in the country studies that constitute the core of the book. From Grindle and Thoumi's description of politically fragile Ecuadorian presidents muddling through adjustment to Leith and Lofchie's and Stalling and Brock's explorations of the power of economic ideas in Ghana and Chile, the volume's eight cases reflect the political richness of economic reform in the developing world. Most lead us to conclude that societal interests and external actors are relatively ineffectual in bringing about and sustaining economic reform. The country teams, for example, find little evidence to suggest that in periods of economic crisis negatively impacted interest groups are able to pressure leaders to embark on politically risky programs of reform. As the editors note in their conclusion, the impetus in both cases appears to emerge almost entirely from the executive branch of government.

Many of these cases (Ecuador and Egypt, for example) also support the work of Haggard, Kaufman, and Remmer, which in recent years has cast doubt on the ability of regime type to account for the success or failure of particular episodes of adjustment. Of greater significance is the ease in which contributors move beyond this increasingly stale debate to focus more on the role that institutions play in the reform process. Just as adjustment leads to the modification of existing economic structures, a similar process appears to occur in the political realm. In Turkey and Chile, economic restructuring led to the increased insulation of technocrats; in Zambia, political imperatives forced the locus of economic policy-making to oscillate between government ministries and party committees during adjustment. Reform may not require authoritarianism, but the process does seem to infuse energy in the executive.

Most of volume's contributors adhere to the editors' initial framework, although Holt and Roe's treatment of the Egyptian case is a notable exception. Their focus on the agricultural sector comes at the expense of both the editors' agenda and a serious discussion of the future of economic reform in the country. We also remain somewhat puzzled by the inclusion of Korea in the project, despite the editors' discussion of the theoretical and practical considerations that motivated their case selection. Korea's restructuring in the early 1960s differs fundamentally from the episodes of reform covered in the other cases, most of which are informed by the notion of policy-based lending developed by the World Bank during the 1980s. Practical issues aside, recent episodes of reform in Thailand or the Philippines might have been better suited for a work of this nature.

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The volume's contributors succeed in challenging with empirical evidence many of the stylized facts that continue to drive the study of economic reform in the developing world. At a fundamental level the book contributes to our stock of case knowledge on structural adjustment. But it also manages to rise above much of the existing literature. Bates and Krueger' effort fits most comfortably with recent cross-regional work on adjustment by Nelson, Haggard and Kaufman, and Perkins and Roemer. As with these collections, the present volume harnesses the power of ideography in the search of simple, testable hypotheses about the interaction of politics and economics during periods of reform. It deserves a wide audience among those interested in the political economy of development.