

Book Review

Accountability and Regulatory Governance: Audiences, Controls and Responsibilities in the Politics of Regulation by Andrea C. Bianculli, Xavier Fernández-i-Marín, & Jacint Jordana. Hampshire: Palgrave Macmillan, 2015, 291 pp.

In this book, the authors explore the issue of regulatory governance and the components of policy accountability, political institutions and government actors. To address this issue, the authors engaged in contextual analysis and systematic observations. They found that independence, transparency and accountability implicitly challenged the process of regulatory governance during times of financial crisis. The authors argued that the discussion of accountability was limited, although the analysis of the regulatory activities on how institutions and actors have been expanded significantly in the public space. According to Bovens (2007), accountability can be defined as any relationship between an actor and forum, in which the actor has a responsibility to justify and explain his or her behaviour. Meanwhile, the forum functions as a platform to generate questions and critique judgements. Accountability in regulatory governance limits a person or a firm's behaviour. Inasmuch as the behaviour is influenced by actions, it requires precise information to justify the establishment of the restrictions on the public, while for firms, it requires freedom to act.

The fundamental characteristic of accountability governs upward (hierarchical mechanism) and downward (non-hierarchical mechanism) relations (Verschuere, Verhoest, Meyers & Peters, 2006). The authors analysed the mechanisms of formal accountability in regulatory agencies concerning upward and downward relations. Most regulatory agencies applied multiple formal accountability mechanisms as routine practices. The authors investigated how regulatory agencies initiated formal downward and upward accountability mechanisms. They explained the extent to which their level of formal independence, personnel and autonomy of financial management affect the agencies. Political salience also has a significant impact on the accountability mechanism. These elements influenced the way the agencies functioned and determined the way the agencies deal with the public indirectly.

Mandatory accountability is the degree to which an actor (regulatory agency) is required to suggest information on and clarifications of her or his behaviour towards other actors, and might be restricted in their behaviour (Koop, 2011, 2014). The forms of mandatory accountability present in the agencies differ according to financial stability, performance achievement and fairness principle. The book analysed the literature on regulatory agencies

and the economy to understand the reciprocal relationship between accountability and the ideas of independence. The literature on regulatory agencies has suffered from fragmentation and lack of theoretical debate. Regulatory agencies should be accountable for and must be independent of political and economic actors. This is because regulatory agencies that are usually led by principals will regulate duties to monitor and examine the political and economic actors. This includes examining the political and economic routines and activities. To perform this task, the authors argued that regulatory agencies must be given more autonomy power in carrying out their duty.

The book also covered regulatory capitalism and democracies in the context of accountability. Citizen power and democratic governance are usually bound by accountability in contemporary public life. Within the regulatory capitalism model, regulation is perceived as a regular occurrence that works based on the networking arrangement. Regulation is no longer conceived as a governing system monopolised by the state (Braithwaite, 2008). The authors differentiated between the traditions of regulatory accountability and new accountability. In the traditional perspective, the state's regulatory authority will provide reassurance of power delegated to public actors or representatives, such as regulatory agencies and government departments. However, the authors claimed that the emergence of regulatory capitalism had widened the range of regulatory mechanisms and actors. Meanwhile, for new accountability, regulatory capitalism such as fragmented public, supranational regulatory governance and the private sector plays the role of evaluating choices.

The authors also criticised the pre-crisis model of post-hoc accountability as a legitimisation for the delegation of roles in technocratic agencies. This has worsened by the global over-convergence of regulation and re-embeddedness of policymaking in politics. When the regulations are outrageously politicised, there is a higher probability of differentiation arising within national regulatory jurisdictions. This situation undoubtedly will affect the stability of the domestic financial market and the state institutions. There were several critical concerns of the traditional debates concerning the regulatory state (Stone, 1995; Graham, 1997; Rose-Ackermann, 2008). The first concern is that the authority of 'delegated' representatives avoid their mandated power (Koop, 2011; Busuioc, Curtin & Groenleer, 2011; Busuioc, 2012; Koop, 2014). The second concern is 'dispersion' and producing interdependent and shared liabilities among the actors (Hancher and Moran, 1989; Bovens, 1998; Black, 2008). The last concern is the power of regulated productiveness in controlling the regulatory process (Dunleavy, 1994).

Overall, this book provided comprehensive analyses of accountability and regulatory governance. The objective was to detail regulatory

governance and accountability since it was claimed that limited studies have discussed the relationship between these two concepts. Besides that, the shortage of relevant facts and figures related to accountability practices and regulations is another reason for producing an understanding of how regulatory agencies' independence interacts with accountability. Although the discussions in this book are analysed in-depth, the arrangement of the chapters for this book can be improved, particularly when discussing the important concepts used in the later chapters. For example, the concept of 'formal accountability' should be discussed earlier, perhaps in the first or second chapter, to provide a clear explanation of this concept before discussing the third or fifth chapters.

Overall, this book addressed accountability and regulatory agencies after reviewing the literature that has studied the same issue, such as Koop and Boven (1998, 2007). This book also included discussions on regulatory agencies by quoting examples for countries such as Italy, Spain, Turkey and the European Union and describing how regulatory governance is practised in those countries. However, the discussion based on regional perspectives in this book is limited. Therefore, for future research, the authors have suggested that accountability in the context of policy should be scrutinised based on sectoral and regional perspectives. This is to encourage the academic comprehension on the regulatory governance, explicitly focusing on accountability and how this will affect the direction of policies in any particular country.

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