

reader to complete the syllogism. How an infinite regress or virtuous cycle of democratic accountability must therefore operate in practice becomes the central problem of the book.

“Critical accountability” is Borowiak’s answer to this problem. It stands for a theoretical posture aligned with “radical and agonistic democrats” like Romand Coles, according to which democracy is a spirit or ethos, rather than a form of government (p. 165). Its practical upshot is that “social mobilization” is required to challenge all institutions, including formal procedures of accountability themselves, through “a politics of disturbance” in the realm of “trans-national civil society” (pp. 163–67). Although the apparent objective is to change attitudes rather than to evaluate institutions, a few real-world examples are briefly discussed. Nongovernmental organizations have challenged the World Bank in recent years by “staging protests, confronting Bank leadership, and demanding answers for Bank policies” through “name-and-shame tactics” (p. 73). A civic group in India, the MSKK, organized public meetings at which official records long kept secret were revealed, showing that various members of the group had been cheated out of their wages by local government (pp. 169–70).

This is as specific as critical accountability gets, and the focus on scrutiny at the expense of sanctions, truth at the expense of consequences (did the Indian laborers get paid?), is emblematic of the deliberationist character of the book as a whole. The benefits of democratic accountability are always couched in terms of “answerability” for its own sake. “Insurgent” squatter communities are said to “seek answers for their marginalization” (p. 166), not improvement of fortunes or control over destinies. “Public demonstrations” are commended because they “make power naked,” “confront society members and institutions with public obligations,” and “challenge and destabilize mainstream assumptions about the world” (pp. 167–68), not because obligations are heeded or new assumptions acted upon. “International citizens’ tribunals” are exemplary because they “appeal to the power of public opinion and the judgment of history to deliver sanctions” (p. 169) for things like the Iraq war. The problem with this kind of accountability should be obvious: An early-modern king might have heeded “the judgment of history” if he believed in divine punishment in the afterlife, but a late-modern prince might be inclined to agree with George W. Bush’s reaction to the potential judgment of history when he said that “we don’t know, we’ll all be dead.”

Borowiak’s “deliberative” emphasis on answerability over punishability is joined to his “radical” emphasis on inclusion, with the effect that the concept of democratic accountability has been dramatically expanded beyond the formal institutions of national sovereigns. Readers may wonder whether it has been weakened at the same time. The nonelectoral Athenian mechanisms of sanction could be

brought into conversation with the nonelectoral deliberative mechanisms of scrutiny but are not. As a result, marginalized persons must be included in political deliberation, but the practical effect of their inclusion is uncertain. The authorities might bow to discursive pressures in any given case, or they might defy and defuse them through rhetorical and material dispensations. Thus, broader conceptual issues are at stake in the largely implicit and unargued theory of democracy on which Borowiak’s analysis of accountability rests. Ancient Athenians would have said that the modern Western version of *demokratia* involves a larger *demos* (i.e., includes more people) and a smaller *kratos* (i.e., gives them fewer institutional powers). Critical accountability seems poised to carry this long-range counter-Athenian trend still further in both directions.

### Electoral Systems and the Balance of

**Consumer–Producer Power.** By Eric C. C. Chang, Mark Andreas Kayser, Drew A. Linzer, and Ronald Rogowski. New York: Cambridge University Press, 2010. 262p. \$89.00 cloth, \$28.99 paper. doi:10.1017/S1537592712001788

— Irfan Nooruddin, *The Ohio State University*

This is a timely, policy-relevant, and provocative book. It is timely because it arrives on the heels of the Occupy movement that captured headlines and popular imaginations across the United States and saw encampments erected (and dismantled) from Manhattan to Oakland, California. It is relevant because it seeks to answer the core question of the conditions that enable Wall Street to dominate Main Street, and it is provocative because it argues that the Occupy protesters should understand that as bad as they might think things are here, they could always be worse: they could (shudder) live in Europe!

The authors are expert political economists and include one of the leading international political economists working in the field today, as well as three up-and-coming younger scholars at institutions in Europe and the United States. Given the embarrassment of talent, it is unsurprising that the book offers a novel take on one of life’s perplexing questions: How can a simple café au lait cost so much more in Paris than it does here in Columbus, Ohio (not to mention taste so much better)? The truly original insight in this book is that such variations in price are shaped by politics, just as they are by economic development, geography, exposure to international markets, and other factors found in any basic economics text. However, once we have controlled for such economic factors, what can country-level price deviations tell us about politics?

Eric Chang and his colleagues begin with a simple claim: Consumers like cheap things, while producers benefit from higher prices. As such, greater deviations from competitive prices are evidence of greater producer power relative to consumers (recall that standard economic determinants of prices are already controlled for). In a competitive

marketplace, however, producer and consumer interests ought to be aligned, and profit margins should shrink. Price deviations, it follows, are the result of constraints on economic competition that allow producers to charge higher prices. A primary source of such competitive limits is governmental regulation that creates barriers to entry for new firms and allows existing firms to charge higher prices. Producers gain from such anticompetitive regulation, consumers lose, and politicians provide it. The authors utilize the Stigler-Peltzman model of regulation to analyze politicians' responsiveness to the opposing pressures from producers and consumers, with particular attention to the effect of electoral systems. Since plurality systems have greater seats–votes responsiveness (i.e., the same shift in vote shares results in greater shifts in seat shares in plurality systems than in proportional representation [PR] systems), they argue that politicians in plurality systems should be more responsive to consumer interests—for whom the vote is the sole source of influence—than they are in PR systems. Accordingly, producers are relatively advantaged in PR systems and so prices are higher.

The argument and evidence are presented over seven chapters. After describing the empirical variation to be explained in the introductory chapter, the authors develop the theoretical model in Chapter 2. The model is presented formally, and while readers would benefit from working through the model, those uncomfortable with mathematical analysis could skip the technical details without serious loss of comprehension. The next three chapters present the evidence. Chapters 3 and 4 provide statistical tests of the central hypotheses using data from the Organization for Economic Co-operation and Development and a global sample, respectively. Chapter 5 fleshes out these results via case studies of Italy and the United States. The Italy case study is particularly important since reforms to its electoral system in 1993 promise leverage as a natural experiment. In Chapter 6, the authors consider the issue of endogeneity via an analysis of the socioeconomic origins of electoral systems, as well as their resistance to change. They argue that economic inequality drives the choice of electoral systems, and that changes to electoral systems occur only after exogenous shocks that alter levels of economic inequality (e.g., wars or recessions). Chapter 7 concludes the analysis and develops some of its implications.

As with any book of this scope and ambition, there are areas where any reviewer might find reason to carp. For this reader, the first, and most significant, criticism concerns the basic argument itself. In a nutshell, not all regulation is pro-producer and anti-consumer, even if all regulation does lead to higher prices. Consider for an instant regulations that establish stringent guidelines for consumer safety, or environmental quality, or labor standards. Each of these should be more popular with consumers than with producers, and each should lead to higher prices by

increasing the costs of doing business. Further, by moving the median voter to the left and providing more welfare and overall government spending (see note 2 on pp. 56–57), PR systems might also lead to higher tax burdens on businesses that, in turn, are passed on to consumers through higher prices. Majoritarian systems might certainly produce “low-price policies” (p. 65), but to equate low price with pro-consumer, as the authors do here, is too simple. Doing so requires narrowing consumer interests entirely to prices paid, and ignores that consumers are also citizens with diverse interests that might include willingly paying more for ethically produced or union-made goods, for instance. And the whole enterprise is complicated by the difficulties of constructing meaningful baskets of goods and services for purposes of price comparisons: Where does free health care, good public transportation, and subsidized higher education fit into the picture? The problem, therefore, is that even if one is convinced by the empirical result that PR systems have higher prices—and I am—the authors cannot rule out an equally plausible alternative explanation: that PR systems are more expensive not because they are anti-consumer but because they are pro-voter.

Turning to the empirics, three considerations are worth noting. First, the extension to the developing world is awkward. The authors offer several reasons why their argument might not travel well outside the OECD, but I honestly could not understand why. Nor did I understand the inclusion of the OECD states in the global sample, and even the decision to interact the electoral system variable with GDP per capita was puzzling: If the goal is to provide an out-of-sample test, then excluding the OECD states is simplest, or the interaction should be with an OECD dummy rather than economic development. Second, the case study of Italy raises questions since the pro-consumer reforms and price drops *preceded* the 1993 electoral reforms, while further majoritarian reforms in 2000 were followed by price increases (pp. 155–59). The authors explain this as the result of Silvio Berlusconi's unique leadership, but this seems ad hoc and undermines the causal power of the Italian case. Finally, the authors do not consider the greater incidence of coalition governments in PR systems or the role of divided government in the United States. The former should make coalition members more sensitive to vote shifts since these could bring down the government, while the latter should give outsized influence to producers who can lobby both parties even as voters are stymied by deadlock.

The critiques I am raising are testament to the richness of ideas and transparency of analysis in this book. By tackling an oft-ignored yet central fact of daily life in all countries—prices—the authors demonstrate remarkable creativity, and their book should spur much future research. This is serious scholarship on a core political economy question. Sharper than American cheddar, it is extremely Gouda, and you should read it.