



**Beyond the Protective State: The Political Economy of Australia's
Manufacturing Industry Policy.**

Review Author[s]:
Herman Schwartz

The American Political Science Review, Volume 87, Issue 4 (Dec., 1993), 1037-1038.

Your use of the JSTOR database indicates your acceptance of JSTOR's Terms and Conditions of Use. A copy of JSTOR's Terms and Conditions of Use is available at <http://www.jstor.org/about/terms.html>, by contacting JSTOR at jstor-info@umich.edu, or by calling JSTOR at (888)388-3574, (734)998-9101 or (FAX) (734)998-9113. No part of a JSTOR transmission may be copied, downloaded, stored, further transmitted, transferred, distributed, altered, or otherwise used, in any form or by any means, except: (1) one stored electronic and one paper copy of any article solely for your personal, non-commercial use, or (2) with prior written permission of JSTOR and the publisher of the article or other text.

Each copy of any part of a JSTOR transmission must contain the same copyright notice that appears on the screen or printed page of such transmission.

The American Political Science Review is published by American Political Science Association. Please contact the publisher for further permissions regarding the use of this work. Publisher contact information may be obtained at <http://www.jstor.org/journals/apsa.html>.

The American Political Science Review
©1993 American Political Science Association

JSTOR and the JSTOR logo are trademarks of JSTOR, and are Registered in the U.S. Patent and Trademark Office. For more information on JSTOR contact jstor-info@umich.edu.

©2001 JSTOR

provocative in terms of Westerners' views of Japanese policy culture. But while the notion of Japanese bureaucrats taking random policy walks seems mind-boggling, Campbell's highly detailed and sophisticated analysis encourages us to entertain the notion that beneath all the camouflage, this is basically what occurred. If we can entertain this interpretation, then it is only while noting the unique inability of the Japanese elderly to produce even the tamest of grey tigers.

Turning from the innovative to the mundane aspects of goals, it may be said that Campbell presents a superbly detailed and finely crafted descriptive analysis of several decades of development in the several policy areas bearing on elderly policy. The analysis seems as inclusive as it could possibly get and, for the first time, opens up the internal dynamics of Japanese social policymaking to the non-Japanologist. In its scope, the work goes beyond the framework of masterly American studies like that by Derthick and is perhaps most similar in structure to Nipperdey's comprehensive and data-rich study of post-war German social policy.

It was a feat of great dedication and persistence that produced not only the bold theoretical endeavor but also the detailed analyses of stages of policymaking and -remaking in a way that must elicit the highest respect of the specialist, even while proving accessible to the novice new to the landscape of Japanese social policy.

Washington University

ARNOLD J. HEIDENHEIMER

Beyond the Protective State: The Political Economy of Australia's Manufacturing Industry Policy. By Ann Capling and Brian Galligan. New York: Cambridge University Press, 1993. 272p. \$54.95.

One of the interesting paradoxes of the 1980s is that the proponents of market liberalization had their greatest successes precisely where the institutional strength of the state was strongest, and that only states able to assert their autonomy from social groups could actually subject those groups to market pressures. Autonomy begat autonomy. Australia is no exception, and precisely because it remains terra incognita to most U.S. and continental political science this study is a useful addition to the literature on liberalization in the 1980s. However in order to make its subject accessible to readers unfamiliar with antipodean politics this book sacrifices some depth in favor of simplicity.

Capling and Galligan, in one of a recent series of fruitful collaborations between Canadians and Australians, argue that the Australian state has shifted its industrial policy from protection to correction. Prior to the 1980s, industrial policy concentrated on protecting any and all industry with extremely high tariffs and tight import quotas. This created a wide range of internationally uncompetitive industries. These industries in turn provided employment for many more Australians than would otherwise have been the case; a highly redistributive and egalitarian system of judicially set wages shifted rents away from export industries and towards workers in protected industries. By the 1980s this policy had become untenable, because raw materials exports no longer generated enough rents for redistribution. Unlike the 1930s depression, which saw an intensification of protection, the state reversed course in the 1980s, reducing protection. Instead, industrial policy corrected

the negative aspects of the earlier blanket policy by using a targeted industrial policy to foster internationally competitive industries.

The book begins with a survey of theories of the state in the Australian context. This refraction of conventional theories through the Australian lens is both useful and disappointing. Capling and Galligan show how badly off-the-rack American theoretical clothing, particularly pluralism, fit the odd-shaped Australian body politic, concluding that statist theories best explain Australian politics and institutions. Their survey provides a fine introduction to Australian political thought for the non-specialist, and their insistence on the primacy of the state, despite Australia's Westminster heritage and English common law tradition is essentially correct.

But they omit any discussion of the institutional arrangements that constitute and limit state strength in Australia. Collective bargaining institutions and their consequences for unions and employers' organizations are largely ignored, even though these organizations are the major social players in the politics of tariff setting. Similarly Australia's federal system and preferential voting arrangements have helped constitute a potent rural interest group. The state and state policy constructed all these groups, and in each episode of major institutional change in Australia federal ministers and bureaucrats relied on the support of some of these groups to neutralize the opposition of other groups. Tariff policy is no exception to this rule. This omission obscures the institutional sources of Australian state autonomy, particularly for non-specialists.

The middle of the book lays out the institutional history and trajectory of industrial protection. Moderate tariffs created a broad political coalition in favor of even higher tariffs, and the economic shocks of the depression led to extremely high tariffs that persisted into the early 1970s. But under Labor governments in the early 1970s and even more so the 1980s, the state unswaddled protected industry, phasing out tariffs and import quotas, reducing preferential buying practices, and increasing market pressures on firms.

The book ends with three case studies—steel, automobiles, and the textile-clothing-footwear complex—of this unswaddling process. Here the authors show how the state evolved meso-corporatist arrangements to induce and coerce cooperation from producers and the relevant unions. These case studies are not fully representative of trends in Australia, however. Looking at the equally sheltered metal bashing industries, for example, would have shown a more societally based meso-corporatism with unions taking the lead in changing production practices.

This study has two weaknesses. First it focuses too narrowly on the creation and reduction of tariff and non-tariff protection for manufacturing. Capling and Galligan only briefly situate this border protection in the larger context of state regulation of industry. Although they clearly understand that Australia's unusual system of court-set wages and work conditions lies at the core of Australia's political economy, they mention this only in passing. It is possible that the wage arbitration system was and is the biggest piece of on-going industrial policy in Australia because of its homogenization of wages and its limitation on the adoption of alternative work practices. The arbitration system was also reorganized during the 1980s, although not as much as the system of border protection. It would have been more interesting

to tie the reorganization of industrial protection to the reorganization of work and wage setting.

Second, and related to this, is the omission of any discussion of state actors' motivations for transforming the protective system. This makes it hard to discern why the state had autonomy and why actors opted for what seemed in prospect very politically unpopular steps. The authors discuss a few key actors' personal preferences, without any reference to the preferences of the social groups these actors represented. All of the key actors in the 1980s were either politicians or union officials (or both), and the authors note that the minister ramrodding liberalization relied rather more on his personal staff than ministry personnel when formulating policy. This weakens the contention that policy emerged from an autonomous state by eliding unions' sometimes diverging preferences for specific policies. I should think that this also makes the trajectory of political struggles somewhat opaque to a non-specialist, particularly in the detailed case studies. This kind of policy shift always produces winners and losers; what were they doing? Equally important, the authors never really demonstrate the state's interest in this policy shift, aside from a few passing references to external economic shocks. Filling in these details, however, would have threatened the authors' contention that the state is the protagonist in the reorganization of Australian political economy during the 1980s by showing that a coalition spanning state and society, and which stands to gain from liberalization, has motivated this and other policy reversals.

Despite these weaknesses the authors do provide the first systematic overview of manufacturing industry policy in Australia during the twentieth century and of the astounding policy reversal that occurred during the 1980s. Specialists will be delighted by the detailed discussions of policy formation in the case studies. Non-specialists stand to learn much from the beginning and middle. Given that liberalization went farther in Australia (and even more so New Zealand) than in many European economies, they might learn something about why policy change did or did not take place 'up over.' They also can learn from the discussion of how a state can construct and use meso-corporatist institutions as an instrument of industrial policy.

University of Virginia

HERMAN SCHWARTZ

The Development of Political Science: A Comparative Survey. Edited by David Easton, John G. Gunnell, and Luigi Graziano. New York: Routledge, 1991. 296p. \$49.95.

Social Sciences and Modern States: National Experiences and Theoretical Crossroads. Edited by Peter Wagner, Carol Hirschon Weiss, Björn Wittrock, and Hellmut Wollman. New York: Cambridge University Press, 1991. 374p. \$49.50.

The doctoral training of most American political scientists attends scarcely at all to the history of the discipline. Older introductory courses on the history, scope, and methods of political science have yielded to more extensive training in research design, statistics, math, and the analysis of arguments. As a result, fewer and fewer political scientists in the United States know

much about their predecessors. The aims and understandings, successes and failures, and even the names of these forerunners become lost to a strangely present-minded discipline.

Perhaps the greatest value of these two books is to challenge and repair this proclivity. By surveying various national traditions of political inquiry, both also help to expand the horizons of political scientists whose sense of the discipline suffers confinement to a single country. Like the presentism, this parochialism is mainly an American legacy. Where political sciences have begun or have become Americanized, the practitioners "forget" what has been tried and why—losing the compass that could make it possible to keep their bearings in current inquiries.

Another reason to cultivate historical awareness of the discipline is the inevitable recognition that any history must promote specific, sometimes uncritical, concerns of politics. Seeing the politics in the prior efforts of others, we can become more intelligent about our own. In this respect, the cross-cultural scope of each volume is especially telling, since virtually every essay ends up showing how the politics of particular places and times mark these different political sciences, no matter how carefully "scientific."

A notorious trouble with brief reviews of detailed histories is an inability to do justice to their details. The episodic character of both collections aggravates that difficulty, since the precise focus of any one chapter typically differs considerably from the ones before and after. Overall, though, *The Development of Political Science* tends to emphasize differences, during the past century or so, in the sources and trajectories of national traditions of political science. Even though it focuses on America and Europe (with glances at China and Anglophone Africa), the book leaves a general impression of diversity in the goals, questions, and organizations of "the discipline." The exploration of ties in *Social Sciences and Modern States*, by contrast, suggests that the local politics and practices of policy sciences reveal, in their many variants several, overarching (but not overriding) dynamics in the development and decline of "the welfare state."

John G. Gunnell begins the essays in *The Development of Political Science* by showing how "accounts of the past of political science have heretofore been primarily instruments of disciplinary legitimation and critique." Presumably, the rest of the collection attempts to make good on Gunnell's further argument that disciplinary histories "must now, even to serve these functions successfully, develop a more adequate 'historical sense' and confront issues of historical validity" (p. 13). Subsequent chapters explore such historical vagaries as the historical, philosophical, and economic biases identified by Jean Leca in French political science (pp. 164–75). Elsewhere, as well, these sorts of factors explain both "the muted impact of American political science" (p. 96) found by Jack Hayward in Great Britain and the nation building sought through "the Americanization of African political science" (pp. 254–55) described by L. Adèle Jinadu. The template for most of these stories is the liberal democratic fear that science too easily and often becomes an instrument manipulated by politics. The popular democratic fear, more prominent, these days, in the humanities, is that scientific expertise will work to eliminate the political choices and voices of