

successful reform, whereas in educational policy they failed to democratize the school system and subsequent recruitment to higher education as they had intended.

Rothstein's work, as usual, is imaginatively conceived and meticulously crafted. It deserves a wide audience. His case studies shed new light on the much discussed area of Swedish labor market policy, as well as the lesser known sphere of educational policy; he demonstrates that the much-admired Swedish Social Democratic party was not uniformly successful in its reformist efforts. For organizational theory and comparative bureaucracy, Rothstein presents not only the fascinating case studies, but also keen observations about the importance of bureaucratic "legacies" and a powerful theoretical contrast between a traditional bureaucracy and a cadre organization. For students of Social Democracy and theories of the state, Rothstein properly emphasizes the state's malleability and its internal variation. "One of the aims of this study is to contest the view that the state is a unified entity marked by an even distribution of class and organizational features throughout its various agencies" (p. 31). To comparative method Rothstein brings sound observations about the necessity for multilevel analysis and a strong example of the virtues of intracountry comparison. For students of public policy and implementation, he confirms the importance of "street-level bureaucrats" and their commitment to organizational goals. Finally, for reformers, Rothstein's analysis indicates the importance of grounding reforms in institutional changes as well as policy innovations.

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The Failure of U.S. Tax Policy: Revenue and Politics by Sheldon D. Pollack. *University Park, Pennsylvania State University Press, 1996. 321 pp, \$29.95.*

Tax policy has failed, according to Sheldon Pollack, because the multiple objectives of that policy are inconsistent with the production of a reasonable and stable tax code. These objectives include, in addition to revenue, pursuing a social policy and providing rewards to political constituencies. The author makes his case by reviewing historical events, with a particular focus on events beginning in the late 1970s. After an opening chapter, a large section of the book reviews historical developments in tax policy, beginning with a survey covering the period from the Articles of Confederation to World War II. The historical survey then continues with postwar tax policy up to the 1980s, the policy of the 1980s, and the continuing developments in the 1990s up to the publication of the book. Throughout the historical survey, evidence of the importance of each of the factors is presented. For example, wars are typically associated with rising tax rates as revenue needs dominated, although ideology (populism, egalitarianism) was responsible for the origin of the income tax.

Chapter 6 focuses on recent changes in the policy-making process, mainly a weakening of congressional institutions that has resulted from many factors: a decline in the party system, the presence of tax policy entrepreneurs inside and outside of Congress, and the increased participation by outsiders, not only by special interests, but by public interest groups and the media.

Chapter 7 identifies sources of increasing complexity in the tax code, including the external environment, the thrust to eliminate tax abuses on fairness grounds, the refinements in the measurement of income based on economic concepts, the emergence of backstop pro-

visions such as alternative minimum tax rules, and the increasing sophistication of the players in the tax game.

Chapter 8 discusses tax reform, mainly in the framework of a comprehensive progressive income tax. The main limitation in this chapter is that, while the author discusses tax reformers in the style of Joseph Pechman and Stanley Surrey (who make the case for such a comprehensive income tax base), he does not mention the group, largely of certain academic economists, who consider tax reform to be mostly about reducing taxes on capital income and lowering marginal tax rates in order to enhance economic growth (Martin S. Feldstein and Michael Boskin), and who might favor a consumption tax base.

Chapter 9 discusses the standard paradigm of the pluralist and incrementalist approach to policy making, where there are many contributions to the process and where changes are small. But how can one explain the departures from this standard—the major changes in the past and in recent years (1981, 1986, 1994)? Several factors are discussed, including regime politics, authority crises, and external crises. In the latter case, the slowdown in growth and the budget crisis are identified as two factors that affected tax policy making from the late 1970s on.

Following the book's conclusion, there is a postscript on the flat tax, and the author concludes that this idea is not going to go away. Recent events, however, have suggested that this one prediction may be wrong; the flat tax and other fundamental tax reform proposals were eclipsed by the business-as-usual politics of the 1997 compromise tax cut, where modest tax favors were handed out to suit many ideologies and political constituencies, leaving the tax code with further complications.

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