BOOK REVIEW

Guy Peters – Institutional Theory in Political Science: The New Institutionalism. Perspectives from Central and Eastern Europe

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We are honoured and pleased to review the fourth edition of the internationally recognized scholar Guy Peters' outstanding book *Institutional Theory in Political Science: The New Institutionalism*, published by Edward Elgar Publications in 2019, which is one of the most significant books published in this field.

The author is a well-known scholar of Public Administration, and perhaps the most renowned one in the field of comparative Public Administration. Peters seems to be specifically interested in the Central and Eastern European region and is a regular attendant of NISPACEE's annual conferences. His *Politics of Bureaucracy* is one of the most successful overviews of public administration (with and without capital letters), also widely used as a course book. This present volume on *Institutional Theory in Political Science* addresses the approach that may be considered the mainstream in social sciences in the past two decades and which became the basis for the analysis in both public administration and political science fields. This interest is manifested in the fact that we actually review the fourth edition of the book. Earlier editions have already become an authoritative source on institutionalism; however, the expanded and updated fourth edition brings in issues that are particularly relevant to researchers of our region, namely Central and Eastern Europe.

Institutionalism is a complex theory, with many concepts and approaches, covering many fields of study and traditions, such as sociology, political science, economy, law, social psychology, history, etc., with only few common lines of argumentation. Since institutionalism itself is divided into two schools: "old" (formal

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and material institutions, such as laws and regulations) and “new” (norms, beliefs, routines); the book captures the shift from the origins of “proto-theory” – old institutionalism – to the “new” institutionalism (also neoinstitutionalism or new institutional theory), on which the emphasis lies. In fact, the old institutionalism is quite close to the approach that has been and to a great extent still is typical in our region; namely the legalistic approach. Briefly, this approach identifies reality with legal stipulations regulating the given field; despite the fact that everyone is familiar with the enormous gap between laws and reality in the region (e.g. execution and enforcement of laws). This distorted interpretation is then spread and inculcated into future civil servants’ minds via education (Staroňová and Gajdushek 2016). Within the realm of the new institutionalism, the book identifies six alternative approaches to institutions: normative institutionalism, rational-choice-theory institutionalism, historical institutionalism, empirical institutionalism, discursive and constructivist institutionalism and finally sociological institutionalism. Already the earlier editions of the book managed to answer the most basic question whether there is indeed a single institutional approach within the several (how many?) variations, and if so what that approach might be.

One of the key and at the same time most appealing aspects of Peters’ organization of the book is his development of a common frame of reference for the different theories by posing the same set of questions, which creates one conceptual framework for all different points of view and objects of individual study disciplines: what “institutions” are, how they are formed, how they operate and how they change, how individuals and institutions interact, what the institutional design is, what the limits of the theory are and what can be considered a good institution. Peters offers many novel and original insights in bridging the various approaches, and in this way he shows how the disciplinary views of new institutionalism sometimes overlap (and thus some features do unify the institutional approach) and sometimes are in sharp disagreement and these differences are important. By creating order in the many different approaches to institutionalism under one conceptual framework he managed not only to offer the key characteristics of each approach but also to reconcile the differences of individual disciplines investigating individuals and/or organizations.

Thus, the book offers a very systematic and elaborate account of the importance of institutional theory in political science (and public administration). It gives both researchers and practitioners not only theoretical insights but also a lot of ideas about how to conduct empirically oriented research on many questions of political-administrative relations, seen through institutional lenses.

The application of the above mentioned variety of approaches towards institutional theories is demonstrated by using many international examples. Thus, another important aspect of Peters’ approach in all the editions is the inclusion of empirical research conducted so far, as it adds new insights about the nature, role

and implications of the institutionalism theories, which tend to be too abstract to many students of comparative public administration and politics.

From the CEE perspective, the two new chapters, added specifically to the 4th edition, seem to be remarkably valuable. These chapters focus on informal institutions (Chapter 10) and the process of institutionalization and deinstitutionalization (Chapter 11).

Economists, social scientists and recently theoreticians and practitioners of development administration (e.g. WB 2017) seem to agree that informal institutions seem to regulate human behaviour as strongly as – or rather more strongly than – formal-legal ones; everywhere (North 1991, 111). Most scholars on the CEE region agree that the overall slideback of public-administration reforms (Meyer-Sahling 2011), low professionalization of civil service, corruption rates (even state capture) and overall performance are connected with its weak formal institutions. Among others, institutional research in the CEE region has highlighted the importance of cultural norms and widely shared behavioural patterns, legacies (Meyer-Sahling 2009, Staroňová 2017), in fact parallel worlds to existing formal institutions, or what we call informal institutions. Thus, formal and informal institutions exist simultaneously. They may reinforce, substitute each other and may easily work against each other with negative consequences for overall public administration reform, or economy in general. In sum, experience in the post-communist region tends to show that formal and informal institutions (e.g. laws and reality) do greatly differ (Dimitrova 2010; Falkner and Treib 2008) and/or simply do not always work (Gajduschek 2013), and thus a certain arbitrariness in the patchwork of practice exists.

Surprisingly, the existing literature has addressed the role of formal institutions quite extensively, but only recently have scholars begun to address the role of informal institutions (Helmke and Levitsky 2004). Attention for the importance of informal institutions has emerged not so long ago, which, however, was not accompanied by systematic studies. The reasons for this are that informal institutions are difficult to identify, conceptualize and operationalize. The new chapter of Guy Peters tries to fill the gap. It shows that informal institutions matter, more so for any reform attempts. However, their impact depends on the specific institutional set-up and especially the role and strength of formal institutions, which the new chapter discusses. Based on these observations, the chapter offers an analytical framework that helps to differentiate between institutions and can help researchers understand how formal and informal institutions evolve and which factors promote or hinder the development of “good” outcome.

The difficulties with the (new) institutionalism and the book are less to do with the tenets of the theory than with its silences. Thus, from the perspective of CEE countries the new institutionalism is strong in identifying distinctive organizational forms and their functioning. Nevertheless, it has been less effective in generating ideas about transformation or changes over time in general. One of the

most important issues that limited the books (theoretical) applicability in the past, particularly in countries with rapid changes, such as CEE, were its static institutional explanations, which did not offer a possibility of capturing dynamic change. Although each chapter did include a discussion on major transformations of the institution, it did not capture the trajectory and dynamics of that change.

The new chapter (11) recognizes this gap in the institutionalist literature and provides some answers to the questions, particularly from the perspective of internal development of the institution – the process of institutionalization and deinstitutionalization. Thus, institutionalism is seen as structuring and giving pattern to the relation between institutions, society and actors which are predictable. Still, taking into account the rapid and perpetual large change events in the region (see, for example, Randma-Liiv and Drechsler 2017 for an overview of changes in public administration), frequently called – even after 30 years – transition countries, the reader may feel a bit frustrated not being able to capture the essence of these processes by the conceptual frame offered by the author, and/or by the institutional theory. We still wonder how to interpret the various potential causes of institutional isomorphism (normative, coercive and mimetic)? What about situations which are not predictable and where no pattern or order exists, thus are overall arbitrary? What is the relationship between time and institutionalization? Historically established, custom-like institutions are followed more widely and reveal a higher level of legitimacy. Do the regular changes prevent the establishment of stable institutions or the lack of stable institutions lead to perpetual changes on the macro polity level as well as on the micro administrative level. More generally and squarely: what is the relevance, if any, of the institutionalist approach in a region where institutions do not seem to work or where predictability of any formal or informal institutions is simply not in place?

The book of Guy Peters raises such questions, which is a starting point for finding answers. The author offers a perspective and methodological guidelines for investigating these issues. Moreover, in the two new chapters he also provides a framework to approach the phenomena that seem distinctive for the CEE region.

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