

Book Reviews

Andersson K., Gordillo de Anda G., and van Laerhoven F. (2009) *Local Governments and Rural Development: Comparing Lessons from Brazil, Chile, Mexico, and Peru*. University of Arizona Press (Tucson, AZ), 232 pp. \$45.00 hbk.

In theory, decentralisation solves a large number of problems of governance. With government closer to citizens, transactions are more efficient, demands for collective goods are more easily communicated, and the quality and accountability of public officials and public services improves and is easier to monitor. In theory, we might therefore expect that local governments charged with rural development programmes would be more effective than when such services are delivered by central governments. Nevertheless, the authors of *Local Governments and Rural Development* find that impacts vary significantly by locality, echoing conclusions of a number of other

empirical studies of the consequences of decentralisation for public service delivery. In seeking to understand this divergence between theory and empirical observation, Krister Andersson, Gustavo Gordillo, and Frank van Laerhoven focus on the impact of local participatory mechanisms in the design and delivery of such services.

Their findings, based on rigorous field research in 390 randomly selected rural municipalities in four Latin American countries, indicate that local institutional arrangements affect the extent to which rural development services are effectively designed and delivered. In short, research in Brazil, Chile, Mexico, and Peru suggest that ‘Municipalities with a high degree of inclusive and participatory processes for decision making (co-provision) and implementation (co-production) – which involve local farmers, NGOs, and officials at the local, regional, and central-government levels – are more likely to deliver effective agricultural services’ (p. 7). However, the authors go beyond this general finding to indicate two other important factors – the relationship that citizens and local officials have with other levels of government and the incentives for ‘the negotiation, agreement, and enforcement of specific collective-action agreements among the different actors in the provision and production of collective goods and services’ (p. 11). The authors also find that the development of such agreements is uncertain and local contexts significantly determine the shape of the problems to be addressed and the solutions that are possible.

Each of the case studies builds toward these conclusions. In Brazil, despite considerable effort on the part of national and state governments to create effective participation in local decision-making and policy-implementation, rural municipalities show significant variance in how well they respond to local farmers; in this case, the development of effective demand-side organisations of farmers is key to understanding why some local governments are more responsive than others to local constituencies of farmers. At the same time, the results of the investigation in Chile’s municipalities suggest that participatory mechanisms are not enough to ensure good public services – the availability of resources and the interest of local decision makers such as mayors are also important factors that determine whether rural services are effectively delivered or not. Results from Mexico confirm this finding and indicate that the creation of participatory mechanisms and the potential for convergence in the interests of politicians and citizens are themselves subject to difficult collective action dilemmas. The case of Peru suggests similar dynamics, providing additional insight into the importance of the brokerage role that local institutions play in delivering services that necessitate local/regional/national government collaboration.

Decentralisation, it turns out, is ‘a necessary but insufficient condition for successful municipal governance’ (p. 140), and must be joined by formal and informal institutional arrangements that skew incentives for local politicians toward responsiveness to citizen demands. Local politicians – and the incentive structures that determine their actions – are thus the ‘linchpins’ of how well a decentralisation scheme works. While the case study countries have adopted a wide variety of structures for delivering rural services, assigning significantly different responsibilities to various levels of government, the findings are robust across these distinct governance structures. Where governments are interested in improving rural development services, then, more attention needs to be given to the construction of local institutional arrangements and devising incentive systems that can draw actors with diverse interest into common concern for the effective delivery of high-quality services. Rural development services will improve, the authors argue, when programme and policy designers focus less attention on technical, financial, and capacity development issues and focus more on institutions and incentives.

Book Reviews

The findings of the study are based on a sophisticated analysis of over 1,200 interviews with government officials and local citizen groups. Comparative quantitative analyses provide important insights into the institutional underpinnings of effective services and qualitative analyses provide excellent guidance into why such findings emerge across a large number of cases. The results are significant for the literature on decentralisation—while many empirical studies have concluded that decentralisation produces widely varying outcomes for public services, Andersson, Gordillo and Laerhoven are able to show how institutional arrangements can be altered to generate more consistent outcomes that work to the advantage of poor rural communities. This book, then, provides an important contribution to the literature on decentralisation, going significantly beyond findings about local variation. It provides a convincing analysis of how sub-optimal consequences of the redistribution of roles and responsibilities among levels of government can be reversed.

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