

THE ARCHITECTURE OF GOVERNMENT: RETHINKING POLITICAL DECENTRALIZATION

Daniel Treisman

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In this provocative book, Professor Daniel Treisman takes aim at proponents of the decentralizing trend sweeping governments and foreign aid organizations across the globe. He takes a few shots at opponents of decentralization, too. His goal is to systematically re-examine arguments for and against government decentralization. He does so through formal explication and a review of empirical studies of decentralization. He finds that many arguments for decentralization are invalid and others are not generally true. Given what is at stake, stakeholders worldwide have an interest in making sure that decisions to decentralize or not decentralize are based upon a firm foundation of analytics and evidence. The tragic conclusion of the book is that there is very little that social science can tell decision makers about decentralization.

This book has a lot to recommend it. It first provides a public service by conducting conceptual brush clearing. Treisman details what we mean when we talk about decentralization by carefully defining the term and describing different forms of decentralization: administrative, political, and fiscal. The book elegantly and charitably delineates the different arguments for and against decentralization, even while detailing the problems with each.

The book includes a number of very interesting insights. For example, Treisman shows in a number of cases that advocates for decentralization conflate administrative and political decentralization. A number of the purported benefits of political decentralization could be

provided simply by adopting administrative decentralization in a unitary system. Another interesting insight is that increasing the tiers of government can have countervailing effects on tax rates. Specifically, increasing the number of tiers of government may lead to higher taxes overall as the tiers 'overgraze' the fiscal commons. Increasing the number of tiers of government, however, could also lead some levels of government to free ride on other levels' public spending or, alternatively, to compete with each other for electoral support. This could reduce fiscal overgrazing.

It is precisely these types of insights that make the book compelling. The book takes what seem to be simple intuitive claims – for example, that decentralization will lead to higher tax rates – and shows how equally intuitive reasoning could lead to an entirely different conclusion. The book's chapters tackle arguments about decentralization one at a time. Each chapter is full of careful, interesting analysis that will be of interest to all scholars working in this area.

There are moments in the book where the reader naturally wants further investigation of the relationship between decentralization and some aspect of national performance but will not find it here because the point of the book is to illustrate just how little we can conclude about decentralization over all. For example, in an excellent chapter on administrative decentralization Treisman concludes, 'The simple conclusion about administrative decentralization is that – as with the boundaries of the firm – there is no simple conclusion'. Yet, insights from the literature on the boundaries of the firm have usefully informed our understanding of political institutions. One wonders what a concerted effort looking just at administrative decentralization would produce.

The book is technical and accessible only to those familiar with formal notation and argumentation and a reasonable knowledge of game-theoretic concepts. This unfortunately limits the audience for a book that has a lot to offer. For those without the requisite training in formal methods, I would recommend first reading the Introduction and Conclusion of the book where the author details the main arguments in clear, non-technical language.

It is hard not to come away from Professor Treisman's book dissatisfied. He concludes that the arguments for decentralization are flawed at worst and indeterminate at best. Ultimately, however, this undersells Treisman's own contribution. While the book demonstrates the hazards of making general claims about decentralization, it models for us how to think about the trade-offs involved in the choice to decentralize. It is precisely this kind of thinking that will allow us to unpack the influence of different institutional choices and, ultimately, make more informed and careful decisions about decentralization in specific cases.

David E. Lewis
Vanderbilt University Tennessee