

interactions among institutions and actors. These actors use informal as well as formal authority and employ ambiguous and contradictory values. Thus, governance is inherently political. Also, it has emergent properties (or, as the authors put it, endogenous nonadditive elements) and entails tenuous cause-effect relationships. Public managers are active participants in governance in two ways. Most immediately, they are short-run goal-seekers within given authority frames. But they are also longer-run participants in issue-oriented stakeholder politics through which these authority frames may be changed.

Responding to this complexity, the authors propose a research framework that locates specific governance arrangements within wider political, organizational, and economic contexts. This framework allows for the interactions between polity and economy and between action and structure. The authors' research framework aims to include—even to orchestrate—disparate and possibly incommensurate analyses and methodologies. It draws on sociological, social-psychological, and cultural literatures and uses interpretive and historical qualitative methodologies as well as quantitative ones.

Given this complexity, the authors aim to produce a "suggestive, at most advisory" approach to governance research. They consider that this sweeping but open-ended aim is more appropriate and realistic than a narrow prescriptive approach that achieves its closure by downplaying the inherent complexity of its subject matter.

Three chapters elaborate this research project and its rationale. Chapter 2 rehearses a range of arguments in support of the key contention that public governance is extremely complex yet is amenable to useful analysis. The authors propose an analysis in terms of five factors: the context, three levels of governance (institutional, managerial, and technical), and political assessments of effectiveness. This is hardly novel, but it does suggest some research questions that are likely to be heuristically productive. Chapter 3 reviews literature on legal, public-choice, and constructivist views of institutionalism. It usefully emphasizes the opportunities for political action that arise through the ambiguity, autonomy, and discretion provided within and between these three institutional models. It also makes the important point that institutional legitimacy is as much a politically and culturally achieved outcome as it is an unproblematic result of technical instrumental effectiveness. Chapter 4 summarizes literature on managers and on primary or technical workers. It concludes with what should have been its starting point—that a better understanding of whether managers or primary/technical workers have the tools to effect better governance would require a new conceptualization of the capacity of each in light of their contextual and institutional situations.

Chapters 5, 6, and 7 illustrate methodologies appropriate to the authors' extended and open view of governance. Chapter 5 summarizes studies that examine one or another of the three levels of governance identified earlier, and chapter 6 reports on the authors' survey of over 500 studies of governance. These literature reviews do not convincingly integrate methodologies and the various levels and types of governance, and so they provide little methodological guidance beyond encouraging eclectic and heuristic openness. However, chapter 6 includes some studies that illustrate stimulating uses of models, methods, and data sources relating to human-service governance, and this leads to sound but unsurprising methodological conclusions.

The book comes into its own in chapter 7. The first part of this chapter contains three in-depth case studies of the literature on job training, school effectiveness, and substance-abuse programs. The authors use these cases to illustrate that

detailed examinations of how governance may be linked to perceived effectiveness can help to integrate the range of analytical and methodological issues that they have identified. These case studies are complemented by seven individual studies. Each of these illustrates how its specific analytical and methodological approach both reveals and conceals important aspects of the governance-effectiveness relationship. Taken together, these two ways of looking at the book's key concerns gave me a strong sense that the authors' aspiration of orchestrating diverse analyses and methods was worth pursuing, even though it is still far from being achieved.

The final chapter seeks to address the authors' wish to provide practical ways of improving outcomes through the use of their research frame. Given that that frame is still a long way from being realized, the conclusions are provisional at best, but even so they are fairly unsurprising. I expect many practitioners would consider that the insights they get from this chapter were not worth the effort that it requires of them.

The extensive literature reviews that make up the bulk of this book are dated in parts and at times lack focus. Even though the book professes to be concerned with the contemporary postbureau organization of human-service delivery, not all the cases that are discussed concern human services, and some debates hark back to the old bureau model. Even though economic and political context is said to be a major factor in the analysis of governance, the wealth of contextual variations and governance responses outside the United States is ignored.

This book sets out with ambitious and, for me, worthwhile objectives. However, its message is probably more sobering than the authors would have liked. We still have a very long way to go before we can systematically make a difference to public outcomes through better research into governance and management. We need to improve our analysis and methods and our capacity to communicate useful insights to policy-makers and practitioners. Along the path to this conclusion, this book presents literature summaries that should be useful for senior and graduate students, and it stimulates ideas that we might optimistically hope will bear fruit when those students become researchers and practitioners.

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Limits of Convergence: Globalization and Organizational Change in Argentina, South Korea, and Spain. Mauro F. Guillen. Princeton, NJ: Princeton University Press, 2001. 282 pp. \$35.00 (paper).

Mauro Guillen's interesting book is marred by at least two methodological flaws. He attacks the conventional wisdom about globalization, which, he says, argues that globalization necessarily forces firms and economies to converge towards one "best practice" organizational format and economic-policy content. In contrast, he argues that not only does globalization permit variation to emerge but that it is precisely this organizational and policy variation that provides competitive strengths for some countries in the world economy. He supports this claim empirically with case studies of general trade-policy change in Argentina, South Korea, and Spain, and then in more detail by examining policy towards large business groups, small and medium-sized firms, and multinational firms in these countries. Finally he surveys the automobile and banking industries in each country

to control for sectoral variations. He thus ends up contrasting cases, organizational forms, and sectors.

He starts out by setting up a 2×2 matrix of possible trade and international-investment orientations, contrasting high and low levels of inward and outward integration and ending up with four ideal-typical policy orientations. He claims that his three economies all started in the same position, with relatively low levels of inward and outward integration, but diverged in the post-World War II period. They end up in the three initially empty cells, thus presenting the full spectrum of possible variation of outcome. Guillen argues that organizational variations in these countries were sources of strength, rather than obstacles to development. Different local social logics of appropriateness allowed countries to find different positions in the world economy. Institutions and their logics were repositories of capabilities that allowed his cases to engage in differing kinds of activities in the world market. Success came from matching local logics and structures to market opportunities.

Guillen thus argues that convergence in the global market is nothing more than a convergence of prices for similar goods and has no implications for the underlying production unit. He thereby eschews Milton Friedman's "as-if" assumption, which is satisfied simply to note price convergence and then search for equilibrium, so as to discover what is producing observably different patterns of competitiveness and economic development. Wharton Business School professor Guillen thus ends up with the same argument put forward by Marxist Robert Brenner: namely, that domestic structures precede international ones and that the international system is only the sum of its constituent parts.

Guillen is right to dismiss straw globalization arguments about convergence. But his methodology and his case selection do not enable him to convincingly refute arguments that external structures and actors produce the outcomes he observes. First, he places his cases in the same initial cell. Yet it cannot be true both that endogenous organizational dynamics led his cases into different cells and that these countries are appropriately placed in the same initial starting cell. If it is possible to have different organizational structures and logics and yet occupy the same initial cell, this suggests that global markets strongly determine outcomes, regardless of domestic policies and structures. On the other hand, if his three cases all begin with very different initial conditions—and, in fact, they did—it is not entirely surprising that they end up in different places as globalization progresses. Then the question is, why? Organizational logics appear on both sides of Guillen's causal arrow. If his cases start in the same cell by virtue of similar organizational structures, this suggests voluntarism and a plasticity to organizational logics. Countries can make of themselves what they will. Yet Guillen argues against voluntarism in his first two chapters. On the other hand, even if he has a theory of nonvoluntaristic endogenous organizational change, he cannot prove that domestic factors determined the path of change.

This problem arises because Guillen sampled on his dependent variables. Because he has chosen only three cases, which end up occupying different final cells in his 2×2 matrix, he cannot logically confirm that only differing domestic level variables caused the outcomes he observes. He needs contrasting cases in each cell to establish the priority of his domestic variables. Guillen cannot rule out arguments that multinational firms used their investment decisions to reshape local economies and organizational characteristics. Looking at Mexico, Thailand, and Spain together, for example, would reveal that multinational corporations (MNCs) have systematically developed large production complexes for the export of low-end automobiles and parts in low-wage, moderate-skill countries that are

geographically proximate to their major markets. MNCs need only one such low-wage platform. Thus, it is no surprise that there are not more countries like these three; once Mexico becomes North America's export platform, no one will replicate this in Brazil or Argentina, regardless of their domestic arrangements. Equally important, domestic structures in those countries will change because of the absence of MNC investment. Similarly, the absence of car parts in Korea's export structure has as much to do with external factors—Japanese car firms' notorious unwillingness to source outside their *keiretsu* networks—as it does with Korea's domestic policy choices.

Guillen clearly is half right, because it takes two hands to make a global deal. And he has done a fine job of sketching out one hand. But his argument could have been much more convincing if he had addressed something stronger than the straw-man convergence argument. Diversity has always characterized product markets and production processes. A deepening of the division of labor creates space for ever-more-differentiated production units and firm strategies in much the same way that more complex ecologies create niches for a greater variety of species. Moreover, competitive markets function precisely because they differentiate production units into winners and losers. Guillen understands at least part of this, because at the very beginning of the book he notes that globalization presupposes continued development, and that organizational change can be understood through a Darwinian "principle of variation" (21). But he does not seem to understand the implications of his own argument, which ultimately is about how organisms adapt to their environment and, by doing so, reshape that environment in ways that then force recursive change on all organisms.

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