

Book Review: Understanding Policy Change: How to Apply Political Economy Concepts in Practice

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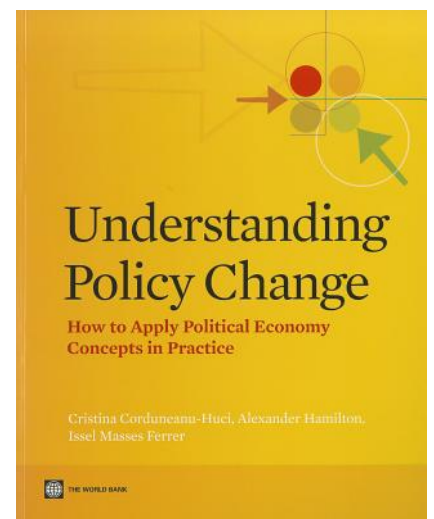
Understanding Policy Change aims to provide readers with the full range of political economy tools and concepts necessary to understand, analyse and integrate how political and social factors may influence the success or failure of policy goals. Case studies and practical exercises for students and practitioners are of great value, finds **Emily St.Denny**.



Understanding Policy Change: How to Apply Political Economy Concepts in Practice. Cristina Corduneanu-Huci, Alexander Hamilton, Issel Masses Ferrer. World Bank Publications. 2013. 359 pages.

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In *Understanding Policy Change: How to Apply Political Economy Concepts in Practice*, political economists working for the World Bank seek to explain why economic development policy projects in certain countries chronically yield underwhelming or negative results. Cristina Corduneanu-Huci, Alexander Hamilton and Issel Masses Ferrer consider what can be done to incentivise and facilitate rectification through collective action. In seeking to inventory the myriad causal mechanisms and pathways that can affect the trajectory of development policies, the authors first aspire to endow practitioners, lay readers and students with the diagnostic tools necessary to unpick the many possible prejudicial processes that affect economic development policy reform projects. Secondly, they attempt to provide readers with the navigational tools with which to decrypt the complex maps of opportunities and constraints facing reformers.



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The authors approach the hindrances to effective development reform from the standpoint of political economy, which conceptualises political actors as key players in a political game governed by rules specified by institutions. Such a perspective explains variation in policy outcomes as the result of players reacting strategically to different institutions generating different incentives and obstacles. The authors present political economy theory as instrumental in identifying the incentive structures that drive elite policy actors and can lead to negative deviations from ostensible development reform goals.

The first, and most substantial, section of the book establishes policymaking as a collective action problem and examines the principle pathologies that can afflict poverty reduction policies and the suboptimal institutional equilibriums that cause them. The second part of the book, made up of two chapters, is concerned with setting up an easy “how-to” guide for applying political economy analysis to real-life situations and increasing the odds of successful policy reform efforts.

Case studies and practical exercises feature frequently throughout the book. The case studies are drawn together from data generated by the World Bank as well as from seminal research on economic development such as [Amartya Sen's work](#) on poverty and famines. The most prevalent cases are those representing institutional malfunctions by way of their most common symptoms, namely corruption and its blood kin – political clientelism and patronage. These malfunctions are used as diagnostic indicators of the bad governance, lack of accountability and procedural opacity that undermine poverty reform efforts. The extensive use of empirical illustrations allows the authors to cover a significant number of geographic and thematic cases ranging from the impact of political clientelism on traffic control in Bangladesh (chapter 2), or the effects of the voting system on the provision of public goods in Brazil and Venezuela (chapter 4). Though the cases included are little more than 100 to 200 word snap-shots, their inclusion serves to reinforce a clear understanding of the key concepts and theoretical postulates. Less frequent are examples of best-practice or successful policymaking efforts, though experiences from high-income democracies such as the United Kingdom, the United States and New Zealand are sporadically included.

Most chapters end with relevant practical exercises and accompanying worksheets. These exercises include role playing and thought experiments derived from game theory. Through these practical tasks, the authors invite the reader, for example, to take on the role of public officials vying for the attention of key policymakers in an attempt to convince them to build a bridge in your district, or to play the part of a dinner guest faced with the choice between an expensive and an inexpensive menu at a group meal where the total price will be equally divided among those present.

Overall, the systematic use of empirical illustration and practical exercises convincingly allows the book to double as an instructor's manual in the field of development policy-making. Moreover, relevance to real world problems is a key criterion for establishing the merit of knowledge produced by research into public policy. In light of this, one of the greatest strength of this book lies in its cogent deployment of theoretical concepts in a manner that systematically links them to real-world situations. This strategy also has the merit of effectively backing-up the authors' stated pedagogical aim. This book belongs to a growing body of work seeking not only to improve and democratise policy making worldwide, but also striving to democratise the policy sciences by making them accessible to non-traditional audiences who are all too frequently left aside and yet have a crucial role to play in the development of successful development policies.

Nevertheless, the principal objection that could be raised concerns the work's overreliance on a supposed unproblematic conception of individual instrumental rationality to the detriment of considerations of a collective political rationality. Indeed, the authors' narrow conception of rationality creates an exaggerated sense of distance and contrast between an instrumental and selfish elite and a mass civil society capable of sensible collective action. This arguably creates a tenuous and oversimplified dichotomy between "good" and "bad" institutions/policies/politics. This is problematic because rationality, in this narrow sense, leaves no room for debate over the nature of the problem or the value of the chosen end.

The logic of instrumental rationality, conceived of in this way, is intuitively seductive: individuals seeking to maximise their interests will utilise their resources and position in order to do so, often to the detriment of collective interests. In this sense, corruption, free-riding, rent-seeking and political clientelism, are not only fundamentally unfair and undemocratic but are also practically prejudicial to development efforts. However, the manner in which those seeking to rectify this negative equilibrium can come together and correct skewed incentive structure and instil accountability norms and protocols is not quite so clear-cut. Indeed, effective collective mobilization entails a negotiated compact concerning values and desiderata. Collective action of the kind called for by the authors therefore depends on debate. This is not only because debate is a prerequisite for democracy, but also because it is the locus of collective construction and (re)definition of problems and solutions without which collective action cannot be catalysed.

Overall, the aim of this book is to help foster a reform environment conducive to the generation of sustainable and effective development projects through the increased and informed involvement of non-traditional actors. As such, the book fits in with the framework of representations, understandings and modes of action put in place by the World Bank to underpin its ambitious global development project. This makes the book suitable for practitioners, lay-persons and students seeking to develop a basic understanding of the complex map of opportunities and constraints faced by potential reformers working specifically in the domain of development policy. However, the book fails to adequately capture the nature of policy making as a result of social and political sense-making and goal-setting. Despite the broad title and aspirations, the book is not a comprehensive monograph on policy change, and should not be approached as such by students and teachers.

Emily St.Denny is a 2nd year PhD student at the University of Stirling, in Scotland. Her thesis investigates the role of ideas in shaping the trajectory of contemporary French prostitution policies. Her research allows her to combine her interest in public policy theory, contemporary French politics and women's rights. Emily also has research interests and experience in theoretical approaches to public policy and political economy, ideational approaches to political science, and comparative qualitative methods in political science. She holds an MSc in Global Crime, Justice and Security from the University of Edinburgh and a BaHons in Journalism and Politics from the University of Stirling. [Read more reviews by Emily.](#)