Book Reviews

Understanding Human Well-being
Edited by Mark McGillivray and Matthew Clarke
_Tokyo: United Nations University Press, 2006, pp. xxiii + 386, US$37, ISBN 92 808 1130 4_

Inequality, Poverty and Well-being
Edited by Mark McGillivray
_Houndmills, Basingstoke: Palgrave Macmillan, 2006, pp. xiv + 270, £60, ISBN 1 4039 8752 1_

Firmly gone are the days that the sole, or even primary, object of development was income growth. This is abundantly obvious in the two edited volumes reviewed here that contain a collection of articles on recent advances in conceptualising and measuring inequality, poverty and well-being achievements more generally, and to a limited extent on their determinants. Both volumes originate from a UNU-WIDER research project entitled ‘Measuring Human Well-being’. The first, _Understanding Human Well-being (UHWB)_ , edited by Mark McGillivray and Matthew Clarke, is with a few exceptions relatively untechnical, and despite many superb contributions, rather variable in quality. The second, _Inequality, Poverty and Well-being (IPWB)_ , also edited by McGillivray, is more technical, more even in its high quality, and probably of a more specialised interest. I have read both books in their entirety – a thoroughly enjoyable experience – but space does not permit me to do full justice to all contributions (15 in UHWB and 10 in IPWB); I will try to give the flavour of each, and briefly point out what they jointly suggest about the state of the art in understanding and measuring human well-being.

UHWB is a collection of articles that, between them, deal comprehensively with the conceptualisation of various aspects of the quality of life – longevity, empowerment, and happiness among many others – and rather eclectically with empirical applications. Sen’s capability approach features prominently, of course, especially in the conceptual contributions, but so do many other approaches to the quality of life, including but not limited to participatory approaches, welfarism, subjective approaches and even good-old Maslow’s theory of human motivation – a personal favourite of mine, and to my mind underappreciated and underused for the conceptualisation of poverty. The arguments in the conceptual part of the volume are by now extremely well-known, and although they do not become less true through repetition, and there is of course value in reminding oneself of them, I must confess that I read with more interest the empirical contributions.

In these, the awesome gap between the sophistication of the conceptual approaches to human well-being that we are now accustomed with and their empirical application becomes abundantly apparent. I will give two examples to illustrate the point. Matthew Clarke, in a well-written contribution, uses Maslow’s hierarchy of needs as the basis for new well-being indicators. One proxy that he uses for the ‘need to belong’ is a country’s fertility rate on the grounds that a greater sense of belonging will be experienced when families are larger. Mariano Rojas, in an equally well-written contribution, measures subjective well-being using people’s responses in a survey to the question how happy they are – not happy, somewhat happy, happy or very happy? Both authors do a splendid job in making the most of the data they have at their disposal, but their efforts reveal that data collection has a lot of catching up to do before we are anywhere near living up to the promise of a truly rich empirical understanding of human well-being embodied in the lofty conceptual approaches that we use in our theorising. I return to this point below.
PIWB focuses primarily, not on the conceptualisation, but on the appropriate measurement of well-being: of inequality, poverty, literacy, and composite development indices (UHWB contains quite a few contributions on the last-mentioned too). As is to be expected in an edited volume, most contributions are variations on an earlier published theme, but they jointly still manage to convey an excellent sense of where the profession is currently at. I give a few examples, with one selected from each of the major themes of the book.

Steve Dowrick and Muhammad Akmal test and confirm that conventional purchasing-power-parity based inequality measures overstate the fall in global inequality during the 1980s and 1990s, whereas exchange-rate based measures underestimate it – true global inequality has probably risen slightly. S. Subramanian, in a delightful note, demonstrates that a concern for horizontal inequality, for example expressed in affirmative action on behalf of historically disadvantaged groups, renders a number of conventional axioms for poverty measurement undesirable. Satya R. Chakravarty and Amita Majumder do something similar for conventional axioms in the measurement of effective literacy (that is, literacy that includes proximate literacy). Mark McGillivray conducts a very useful and sobering econometric exercise that allows him to compute the predictive value of a whole host of well-being indicators for the part of (composite) well-being not explained by per capita income – apparently, only the UNDP’s Gender Empowerment Measure and youth and adult literacy add much informational value.

The two volumes between them make clear that there is no want of sophistication in the conceptualisation of well-being and the theory of its measurement. However, there is an overwhelming need for data collection that lives up to this sophistication, which takes a conceptual approach as its starting-point and systematically and rigorously collects the data that corresponds with each of its categories. That, of course, is a mammoth task, and almost all incentives in academe militate against the likelihood of it being taken up.

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Decentralization and Local Governance in Developing Countries: A Comparative Perspective
Pranab Bardhan and Dilip Mookherjee
Cambridge, Mass. & London: MIT Press, 2006, pp.vii + 363, £22.95, ISBN 0262524546

The last decade has seen the publication of a number of collections of country case studies on decentralisation (see, for example: Bird and Vaillancourt 1999; Oyugi 2000; Smoke 2003; Kimenyi and Meagher 2004; Mitullah 2004; Olowu and Wunsch 2004; Robinson 2007). This reflects the significant role that decentralisation has played in international development policy over this period. Decentralisation has been widely seen as a means of enhancing ‘good governance’, both by increasing democratisation and by improving the efficiency and effectiveness of public service delivery.

Bardhan and Mookherjee’s book, which focuses on the impact on service delivery, is a valuable addition to this literature. It differs from many of the other collections in that it is written not by political scientists or public administration specialists, but by economists. Its starting point is the theoretical premise that decentralisation should increase the ‘allocative efficiency’ of public service delivery by increasing responsiveness and accountability. However, the editors recognise that, in practice, the impact of decentralisation on service delivery depends on ‘the way it is designed and implemented’, and that this in turn depends on the political context in which it occurs (pp. 9–10). The aim of the book is to document this relationship between context, form and impact, focusing in particular on education and health services.

For non-economists, the recognition that the impact of decentralisation depends on the political context is nothing new. It is thus unfortunate that the authors of this study do not make full use of the extensive literature that already exists on the politics of decentralisation, focusing instead on the largely apolitical material on ‘fiscal federalism’. However, this
communication gap between economists and political scientists is not unusual in development studies and the book goes a long way in bridging it, at least in the field of decentralisation.

The editors are ambitious, in that they put forward an analytical framework for examining the relationship between the context, form and impact of decentralisation and seek to test this through the country case studies, which were commissioned specially for this volume. In the introductory chapter they define ‘the key elements of context and design and the relevant avenues of impact that can potentially be observed or measured for purposes of evaluation’ (p. 10) and the key issues that the writers of the case studies were asked to address (p. 15).

There are ten case studies, two on India (one national study and one on West Bengal), two on Pakistan, and one each on Brazil, Bolivia, China, Indonesia, Uganda and South Africa. The case studies, which are of a uniformly high quality, all address the key issues defined by the editors. However, they do not provide the conclusive information about the factors that affect the impact of decentralisation on service delivery that it was hoped would emerge. As the editors point out (pp. 40–44), there are two main reasons for this. One is the complexity of the causal relationship, including not only the complex relationship between the context, design and impact of decentralisation, but also the many other factors that affect quality of service delivery. The other reason is inadequate data, including variations in data from one country to another, the need for ‘before’ and ‘after’ studies, and the time lag between the implementation of decentralisation reforms and their impact. These conclusions are very similar to those of another recent collection of studies on the impact of decentralisation on service delivery (Robinson 2007).

The two case studies that provide most comprehensive impact data are those on Bolivia (by Faguet) and West Bengal (by the editors). In both cases decentralisation has been in place long enough and there is sufficient data to draw some meaningful conclusions on the relationship between context, form and impact. These two studies also demonstrate the need for a combination of quantitative and qualitative data: the former to provide concrete evidence on the relationships and the latter to interpret them. The chapter on Uganda (by Afzar, Livingston and Meagher) relies more heavily on quantitative analysis and, although the amount of data is impressive, it only tells part of the story.

In most of the other chapters, the evidence on impact is more impressionistic. Nevertheless, these studies are also very useful. They provide insightful analyses of the political context of decentralization and detailed data on its form. For example, the chapter on India (by Chaudhuri) provides a detailed analysis of the varying extents to which and ways in which 14 major Indian states have devolved power to local governments since 1994, while that on Indonesia (by Hofman and Kaiser) explains the political rationale behind the country’s ‘big-bang’ decentralisation in 2001 and presents some interesting data on citizens’ perceptions of the quality of public services since the reform.

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Oyugi, W.O. (ed) (2000) Decentralisation and citizen participation in Africa, Regional Development Dialogue 21(1) (whole issue).
Robinson, M. (ed) (2007) Decentralising service delivery? IDS Bulletin 38(1) (whole issue).
Smoke, P. (ed) (2003) Decentralisation and local governance in Africa, Public Administration and Development 23(1) (whole issue).
Though hundreds of books have been written about the Bretton Woods Institutions, this one is different. It is not by an economist, not a polemic, not a defence of the status quo, nor a polarised attack. Empirical and focused, carefully referenced and drawing on an extraordinary range of interviews and sources, this is a book by a political scientist which should be read by all who think they know the field or who are so bored with the genre that they wish to read no more. Especially, it should be read by economists, whether pro- or anti- the World Bank and the IMF, who think that all would be well if these institutions would only follow or abandon their current devotion to the post Washington Consensus.

Ngaire Woods carefully analyses the Bretton Woods institutions and their operations since about 1980 when rising third world debt and the collapse of the Soviet Union brought them to centre stage in global financial and economic management. Woods explains how their power was used, not only to enforce a process of structural adjustment to maintain financial stability but to encourage worldwide moves of globalisation in the interests of the dominant economic powers. So far the story is not so different from many others. But Woods provides a more fascinating and in depth narrative, tracing the details of how operations were conducted and how they worked out in Mexico, Russia and sub-Saharan Africa. She summarises the aims and roles of the main Bretton Woods actors – the economists - but shows when, how and why they were sometimes taken seriously and on other occasions sidelined, by both donor and recipient countries. Of course, the US often played its trump cards of pressures and threats of veto when it thought its aims and interests were threatened, but Woods makes clear that US wishes often did not prevail in Mexico, Russia or even at times in Africa.

Woods also brings out the various machinations within and between the World Bank and the IMF: the IMF keeping their visits secret – and not being seen at all immediately prior to the unveiling of the 1989 Mexican budget; secret trips later by the World Bank’s chief economist to Mexico in order to coach the Mexican team prior to them receiving an IMF mission; and more generally, how common backgrounds as graduate students in Harvard and Yale and many personal contacts with ‘sympathetic interlocutors’ gradually built up relationships of trust which enabled the Bretton Woods staff to gain ever more influence and to be more understanding and more flexible. But such cosiness has its dangers and all went too far in 1994 when senior Bank staff overlooked the danger signs that within months produced the shocks of financial catastrophe, corruption and even political assassinations.

In the case of Russia, the geo-strategic threat of a ‘nuclear–armed colossus’ over rode many of the normal controls and procedures of the Bretton Woods Institutions. ‘Even though neither institution had experience in transforming centrally planned economies into market-based systems’ (p. 104), they were chosen by the West as the right instruments to lead the transformation. The Bank and the IMF started by applying their basic formula – structural adjustment, privatisation, liberalisation and deregulation. Woods describes a promising beginning and a surge of lending but then analyses how conditionality rapidly got compromised, lending turned into a political drama, international as well as national, and privatisation became the means of enriching a few oligarchs rather than being the leading edge of institutional reform and transformation. By 1998, having successfully pressured Russia to abolish capital controls and open up access to foreign banks, as a ‘quid pro-quo’ for being ‘lax in enforcing targets on fiscal policy and restructuring’ (p. 126), the IMF had set the stage for Russia’s foreign exchange crisis. Within a few months, the IMF had to announce a new package of support totalling S17 billion. But this was insufficient to stave off the crisis and Woods traces the multiplicity of political, economic and geo-political consequences, many of which the world is still living with today.

Woods’ third case study is entitled ‘Mission Unaccomplished in Africa.’ Though the basic economic elements are well known, Woods page after page brings out new details and illuminates her account by setting her analysis in a multi-disciplinary frame, political and institutional, as well as economic. Stabilisation worked only as a short term measure and
structural adjustment was a one-sided process which forced countries to adjust to the destabilising forces in the outside world. Support was too little, too late and came with tough-minded but often misguided conditionalities.

Woods uses a memorable metaphor. ‘Calling on small low income economies to adjust their own economies was like exhorting passengers in a life boat to paddle faster when their raft is in the middle of the Atlantic Ocean in a hurricane. No matter, how impressive the efforts of the passengers, it is unlikely that their paddling will bring them to safety.’ And, as she underlines, most African countries still have not reached shore or safety. Sub-Saharan Africa as a whole was poorer economically at the end of the 1980s than a decade earlier. Even today, 19 countries of Sub-Saharan Africa have lower incomes per capita than two decades or more ago. Over the whole of this period, the Bank and the Fund continued to give over-optimistic assessments. This is still happening.

How does Woods’ analysis differ from the many other studies which have looked at the operations of the Bretton Woods Institutions? Woods makes politics and power the centre of her focus, set in detailed case by case analyses which explicitly deal with national interests and how they have been pursued. She tracks how these have shifted stage by stage, whether looking at Mexico, the Russian Federation or Sub-Saharan Africa. In her analysis of the internal workings of the Bank and the Fund, she focuses on the changing objectives over time and brings out such institutional factors as the importance of hierarchy and the reluctance of younger staff members to prejudice their careers by speaking out against mainstream positions, especially when their superiors don’t want to hear – and what happens to the few who are brave enough to speak. In doing this, she wears her learning lightly, being more concerned to understand and make clear the story rather than prove or disprove a theoretical point, whether in politics, economics or institutional analysis. And though she often reaches pessimistic conclusions about the Bank and the Fund, she never loses the tone of careful analysis and objectivity.

There is only one major perspective I missed. She pays little attention to the UN or indeed to other international institutions such as the OECD. Although she recognises UN opposition to the dogma of adjustment in the 1980s, she underplays the UN’s role in calling early for debt relief. I especially would like to have seen more recognition of how the US and the rest of the West ignored the competence and clear advice of the Economic Commission of Europe in 1989 and 1990, which already had over 40 years of experience of dealing with the economies of the Eastern Europe and the USSR and was clearly emphasising the need for prior attention to building institutional structures before rushing hell for leather into market-based reforms.

In her final chapter, Woods looks ahead, with recommendations for six important reforms: a ‘rebalancing’ of who pays, greater inclusion through double majority voting, more openness through publication of Board transcripts, reporting to national parliaments, a more representative process of selecting leaders, and improved staff incentives. Undoubtedly these would help a lot in the normal running of Bretton Woods business. It is less clear whether they would be sufficient to avoid the political overrides and policy disasters as Woods has so clearly analysed in Mexico, Russia and sub-Saharan Africa. Nor do they appear big enough to take on such global challenges as systemic financial instabilities, pollution and climate change and growing inequalities in the years ahead, when the world’s centre of economic and political gravity is moving further to the East.

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The Endurance of Nationalism: Ancient Roots and Modern Dilemmas
Aviel Roshwald
Cambridge: Cambridge University Press, 2006, pp. xii + 349, £45 and £ 17.99, ISBN 0 521 4267 0 and 60364 1

Aviel Roshwald’s important book argues for nationalism’s ‘endurance’ in a twofold sense: its persistence as a political force over long periods of time and between highly diverse societies;
and its continuing political centrality in the contemporary world, despite the withering of some of the key elements of political modernity with which, in certain highly influential scholarly accounts, nationalism is inextricably bound up. Roshwald builds upon the work of scholars such as Anthony Smith and Adrian Hastings, who have challenged the hitherto dominant scholarly consensus which viewed nationalism as a secular political ideology functionally inseparable from modernity. He reaffirms, and further develops, two fundamental contentions of the ‘revisionists’: that viewing nationalism as merely a resource and reflection of modernity is unsatisfactory; and that, far from supplanting or overruling earlier religious bonds, nationalism has drawn much of its strength from them. But Roshwald also has perspectives of his own to advance. Nationalism, he argues, is inevitably infused with ‘dilemmas’, ‘contradictions’, ‘tensions’, and ‘paradoxes’ – by which, however, it is not undermined, but strengthened and enriched. His historical vision is a broad one, embracing ancient Israel and classical Greece, modern Europe, and contemporary America and the Middle East. At all points he emphasises nationalism’s complex character and multiple possible outcomes. ‘Civic’ and ‘ethnic’ (or, we might say, open and closed) nationalisms have rarely been stark alternatives, but characteristically interpenetrate one another. A ‘chosen people’ must carry its enlightened message to the nations of the earth and maintain its distinction from them: its nationalism must be one both of barriers and of gateways (an ambivalence encapsulated, for example, in the rituals of immigration into the modern United States). Yet precisely the enduring fact of nationalism’s inner contradictions, Roshwald insists, justifies cautious optimism. Even myths of collective suffering and violation, he argues, have not invariably functioned as rallying cries to last-ditch struggle; they can also point modern nationalists towards a politics of humanity and compromise, by holding before their eyes a bloody vision of its alternative. Nationalism, Roshwald is saying, is a fact of life, at least in the contemporary world; but its political consequences are not predetermined.

Roshwald is explicitly concerned both with nationalism’s ‘ancient roots’ and with the ‘modern dilemmas’ which it raises, and he believes that a careful study of the former yields insights useful in resolving the latter. His insistence that ancient societies knew not only nations but nationalism remains, even in the current revisionist climate, a radical one. While Roshwald certainly regards nationalism as a coherent set of political attitudes, even an ‘ideology’, he does not view it as the confection of modern ideologues, but rather the expression, ultimately, of a series of affinities fundamental to humans (and, indeed, to certain other species). This apparently extreme ‘perennialism’ (a term to which Roshwald objects) is, however, undercut by an acute dissection of the effects of different types of society in conditioning nationalism’s importance. Fundamental to its role within any polity, he argues, are the means available for its dissemination. These differ sharply between, for example, ancient Israel and the contemporary United States and so also, therefore, does the capacity of nationalist ideas to permeate and shape political discourse. The ideas themselves, however, have remained across the centuries fundamentally the same. They centre upon the preoccupation of nationalists ‘with the freedom, political-territorial sovereignty, and dignity (sometimes also aggrandizement)’ of their own nations (p. 11). Roshwald’s sensitivity to pre-modern cultures – particularly Old-Testament Palestine – allows him to land some weighty blows on the ‘modernists’. He challenges convincingly the contrast drawn by Benedict Anderson, between cyclical and mystical pre-modern and linear, modern understandings of time. Characteristically, Roshwald’s own picture is both more complex and more marked by continuities, with linear and cyclical understandings of the past interpenetrating and playing off one another in both ancient and contemporary societies. In each alike, in course of these processes of memory looping and compression, common identities are constituted as much from shared acts of carefully-directed forgetfulness as from ritualised collective remembrance.

This is a book rich in original insights and filled with bold and convincing challenges to familiar orthodoxies. Students of nationalisms past and present will find here much to stimulate them. Yet in certain respects it is also oddly imbalanced. Nationalism’s ‘ancient roots’ get just a single chapter of their own, which is required to serve as a foundation for the towering edifice of modern and contemporary history and political analysis which fills the remainder of the book. Those ‘roots’, moreover, seem somewhat meagre, being confined to case studies of Old-Testament Israel and classical Greece. Little is done to fill the yawning
chronological chasm which gapes between Periclean Athens and the late-modern West. The almost complete neglect of medieval and early modern Europe is particularly surprising, given the emphasis which Roshwald places upon the importance of the Hebrew Bible as a template for constructions of modern western nationhoods. Indeed, his whole case for nationalism's long-term 'endurance' seems to be somewhat shaken by his reflection (p. 30) that 'most societies and polities in the pre-modern world probably fell into categories that cannot be considered national in character'. Imbalance of a different kind arguably marks Roshwald's thematic focus. He is at pains to find in nationalism's historical contradictions encouraging messages for the future, and one of his key words here is 'choice': nationalists can choose to treat their sense of common destiny as 'a license to kill' (p. 182); or they can opt for peaceful co-existence. But how much choice do nationalists really have? This is a book with relatively little to say about the more intractable, absolutist and exclusionary dimensions of nationalism. But if nationalism is, in a fundamental sense, hard-wired into human hearts and minds, what is the assurance that its more pernicious historical manifestations are not similarly embedded?

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