

be off-putting for those not comfortable with terminology such as "multinomial probit estimator" and "ordered probit analysis." For the layperson, the conclusions reached must be accepted on the basis of Gelpi's own evaluation of success. In addition, *The Power of Legitimacy* still bears all the markings of being Gelpi's doctoral dissertation. Although this in and of itself is not necessarily unsound, the tone of the book remains in "dissertation mode," rather than taking on the manner of a manuscript contributing to a wider literature.

*The Power of Legitimacy* is not for everyone and will present a challenge for a general reading audience. However, it would be useful for academics or graduate students with quantitative expertise; it may also be of use for senior undergraduate students specializing in statistical analysis.

GEORGE A. MACLEAN  
University of Manitoba

Litan, Robert E., Michael Pomerleano,  
and V. Sundararajan, eds.

#### Financial Sector

#### Governance: The Roles of the Public and Private Sectors

Washington, D.C.: Brookings Institution Press  
451 pp., \$29.95, ISBN 0-8157-5289-X  
Publication Date: October 2002

The World Bank, the International Monetary Fund, and the Brookings Institution sponsor an annual conference on financial markets and development. The purpose is to stimulate dialogue and to share global experiences among investors, analysts, and policymakers in response to the challenges and crises in emerging and developed financial markets around the world. *Financial Sector Governance* is a product of the fourth annual conference, held in April 2002, which focused specifically on governance in the financial sector. The book editors, Robert E. Litan, Michael Pomerleano, and V. Sundararajan, who are acknowledged experts in their respective fields, present a collection of research papers and case studies presented at the conference by authors from various sectors and disciplines. Litan, Pomerleano, and Sundararajan conclude the book with reports to the plenary session that were used to increase the detail of discussion among the participants.

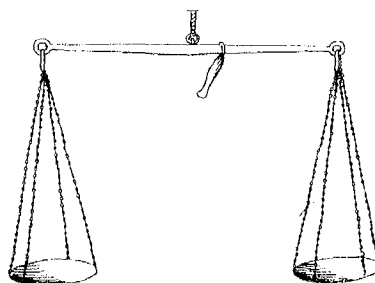
Governance has traditionally been used in a governmental context, relating to the dynamic relations among government, non-profit, and community from a regional perspective. Litan, Pomerleano, and Sundararajan offer a definition of governance in its broadest sense, suggesting that it refers "to the range of institutions and practices by which authority is exercised." This defini-

tion encompasses the leadership, structure, and objectives of the public and private sectors from a global perspective, which the editors use to construct a framework around financial sector governance in emerging markets, public sector governance and responsibility, governance of principal financial intermediaries (banks), and governance of investments funds, capital markets, and pension funds.

There are several themes that run consistently through the papers and case studies, including the critical need for transparency of information, the acknowledgement of corruption (inadequate public governance), the role of regulatory and administrative policy, and the strategies for governance improvement. Another important aspect of the book is the incorporation of the "complex bidirectional interplay between the private and public sectors in shaping the governance environment," which advances the significance of building strategies for performance improvement in both emerging and developed markets. This fluid connection plays a critical role in the discussion of the public and private misgovernance of finance and of the effectiveness of capital markets in exerting corporate governance. Case studies on specific countries—India, Korea, Zimbabwe, Malaysia, and Chile—are used to explore the challenges of governance in particular areas of policy and regulation.

The audience for this book is professionals with strong financial management and public policy backgrounds. It would also serve as an excellent reader or supplemental text for national and international graduate economic (public finance) courses that are designed to accommodate governance. It should be noted that there are numerous terms throughout the text that lack clear definition, which is a function of how the book was compiled and its intended audience. However, *Financial Sector Governance: The Roles of the Public and Private Sectors* clearly makes a contribution to the literature by expanding the dialogue on the importance of financial sector governance.

WILLIAM C. RIVENBARK  
University of North Carolina at  
Chapel Hill



Gutner, Tamar L.

#### Banking on the Environment: Multilateral Development Banks and Their Environmental Performance in Central and Eastern Europe

Cambridge, Mass.: MIT Press  
281 pp., \$24.95, ISBN 0-262-57159-5  
Publication Date: August 2002

Tamar L. Gutner, of American University, reviews the environmental records of the World Bank, the European Bank for Reconstruction and Development (EBRD), and the European Investment Bank (EIB) regarding their operations in Central and Eastern Europe since the early 1990s. Her goal is to compare the institutionalization of environmental policies across these three multilateral development banks (MDBs). In the past decade, MDBs have to varying degrees made environmental issues more salient in their lending practices. Gutner seeks to explain the variation in performance across MDBs and to assess how sincere each has been in incorporating concern for the environment. In *Banking on the Environment*, Gutner demonstrates why it is arduous for MDBs to be both protectors of the environment and promoters of investment and development; they are, after all, banks.

Gutner analyzes the policy objectives, the policymaking process, and policy outcomes of what she labels the "environmental behavior" of the World Bank, EIB, and EBRD. Her study is interesting in regard to how European institutions are embedded. There is much overlap across these three MDBs in terms of member states and the formal influence of member states. Moreover, in the case of the EBRD, other European institutions (for example, the EIB) have voting weight and representation. Despite the overlap and structural similarities, the environmental behavior of these MDBs in Central and Eastern Europe has diverged.

Theoretically, Gutner eschews the simplistic elements of the realist-neoliberal debate regarding the relevance of international institutions. Instead, she relies on a modified historical institutionalist approach that recognizes that the behavior of international institutions is subject to change in response to new demands, problems, and criticisms. In other words, as her cases on the environmental behavior of the World Bank, EIB, and EBRD in Central and Eastern Europe demonstrate, a more nuanced theoretical framework is needed.

Gutner applies her institutionalist approach to compare the environmental practices of the three MDBs and addresses the duplicity in MDB environmental policies. These banks, on the one hand, are expected to foster development and investment, while on the other hand there is increasingly an expectation that they will be sensitive to environmental issues. MDBs face external pressures to adhere to environmental

standards, although their internal decision-making structures are not systematically or consistently responsive to such pressures. This results in a variation in environmental behavior, and sometimes in erratic policy-making. The situation identified by Gutner is amplified by the lack of transparency in how these MDBs operate.

*Banking on the Environment* is an important book that is well-researched and richly documented. Gutner provides explanations for what some would say are failures of the MDBs to be more environmentally friendly. Part of the problem lies with the diversity of external pressures on the banks. Moreover, countries that are able to get financing from markets are not as likely to borrow from the MDBs, and therefore these countries will not have to adhere to the environmental policies of the MDBs. A key element in Gutner's analysis is the role of demands made by borrowing governments. Her book has implications beyond Central and Eastern Europe and beyond the World Bank, EBRD, and EIB. Students of international financial institutions and global environmental politics will find ample food for thought.

JONATHAN R. STRAND  
University of Nevada, Las Vegas

Bradley, Mark Philip,  
and Patrice Petro, eds.

**Truth Claims:**

**Representation and Human Rights**

New Brunswick, N.J.: Rutgers University Press  
256 pp., \$24.00, ISBN 0-8135-3052-0  
Publication Date: July 2002

This edited volume resulted from a conference in 2000, at the University of Wisconsin-Milwaukee, on the global and local in modern human rights claims. The editors, Mark Philip Bradley and Patrice Petro, are from history and English respectively, and the authors represent history, media studies, sociology, anthropology, law, liberal arts, and social psychology. One contributor is an artist. So this is not a typical work on human rights from philosophy, law, or political science. Bradley and Petro indicate that the book will focus on "the making of human rights claims" (1) and want to "intensify our efforts to devise new conceptual and methodological strategies to fully apprehend human rights claims in the past as well as in the future" (7). The book is broken into three parts: "The State and Its Victims" (four chapters), "Receptions of Human Rights Claims" (five chapters), and "Transnational Rights Claims in the Era of Globalization" (three chapters). There is no conclusion.

It is almost always the case that ventures of this sort result in a loosely constructed volume in which the individual chapters turn out to be disparate and uneven. So it is

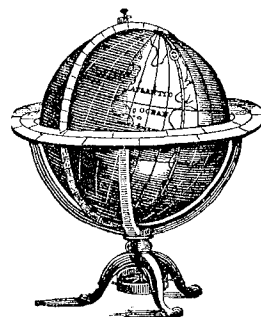
in this case. Some of the chapters struck me as quite good. For example, Alexis Dudden, in "The Politics of Apology between Japan and Korea," reviews the issue of "comfort women" and other crimes from East Asia during World War II. In less than twenty pages, Dudden, a historian, employs extensive research to show how reluctant Japan has been, particularly in comparison to Germany, to acknowledge its past atrocities. Dudden focuses on the notion of an apology from modern Japan to other regional nations such as South Korea.

Also impressive was the chapter by Kenneth Cmiel, "Human Rights, Freedom of Information, and the Origins of a Third-World Solidarity." Cmiel, also a historian, shows that states from the global south were deeply involved in diplomacy related to international human rights standards. Moreover, he demonstrates that those developing nations disagreed profoundly with the West concerning freedom of information on a transnational basis. These early manifestations of a north-south split in international relations presaged the later acrimonious debates over a New World Information Order that, among other things, caused the United States to withdraw from UNESCO.

The chapter by Leon Golub, featuring color photos of selections from his paintings dealing with human rights themes, was quite interesting. There were other well-argued chapters: one by Devin O. Pendas pertaining to German courts and one by Namhee Lee regarding the construction of South Korean identity.

The sum of the book, however, was less than the quality of some of the parts. What is one to make of historical narratives, paintings, use of discourse analysis to scrutinize political argument, and legal claims? One can show that immediately after World War II German courts were prone to discuss matters in terms of the rule of law rather than human rights atrocities. But what is the connection between that point and "The Transnational Geography of Sexual Rights"? Perhaps that is why there is no concluding chapter to summarize the big picture. There are many ways to represent violations of internationally recognized human rights norms.

DAVID P. FORSYTHE  
University of Nebraska-Lincoln



Cortell, Andrew P.,  
and Susan Peterson, eds.

**Altered States: International Relations, Domestic Politics, and Institutional Change**

Lanham, Md.: Lexington Books  
240 pp., \$24.95 paper, ISBN 0-7391-0606-6  
Publication Date: July 2002

*Altered States* is an examination of the sources of institutional change through case studies of the United States, Europe, Russia and the former Soviet republics, and Cuba. The book challenges the conventional wisdom that institutions "change rarely and massively." Rather, the thesis of the seven empirical investigations is that "institutions change more frequently and less dramatically than commonly expected, that incremental changes often have significant procedural and policy consequences, and that reform-minded entrepreneurs, rather than dramatic events, play the key role in producing institutional innovation" (1).

The case studies focus on European judicial review (Lisa Conant), Cuban political institutions (Darren Hawkins), post-Vietnam reform of the American foreign policy apparatus (Susan Peterson and Christopher Wenk), institutional change and post-Communist states (Eva Busza), domestic structural change in post-Soviet Russia (Jeffrey Checkell), the institutional evolution of the Committee on Foreign Investment in the United States (C. S. Eliot Kang), and institutional change in British government agencies (David Richards and Martin Smith).

The editors, Andrew P. Cortell and Susan Peterson, argue that "three factors combine to produce institutional change": (1) international and domestic events; (2) "the actors, interests, and identities of state and societal actors"; and (3) "institutional position or capacity" (11). They also review three approaches to analyzing institutional change. Rational choice theories claim that "institutional structures arise because they perform specific functions, valued by their creators. Human agents voluntarily and purposefully design institutions to solve collective problems" (5). Sociological institutionalism "focuses on the ways institutional norms emerge from social interaction" (6). Historical institutionalism contends that "domestic institutions are characterized by long periods of stasis and change only in response to significant 'crises or critical junctures'" (7).

The contributors to *Altered States* "approach the subject of institutional change from the historical institutionalist tradition" (7). They employ "a more nuanced historical institutionalist perspective," emphasizing both large-scale innovation and demonstrating that human agents "play a key role in producing institutional reform" (219).

TED RUETER  
Tulane University