Decentralized Governance and Accountability

At the end of the twentieth century, academics and policymakers welcomed a trend toward fiscal and political decentralization as part of a potential solution for slow economic growth and poor performance by insulated, unaccountable governments. For the past two decades, researchers have been trying to answer a series of vexing questions about the political economy of multilayered governance. Much of the best recent research on decentralization has come from close collaborations between university researchers and international aid institutions. As the volume and quality of this collaborative research have increased in recent decades, the time has come to review the lessons from this literature and apply them to debates about future programming. In this volume, the contributors place this research in the broader history of engagement between aid institutions and academics, particularly in the area of decentralized governance, and outline the challenges and opportunities to link evidence and policy action.

Jonathan A. Rodden is a professor of political science at Stanford University, a senior fellow at the Hoover Institution, and founder of the Stanford Spatial Social Science Lab. He is the author of an award-winning book, Hamilton’s Paradox: The Promise and Peril of Fiscal Federalism, as well as a new book on political geography, Why Cities Lose: The Deep Roots of the Urban-Rural Political Divide.

Erik Wibbels is the Robert O. Keohane professor of political science at Duke University and the co-general editor of the Cambridge Studies in Comparative Politics series. His research focuses on development, redistribution, and political geography and has been published by Cambridge University Press, World Politics, International Organization, American Journal of Political Science, American Political Science Review, and other journals. He is also the co-director of DevLab@Duke, which works with bilateral and multilateral donors to improve the design and evaluation of governance programming.
Decentralized Governance and Accountability

*Academic Research and the Future of Donor Programming*

Edited by

JONATHAN A. RODDEN
Stanford University

ERIK WIBBELS
Duke University
We dedicate this volume to all the world’s citizens suffering at the hands of capricious governments, and to those struggling to hold those governments accountable, including our colleagues in the development industry who have helped us think about the conditions under which outsiders might help make things better.
# Contents

*List of Figures and Tables*  
page ix  
*List of Contributors*  
x  
*Acknowledgments*  
xi  

1 Introduction  
*Jonathan A. Rodden and Erik Wibbels*  
1  

2 The Social Underpinnings of Decentralized Governance: Networks, Technology, and the Future of Social Accountability  
*Erik Wibbels*  
14  

3 Leadership Selection Rules and Decentralized Governance  
*Guy Grossman*  
40  

4 Traditional Leaders, Service Delivery, and Electoral Accountability  
*Kate Baldwin and Pia Raffler*  
61  

5 Decentralized Rule and Revenue  
*Jonathan A. Rodden*  
91  

6 The Proliferation of Decentralized Governing Units  
*Jan H. Pierskalla*  
115  

7 Decentralization and Business Performance  
*Edmund Malesky*  
144  

8 Decentralization and Urban Governance in the Developing World: Experiences to Date and Avenues for Future Research  
*Christopher L. Carter and Alison E. Post*  
178  

9 Decentralization in Post-Conflict Settings: Assessing Community-Driven Development in the Wake of Violence  
*Fotini Christia*  
205  

10 Clientelism in Decentralized States  
*Gianmarco León and Leonard Wantchekon*  
229
Contents

11 Decentralization and Ethnic Diversity 248
   Thad Dunning

12 From Decentralization Research to Policy and Programs: A Practical Postscript 273
   Derick W. Brinkerhoff, Anna Wetterberg, and Gary Bland

Index 287
Figures and Tables

FIGURES

2.1 Leadership Networks in Six Slums in Bangalore page 24
2.2 Four Alternative Social Networks 26
6.1 LOESS Fit for the Number of Government Units from 1960 to 2012 118
11.1 Benefit Receipt across Indian States 264
11.2 Effects of Quotas (Uttar Pradesh) 266
11.3 Effects of Quotas (Jharkhand) 266
11.4 Effects of Shared Partisanship and Broad Caste Category 268
11.5 Effects of Shared Partisanship and Narrow Caste Category 269
11.6 Effects of Shared Partisanship and Caste (Jati) 269

TABLES

4.1 Perceptions of Traditional Leaders (TLs) in Select African Countries 64
4.2 Covariates of Embeddedness 67
8.1 Countries with Municipal Elections in the Developing World in 2008 181
8.2 Administrative Responsibilities for Key Urban Services in Developing Countries 186
11.1 Decentralization and Diversity: A Typology 250
Contributors

Kate Baldwin, Yale University
Gary Bland, RTI International
Derick W. Brinkerhoff, RTI International
Christopher L. Carter, UC Berkeley
Fotini Christia, Massachusetts Institute of Technology
Thad Dunning, UC Berkeley
Guy Grossman, University of Pennsylvania
Gianmarco León, Pompeu Fabra University, Barcelona GSE, and IPEG
Edmund Malesky, Duke University
Jan H. Pierskalla, The Ohio State University
Alison E. Post, UC Berkeley
Pia Raffler, Harvard University
Jonathan A. Rodden, Stanford University
Leonard Wantchekon, Princeton University and African School of Economics
Anna Wetterberg, RTI International
Erik Wibbels, Duke University
Acknowledgments

This volume would not have been possible without the generous support and vision of the leadership of USAID’s Center of Excellence on Democracy, Human Rights, and Governance, especially Morgan Holmes, Nick Higgins, Mike Keshishian, and Corinne Rothblum. We would also like to thank the dozens of development professionals at USAID and beyond who have listened to us, taught us, and helped build bridges between the academic and policy worlds.