

REVIEW ESSAY

Between State and Citizen: Decentralization, Institutions, and Accountability

JENNIFER BUSSELL

Going Local: Decentralization, Democratization, and the Promise of Good Governance. By Merilee S. Grindle. Princeton: Princeton University Press, 2007. 288 Pages. Hardcover, \$45.00.

Controlling Governments: Voters, Institutions, and Accountability. By José María Maravall and Ignacio Sánchez-Cuenca, eds. Cambridge: Cambridge University Press, 2008. 311 Pages. Hardcover, \$89.00.

Are politicians accountable to the demands of their citizens? What facilitates political behavior that meets citizen needs and desires? Under what circumstances will citizens reject politicians who fail in this task? The two books considered in this review essay attempt to answer these questions largely through empirical analyses of politician and citizen behavior. These works touch on two distinct but related topics in comparative politics—the ability of governments to govern and the reaction of citizens to government performance. While Grindle assesses the capacity of governments to deal with changing patterns of authority and responsibility, the contributors to the Maravall and Sánchez-Cuenca volume focus primarily on understanding, first, how and why citizens reward and punish politicians in particular ways and, second, how politicians respond to this expected behavior. In both cases, while many potential state and societal characteristics are taken into account, the nature of formal institutions plays a predominant role in explaining the behavior of both politicians and their constituents.

Jennifer Bussell is a Visiting Fellow at the Center for Asian Democracy, University of Louisville.

Given the differing theoretical agendas of these two books, I will, for the most part, discuss them separately. In both cases, I will focus on the relevance of these analyses, grounded in general theories but evaluated largely in the context of Western Europe and Mexico, for understanding the dynamics of political behavior in India. It is true that the specific empirical realities examined here may have only limited similarities with micro-level Indian politics. What these works provide, rather the prospect of direct empirical comparisons, is instead an opportunity for broadening the range of theoretical and empirical analyses in India. In other words, I argue that these works are most relevant for shedding light on new or under analyzed questions which, if posed to the Indian case, could provide important new insights into the behavior of both citizens and their representatives.

Decentralization, Democracy, and the Causes of Good Governance

Merilee Grindle's *Going Local* examines decentralization of political and administrative responsibility from national and state levels to municipalities and attempts to understand what factors are associated with more or less successful decentralized governance. The goal of this analysis is not to evaluate why countries decentralize, but rather to evaluate theories about what affects the quality of decentralization and therefore local governance.

Grindle begins with four general hypotheses generated from the literature about when and where decentralization will produce improved governance. The validity of these hypotheses is then evaluated through in-depth research in a semi-random sample¹ (p. 13) of thirty medium-sized Mexican municipalities. The hypotheses themselves reflect recent trends in comparative politics. First, the "electoral" hypothesis posits that an increase in competitive elections at the local level should encourage incumbents to perform better.² Because decentralization in Mexico coincided with the demise of single-party dominance, this is a more plausible hypothesis in the Mexican case than it would have been in a previous era. Second, the "political entrepreneur" hypothesis argues that the nature of good governance will depend on the motivations of mayors and other officials, as "they have the greatest opportunities to set public agendas and use public resources to achieve their objectives" (p. 170). Third, municipal governance could depend on the degree of "public sector modernization," in the form of

new techniques for improving the capacity and efficiency of local administration. Finally, the “civil society” hypothesis supposes that good governance depends on the ability of citizens to organize and vocalize their demands, an activity that should become more feasible in a decentralized setting.

In general, Grindle finds that electoral competition and political entrepreneurship have the greatest effects on the quality of municipal governance in decentralized Mexico, often through their interactions with each other, but not always in clearly positive ways. More specifically, the increase in resources at the local level made municipal office more attractive to potential candidates, and this new demand for office resulted in a more competitive electoral environment with more choices for voters. However, new mayors were not guaranteed an easy policy environment. “Most mayors were able to count on a party majority in the council, but the vagaries of close elections, shifting party identities after elections, and negotiations for support in the absence of strong party platforms meant that some mayors found it more difficult to act on their preferences, and some even faced gridlock” (p. 170).

In this complex environment, mayors, acting as political entrepreneurs, took on new importance. In order to navigate a dynamic administrative environment with diverse political interests at each level of government, mayors had to utilize their political connections in order to access state resources for their municipality. As Grindle puts it, “the commitments, personality, persistence, and political networks that mayors brought to the office were important factors in determining how much could be done” (p. 171). This, in addition to the discretion mayors held over new political appointments, shaped their ability to govern.

In the book’s conclusion, Grindle backs away from these key findings and seems determined to provide a unified explanation for good or poor governance that takes into account the complicated ways in which electoral institutions, political personalities and societal demands interact. While this goal is in many ways admirable, her empirical evidence does not support it. In the case of municipal modernization, Grindle shows that efforts to institute new procedures or technologies depend on the actions of political actors and do not occur on their own. The behavior of civil society, on the other hand, does not vary across the municipalities in the sample and so cannot be shown to

have any effect on variation in the quality of governance. Grindle's motivation for softening the empirical blows to the public sector modernization and civil society hypotheses is unclear, but should not detract from the predominant empirical findings. Politicians acting within a newly competitive environment, encouraged by greater access to state resources, shape governance patterns through their ability, or lack thereof, to access and direct resources, including human resources, within relatively short time frames.

Understanding Decentralization and Governance in India

The design of Grindle's research may prove helpful in multiple ways for improving analyses of the Indian decentralization process to date. First, Grindle takes advantage of federalist structures to analyze sub-state politics and governance outcomes both within and across states. This structure facilitates evaluation of independent variables at multiple levels of analysis and should be useful for examining a range of political and policy issue areas. In the context of India's decentralization reforms via the 73rd and 74th constitutional amendments, this model seems particularly appropriate for evaluating decentralization and governance. Studies of this nature are increasingly common at the panchayat level³ and should be encouraged for improving our understanding of factors influencing panchayat performance at both the state and local levels.

Second, and related, is the explicit focus Grindle places on *municipal* governance. This is unsurprising in the Mexican case where municipalities are the basic unit of local governance, but it also highlights a blind spot in studies of Indian politics regarding Indian cities. While we are beginning to grasp the dynamics of panchayat governance, scholars have done little to examine the effects of the 74th amendment on municipal politics. The continued implementation of reforms, particularly under the umbrella of the Jawaharal Nehru National Urban Renewal Mission, presents an important opportunity for narrowing this intellectual gap.

Finally, Grindle's historical discussion also pays close attention to the political struggles surrounding the nature of decentralization and how these debates shaped access to resources. While the political process differed in India, researchers have perhaps not yet fully taken into account the ways in which power struggles over resources and access to citizens are affecting decentralized governance. The most prominent

example, the distribution of funds to members of Parliament and then members of the Legislative Assemblies through the Local Area Development Schemes, was immediately highlighted by observers as a threat to the new power base of local politicians.⁴ While recent research notes many failures in the scheme itself,⁵ we have less evidence for how these schemes are affecting the ability of panchayat and municipal leaders to govern effectively.

Institutions and Democratic Stability

The last chapter in the volume by Maravall and Sánchez-Cuenca comes closest to Grindle's work in substantive interest. Adserà and Boix⁶ are also interested in the ways in which variations in institutional characteristics can affect the behavior of politicians, though in this case are focused on national-level elites. The authors cast a wide net, attempting to adjudicate between a large number of theoretical perspectives on the relevance of electoral institutions and federal arrangements across different socio-economic contexts.

Adserà and Boix's findings are perhaps most relevant to scholars of India for the light that they may shed on the persistent question of India's democratic "exceptionalism." A wide range of democracy scholars has noted the seeming perplexity of India's democratic success despite the presence of a multitude of factors pressing in the opposite direction.⁷ As Varshney explains, "Democratic theory holds that poverty, widespread illiteracy, and a deeply hierarchical social structure are inhospitable conditions for the functioning of democracy. Yet except for 18 months in 1975–77, India has maintained its democratic institutions ever since it became independent of Britain in 1947."⁸

While Adserà and Boix show that "changing the constitutional framework of a country has a moderate to small impact on the stability of a democratic regime," both of the exceptions to this generalization are relevant to India (p. 249). First, the authors find that in low income, developing countries, presidential regimes, rather than parliamentary, are associated with an increased likelihood of democratic collapse. The logic here is that Presidents have fewer constraints, and more opportunities, to extract rents from the state and destabilize the regime. Second, they show that federalism is correlated with greater democratic stability, a finding they associate with greater decentralization of policy-making, more homogenous political units, and a decreased ability of state actors to extract massive amounts of rents.

Thus, given India's relatively low per capita incomes and high levels of ethnic fractionalization, characteristics which democratic theory associates with democratic instability, the best possible institutional configuration for stabilizing democracy is exactly what it has, a parliamentary federalist state. Whether this explanation for the success of India's democracy is nuanced enough to satisfy democratic theorists or India experts is left up for debate. Clearly, it does not address the historical antecedents of these institutions in a satisfactory manner, but it does well to clarify in a succinct way the possible democratic role of a few familiar institutions in Indian politics.

Voters and Their Governments

The bulk of the essays in the Maravall and Sánchez-Cuenca volume address the perceived conflict between theories of prospective and retrospective voting in one manner or another, generally attempting to provide theoretical nuance and empirical evidence to what is presented as an overly dichotomized understanding of political behavior. In short, the prospective voting literature, or that focused on "selection" of candidates, emphasizes that citizens look to the future and choose candidates based on their expectations about what they will do when they get to office. In contrast, the retrospective, or "control" literature, emphasizes the ways in which citizens evaluate incumbents and their past performance in office, making choices about whether to reelect them accordingly.

The essays by Barreiro, Sánchez-Cuenca, Alonso, and Aguilar and Sánchez-Cuenca combine to provide a clearer picture of the decision making process(es) used by citizens to choose their candidates. Barreiro extends empirical analyses on the retrospective hypothesis by evaluating citizen response to factors other than economic performance and finds some support for the hypothesis that citizens respond to both economic and non-economic policy outputs when evaluating politicians. In particular, citizens are concerned with the size of the state, and "Governments win votes when there is an increase in public expenditure."⁹ However, while both right and left-wing parties are rewarded for economic growth, "Voters clearly reward left-wing parties for increases in public expenditure, whereas the effect (also positive) is not significant for right-wing parties."¹⁰

Sánchez-Cuenca attempts to combine the logics of prospective and retrospective voting—conceived here as ideological versus performance voting—to show the ways in which they may be compatible.

Specifically, Sánchez-Cuenca argues that while ideological voting may predominately affect citizen behavior, “lack of consistency or capacity might weaken ideological voting. That is, prospective voting will be affected by past episodes of bad performance through the dilution of ideology as a criterion of party choice.”¹¹ To test this he focuses on the Spanish case and shows that even where citizens are close to incumbents ideologically, they will not necessarily vote for them, if the ruling government has displayed poor performance or strayed from its core ideology in its policy. In this way citizens are not blindly tied to parties closest to their ideology and are willing to vote for performance.

There may, however, be differences across ideologies in the degree to which citizens are willing to forgive seemingly poor performance. Alonso posits that voters judge ethnic and class-based parties differently. Yet empirically she does not find this to be the case, with the type of party not showing a significant relationship with survival in office. But, for ethnic parties, particularly in proportional representation systems, there is a disconnect between electoral performance and survival in office. In other words, ethnic parties are less likely to lose office when they lose votes. Alonso attributes this outcome to the dynamics of coalition governments, more common in PR systems, in which ethnic parties can more easily retain a place within the ruling coalition. The author’s explanation for this is not persuasive, as she attributes persistent coalition participation to voting patterns. It seems more likely, given that ethnic parties still lose votes, that this may instead be due to parties’ abilities to negotiate within the coalition in order to retain their place in government.

Aguilar and Sánchez-Cuenca consider the combined influence of nationalist political agendas in a federalist system in an effort to understand how differences in party rule at national and local levels can affect voting behavior. Federalism can complicate citizen evaluations of government performance, but the presence of nationalist (or ethnic) parties may also influence the degree to which citizens value performance over ideology. Based on analysis of the Autonomous Regions in Spain, the authors find, similar to Sánchez-Cuenca’s other analysis, that voters will reject a poor performing nationalist party. However, citizens are even more likely to reject a non-nationalist party, showing that there is some degree of lenience in regard to the performance of nationalist, and perhaps more generally, ethnic, parties.

Voters and Parties in India

The comparison of retrospective versus prospective voting has rarely been made so explicitly in studies of Indian politics. In most cases both politicians and analysts assume that citizens respond to policy goods in the previous period or personal goods in the days leading up to an election, as well as to promises for goods in the upcoming term. How might the explanations presented here help us to understand Indian political outcomes? One question to ask is how relevant are these theories in a clientelistic context. If citizens are more interested in the targeted goods they receive from politicians than they are in broad socio-economic performance or, at a minimum, if private goods are a consideration alongside broader development, then how might we understand these more complex performance demands on incumbent politicians?

Another aspect of the citizen-politician relationship raised by these studies is the nature of representation in coalition governments. Chhibber & Nooruddin¹² show that party fractionalization can affect the distribution of public versus targeted goods, implying that more targeted goods are likely under coalition governments.¹³ But does this affect voting behavior in practice? Are parties in a coalition, especially smaller parties, less likely to lose votes than single party incumbents? Does this differ across types of parties, such as ethnic parties?

More generally, these works present opportunities for further evaluations of ethnic parties in India. Recent analyses of ethnic politics have helped to increase our understanding of the important links between electoral calculations and the behavior of politicians. Wilkinson's¹⁴ analysis of ethnic violence shows how party elites calculate their strategies toward minorities based on whether the party requires their votes, while Chandra's¹⁵ work highlights both the role of internal party democracy and demographics in determining the likelihood that members of an ethnic group will vote for a party claiming to represent them. Once ethnically-motivated parties are in office, however, do we understand whether they are treated differently by citizens? There may not yet be sufficient evidence to address this claim quantitatively across governments, but survey data and qualitative analyses within states could provide initial evidence for whether or not Indian citizens give more leeway to those parties that attempt to represent them ethnically. This type of analysis could also introduce greater nuance into important recent works on Indian anti-incumbency bias,¹⁶ by addressing whether differences in party type

and party system (coalition versus single-party government) influence the likelihood of reelection.

Conclusion

Both of these books provide interesting and new insights into our empirical understanding of the ways in which politicians behave and citizens respond to government performance. Grindle helps to narrow the range of viable theoretical explanations for the quality of governance in decentralized, if not all, settings. The contributors to the Maravall and Sánchez-Cuenca volume similarly shed greater empirical light on theories to explain when and how citizens respond to government performance.

Perhaps most importantly, these works help to expand the set of existing research opportunities for scholars of India. Studies of local governance may benefit from extending analyses to the effects of policy programs beyond decentralization and case selection beyond the panchayats. Analyses of voting behavior may increase our understanding of citizen-state relations through new efforts to assess the relevance of ethnic politics and coalition participation to vote choice. In all of these cases, while analyses developed outside the Indian context may not be directly relevant to understanding the nuances of Indian politics, they can serve as inspiration for new and creative research efforts grounded in the details of Indian political behavior.

NOTES

1. The sample was determined by first purposively choosing six states in which to conduct analyses. From within each of these states a random sample of five medium-sized (25,000–100,000 people) municipalities was chosen for in-depth research, resulting in a total sample of thirty cities.
2. The logic here is somewhat different than what we might expect in India, given term limits on Mexican mayors and councilors. “In Mexico, the rationale behind the hypothesis rests on the assertion that politicians in office will try to perform well because they prefer to have their parties win subsequent elections rather than other parties—they cannot succeed themselves, after all—or they will want to do well in office because they hope to run for higher office on the basis of their record of good governance.” (Grindle, p. 168).
3. For example, Timothy Besley, Rohini Pande, and Vijayendra Rao, “Political Economy of Panchayats in South India,” *Economic and Political Weekly* Vol. 42, No. 8 (2007).
4. M. A. Oommen and Mahi Pal, “MPs Local Area Development Scheme: Dangerous Portent,” *Economic and Political Weekly* Vol. 29, No. 5 (1994), pp. 223–5.
5. Philip Keefer and Stuti Khemani, “When Do Legislators Pass on Pork? The Role of Political Parties in Determining Legislator Effort,” *American Political Science Review* Vol. 103, No. 1 (2009), pp. 99–112.
6. Alicia Adserà and Carles Boix, “Constitutions and Democratic Breakdowns,” in José María Maravall and Ignacio Sánchez-Cuenca, eds., *Controlling Governments:*

- Voters, Institutions, and Accountability* (Cambridge: Cambridge University Press, 2008), pp. 247–301.
7. See, *inter alia*, Atul Kohli, *The Success of India's Democracy* (Cambridge: Cambridge University Press, 2001); Arend Lijphart, "The Puzzle of Indian Democracy: A Consociational Interpretation," *American Political Science Review* Vol. 90, No. 2 (1996), pp. 258–68; Robert Dahl, *Democracy and its Critics* (New Haven: Yale University, 1989); Larry Diamond, Juan Linz, and Seymour Martin Lipset, *Democracy in Developing Countries* (Boulder: Lynne Rienner, 1989).
8. Ashutosh Varshney, "Why Democracy Survives," *Journal of Democracy* Vol. 9, No. 3 (1998), pp. 36–50.
9. Belén Barreiro, "Explaining the Electoral Performance of Incumbents in Democracies," in José María Maravall and Ignacio Sánchez-Cuenca, eds., *Controlling Governments: Voters, Institutions, and Accountability* (Cambridge: Cambridge University Press, 2008), p. 41.
10. Barreiro 2008, p. 42.
11. Sánchez-Cuenca, Ignacio, "How Can Governments be Accountable if Voters Vote Ideologically?" in José María Maravall and Ignacio Sánchez-Cuenca, eds., *Controlling Governments: Voters, Institutions, and Accountability* (Cambridge: Cambridge University Press, 2008), p. 46.
12. Pradeep Chhibber and Irfan Nooruddin, "Do Party Systems Count? The Number of Parties and Government Performance in Indian States," *Comparative Political Studies*, Vol. 37 No. 2 (2004), pp. 152–87.
13. This is not necessarily the case and is not an argument made by Chhibber & Nooruddin (2004), who operationalize differences in party systems using a measure of the effective number of parties holding seats in the assembly, not the number of parties in the ruling government itself (be it single-party or coalition). However, we can assume that in most cases the electoral dynamics discussed by Chhibber & Nooruddin are similar between ruling parties in highly fractionalized states and ruling governments made up of more than one party (i.e., a coalition).
14. Steven Wilkinson, *Votes and Violence: Electoral Competition and Ethnic Riots in India* (Cambridge: Cambridge University Press, 2004).
15. Kanchan Chandra, *Why Ethnic Parties Succeed: Patronage and Ethnic Head Counts in India* (Cambridge: Cambridge University Press, 2004).
16. See Yogesh Uppal, "The disadvantaged incumbents: estimating incumbency effects in Indian legislatures," *Public Choice* Vol. 138 (2009), pp. 9–27; and Leigh Linden, "Are Incumbents Really Advantaged? The Preference for Non-Incumbents in Indian National Elections," (unpublished manuscript, 2004).

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