

Government Failure: society, markets and rules
Wilfred Dolfsma
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This little book of 158 pages is dense with analyses of the economy with the sad striving for uniformity of rules for compliance purposes. Its author is Wilfred Dolfsma, Professor at the University of Groningen in the Netherlands, who is a well published scholar of social economics.¹ There are nevertheless, 11 chapters, namely:

1. Introducing government failure.
2. How market and society relate.
3. The G factor: weighing the visible hand of government intervention.
4. Government policy: private incentives, public virtues?
5. Government failure.
6. Policy conflicts: the case of healthcare.
7. Government failure, IPRs and economic development.
8. A confused market: divergent routes to implementing market-oriented reform in healthcare.
9. Vulnerability of institutions and rules.
10. Establishing government failure or success: a dynamic welfare perspective.
11. Conclusions: market, business, government.

An early use of "government failure" was by Ronald Coase (1964) in comparing an actual and ideal system of industrial regulation. Contemplation of an optimal system may provide techniques of analysis that would otherwise have been missed and, in certain special cases; it may go far to providing a solution. But in general its influence has been pernicious. It has directed economists' attention away from the main question, which is how alternative arrangements will actually work in practice. It has led economists to derive conclusions for economic policy from a study of an abstract of a market situation. It is no accident that in the literature...we find a category 'market failure' but no category 'government failure.'

Countries mimicked each other where rules are concerned. In *London Allied Holdings Limited v Anthony Lee and ors*, Etherton J considered whether English law should follow the US and Canadian model and use a discretionary remedial constructive trust to facilitate the assertion of a proprietary claim over the proceeds of a one million pound fraud perpetrated on the claimant.

Of course, with markets, came not only fraud including insurance fraud, but corruption. With regard to rules, it can be seen how compliance with legal rules where the letter of the law is complied with, as in mergers of trusts, we can see how the law can be used to manipulate whole governments by complying with the law in form over substance.

Scheme 'belongs/ to and retained by Vendor, and shares in participating Target sold to Purchaser
final salary (db), full warranties, interim period participation, transfer value
As 1, but assets of the Target business sold to Purchaser.
As 2, but no transfer value.
Assets sale, minimalist warranties, no transfer value
Assets sale, no transfer value, Purchaser to become principal employer, full warranties
Scheme 'belongs' to target company, and shares in Target sold to Purchaser
final salary (db), full warranties only, no transfer value etc, indemnity for MFR deficit
Scheme 'belongs' to target company

¹ For example, W. Dolfsma, W. (2005) 'Towards a dynamic welfare theory', *Research Policy*, 34(1), pgs 69-82.

money purchase (dc), full warranties only, no transfer value etc
Scheme “belongs” to target company
money purchase (dc), minimalist warranties (cut down from salesch4.doc)
SSAS or EPP “belongs” to target company but control to be transferred from target to trustees
money purchase (dc), minimalist warranties

As regards transparency, we see that police, in practice appear to assist the public with information but in fact that they not:
the e-commerce vulnerability advisory...

‘Highlights’ is a monthly publication for sharing analysis and information on critical infrastructure issues. It provides analytical insights into major trends and events affecting the nation's critical infrastructures. It is usually published in an unclassified format and reaches national security and civilian government agency officials as well as infrastructure owners.

As regards legislation, clause 1 of the Policing and Crime Act 2009 applies.

In 2003, the Patten Report of the Independent Commission on Policing for Northern Ireland, led directly to the formation of the District Policing Partnerships (‘DPPs’) in each district council area in order to ensure that local communities were given a say in ensuring that policing met the needs of the people. DPPS have 109 members, 10 from the local council and 9 independent members. They consult with communities to identify their policing concerns and to ensure their voice is heard, and then they work with the local police command to ensure these concerns are reflected in the local policing plan. They monitor the performance of the police and compare their performance with the policing plan by holding public and private meetings. The DPPs work with local people to seek their help in co-operating with the police to prevent crime. The Northern Ireland Policing Board gives support to the DPPs and have produced for them their Code of Practice on the functions and responsibilities of the DPPs, the report states and continues by suggesting that lessons can be learned from this for use in England and Wales.

However, the usual weakness of all police forces comes to play here, because this illustrates a complete lack of legal knowledge on the subject and therefore the incorrect attitude to the problem, illustrating again, the idea of a MIG fighter plane in the hands of a child. The first item in such a plan would be to establish what exactly counts as domestic violence.

Government fails to stop domestic homicides even with strong laws because laws are not the answer

While no statute in the UK defines domestic violence by reference to its physical location, the relevance of location to understanding domestic violence is reflected in government reports which often characterize domestic violence as violence in the home. The home is a private sphere where people’s conduct is protected from external scrutiny, whereas generic violence is conceptualised as public violence in the pubs and streets, for example. The Domestic Violence Act 2004 has now eroded the private sphere. Rather, the focus is on the nature of the relationship between the parties in domestic violence. In English law, there is no codified definition of domestic violence, but various formulations have been developed which identify the relevant relationship in terms of ‘a close or family relationship.