

Participatory Governance, Accountability, and Responsiveness: A Comparative Study of Local Public Service Provision in Rural Guatemala

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Zusammenfassung

Die Dissertation untersucht ob partizipative Governance ein effektives Mittel ist um lokale Regierungen in Guatemala dazu zu bewegen ihren Wählern gegenüber verstärkt Rechenschaft abzulegen und den Haushalt mehr an den Bedürfnissen der Armen auszurichten. Das erste Papier bereitet die wissenschaftlichen Erkenntnisse zur Wirkung von und den Bedingungen für effektive partizipative Governance auf. Das zweite Papier stellt ein neues Verfahren zur Kalibrierung qualitativer Interviewdaten für fuzzy-set Qualitative Comparative Analysis (fsQCA) vor. In einer qualitativ-vergleichenden Analyse von zehn ländlichen Gemeinden untersucht das dritte Papier wie sich effektive partizipative Governance, politischer Wettbewerb und Zugang zu lokalen Medien auf die Haushaltsgestaltung einer Lokalregierung auswirken. Das vierte Papier analysiert mit derselben Methode die Bedingungen für effektive partizipative Governance. Das fünfte Papier präsentiert eine Fallstudie zweier Gemeinden und diskutiert Politikoptionen für die Implementierung von partizipativer Governance in Guatemala. Die Ergebnisse der Papiere zeigen, dass effektive partizipative Governance in Kombination mit starkem politischem Wettbewerb zu einer armutsorientierteren Ausrichtung öffentlicher Ausgaben in den zehn Gemeinden führt, da Wähler besser informiert sind. Jedoch deuten die Ergebnisse auch darauf hin, dass partizipative Governance wegen des geringen Grades zivilgesellschaftlicher Organisation, des niedrigen Bildungsniveaus und hoher Armut in Guatemala nicht effektiv implementiert wird. Partizipative Governance kann also lokale Regierungen dazu bewegen Rechenschaft abzulegen und den Haushalt armutsorientierter zu gestalten. Ihre effektive Implementierung wird jedoch in Guatemala lange dauern und einen hohen Ressourceneinsatz erfordern. Daher sollten politische Entscheidungsträger und Geber auch die Stärkung anderer Informations- und Rechenschaftslegungsmechanismen, wie der Gemeinderäte, in Betracht ziehen.

Schlagworte:

Partizipative Governance
Bürgerbeteiligung
Rechenschaftspflicht
Ansprechbarkeit von Regierungen
Öffentliche Dienstleistungen
Politischer Wettbewerb
Lokale Medien
Institutionelle Anreize
Fuzzy-set Qualitative Comparative Analysis (fsQCA)
Kalibrierungsmethode
Guatemala

Abstract

This thesis analyses whether participatory governance is an effective means for increasing local government accountability and for making local government spending more responsive to the needs of the poor in rural Guatemala. The first paper evaluates the scientific evidence on the impact of and the conditions for effective participatory governance. The second paper presents a new technique for calibrating qualitative interview data for fuzzy-set Qualitative Comparative Analysis (fsQCA). In a qualitative comparative analysis of ten rural Guatemalan municipalities the third paper examines how effective participatory governance, competitive elections, and access to local media influence the allocation of local government spending. The fourth paper analyses the conditions for effective participatory governance with the same empirical method. The fifth paper presents a comparative case study of two municipalities and discusses policy options for implementing participatory governance in Guatemala. Overall, the papers' findings show that effective participatory governance is sufficient for local government responsiveness in the study area when it is combined with competitive elections, because it increases voter information about local government performance. Yet, the findings also suggest that it will be difficult to implement participatory governance effectively in Guatemala due to the low degree of civil society organization, the low level of education of the population and the high level of poverty. The conclusion drawn from these findings is that effective participatory governance arrangements can make local governments more accountable and responsive, but that it will require much time and resources to implement them. Policy makers and donors should therefore also consider strengthening other information mechanisms, as well as existing accountability mechanisms, such as elected Municipal Councils.

Keywords

Participatory governance,
Citizen participation
Accountability
Government responsiveness
Public services
Electoral Competition
Local Media
Institutional incentives
Fuzzy-set Qualitative Comparative Analysis (fsQCA)
Calibration technique
Guatemala

To
the warm-hearted Guatemalans
who give my work its meaning

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Abbreviations

AI	Access to Information through Media Coverage
ASIES	<i>Asociación de Investigación y Estudios Sociales</i> (Association for Research and Social Studies)
BMZ	<i>Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung</i> (Federal Ministry for Economic Cooperation and Development)
CDC	Communal Development Council
CE	Competitive Elections
CFE	Competitive and Free Elections
COMMUNICATE	High Frequency of Communication
COMPLIANCE	Municipal Government Compliance
CSO	Civil Society Organization
DCL	Development Council Law
DISCOURSECAP	Discourse Capability of Civil Society Actors
EDU	Level of Education
EPG	Effective Participatory Governance
EQ	Economic Equality
ETHHOM	Ethnic Homogeneity
FLACSO	<i>Facultad Latinoamericana de Ciencias Sociales</i> (Latin American School of Social Sciences)
FsQCA	Fuzzy-set Qualitative Comparative Analysis
FUNCEDE	<i>Fundación Centroamericana de Desarrollo</i> (Central American Foundation for Development)
GAI	Good Access to Information
GTZ	<i>Gesellschaft für technische Zusammenarbeit</i> (German Technical Cooperation)
IARNA	<i>Instituto de Agricultura, Recursos Naturales y Ambiente</i> (Institute of Agriculture, Natural Resources and the Environment)

ICEFI	<i>Instituto Centroamericano de Estudios Fiscales</i> (Central American Institute for Fiscal Studies)
IDIES	<i>Instituto de Investigaciones Económicas y Sociales</i> (Institute of Economic and Social Studies)
IFPRI	International Food Policy Institute
INE	<i>Instituto Nacional de Estadística</i> (National Statistics Institute)
INTEREST	Mayoral Interest
LAIP	<i>Ley de Acceso a la Información Pública</i> (Right to Information Act)
LARGEGROUP	Large Number of Civil Society Organizations
LGR	Local Government Responsiveness
LOWPOV	Low Poverty
MDC	Municipal Development Council
MSSD	Most Similar Systems Design
NGO	Non-Governmental Organization
NONEQ	Absence of Economic Equality
PG	Participatory Governance
PROMUDEL	<i>Programa Municipios para el Desarrollo Local</i> (Municipalities for Local Development Program)
QCA	Qualitative Comparative Analysis
RLG	Responsive Local Government
SEGEPLAN	<i>Secretaría de Planificación y Programación de la Presidencia</i> (Planning and Programming Agency of the Presidency)
SELFENF	Mayoral Self-Enforcement
SOCIETYENF	Civil Society Enforcement
TSE	<i>Tribunal Supremo Electoral</i> (Supreme Election Commission)
UNDP	United Nations Development Program
USAID	United States Agency for International Development

1. Research Agenda

*“Few would disagree that governments should be responsible for the provision of key services: children should learn, roads should be passable, bridges should not fall down, people should get healthier, water should arrive to crops. There is perhaps more, but still little, dispute that to accomplish these objectives the institutions and organizations of service delivery should satisfy certain adjectives: be ‘accountable,’ ‘sustainable,’ ‘responsive,’ and ‘transparent.’ There is **tremendous controversy** as to exactly how to bring about such institutions and organizations.”*
(Prichett & Woolcock, 2004, pp. 203–204, emphasis added)

1.1 Research Motivation

Basic public services have been shown to foster economic development and to improve the livelihoods of poor people in rural areas (Bardhan, 2000; Calderón & Servén, 2004; World Bank, 2003). For example, paved roads have been found to facilitate access to product and labor markets and functioning water and sanitation systems have been shown to save time for obtaining drinking water and reduce the likelihood of being affected by waterborne diseases (Kauneckis & Andersson, 2009; Prichett & Woolcock, 2004). Moreover, scholars widely agree that service providers need to respond to the needs of service recipients and that service recipients need to be able to sanction service providers if they fail in this task (Ackerman, 2004; Cohen & Peterson, 1997; Przeworski, Stokes, & Manin, 1999). Hence, there is a broad consensus among social scientists that efficient and sustainable service delivery requires responsive and accountable service providers. However, so far there is little agreement on which governance reforms contribute to this aim.

Accountability and responsiveness play a key role in the debate on the governance of public service provision. The concept of accountability in this thesis refers to “(...) *both answerability-the obligation of public officials to inform about their activities and to justify them-and enforcement-the capacity to impose negative sanctions on officeholders who violate certain rules of conduct*” (Schedler, 1999, p. 26). Government responsiveness is defined as the achievement of congruence between the preferences of the majority of voters and government spending decisions (Fried & Rabinovitz, 1980).

Over the last twenty years one of the most widely implemented reforms in developing countries was the decentralization of responsibilities for public service delivery to lower levels of government (Bardhan & Mookherjee 2006). The main rationale for promoting decentralization is that it is expected to increase service provider responsiveness to the needs of the majority of voters by strengthening electoral accountability.

More specifically, decentralization is expected to increase the probability that the degree of satisfaction of voters' needs determines the re-election chances of a government (Seabright, 1996; Tommasi & Weinschelbaum, 2007).

Yet, local elections have turned out to be insufficient for holding local governments to account.¹ In spite of decentralized responsibilities for service delivery, public resources for the provision of these services continue to be distributed unequally in many developing countries. Studies on the impact of decentralization find that local governments often favor campaign supporters in the allocation of public works projects or divert resources from overvalued public works projects to their clientele or to their own pockets (Bardhan & Mookherjee, 2006; Crook, 2003; Crook & Manor, 1998; Ruttan, 1997). Hence, poor people continue to be excluded from social services.

To overcome these problems, donors, policy-makers, and civil society movements have experimented with several forms of participatory governance, including participatory planning, participatory budgeting, and participatory auditing. All forms of participatory governance aim to “(...) *facilitate the participation of ordinary citizens in the public policy process*” (Andersson & van Laerhoven, 2007, p. 1090). They give citizens the opportunity to exercise voice and vote in the planning, monitoring, and evaluation of public service provision. Participatory governance mechanisms also allow citizens to seek answers from public officials, to question these answers, and to impose sanctions, e.g., by demanding corrective actions or by denouncing illicit behavior at higher levels of governments. Therefore, participatory governance mechanisms are expected to increase local government responsiveness and accountability.

Participatory governance has been implemented in a large number of developing countries, such as India, Uganda, Peru, Brazil, South Africa, Guatemala, etc. Yet, as Goetz and Gaventa contend, “*a vast number of citizen-voice initiatives (...) are under-researched and poorly documented*” (Goetz & Gaventa, 2001, p. 4).

¹ This finding has been explained by the fact that the political contestability of local elections is constrained by the prevalence of information asymmetries, multiple issue problems, ethnic cleavages, and clientelism in many developing countries (Besley & Burgess, 2002; Jenkins, 2007; Keefer & Khemani, 2005). Limited contestability of elections implies that, “(...) *leaders may be susceptible to capture by special interest groups, slacken effort to improve public services, or be incompetent, without facing any risk of losing their positions*” (Bardhan & Mookherjee, 2006, p. 102).

Hence, so far, there is only little substantial evidence on the impact of participatory governance on government performance and service quality. Moreover, though numerous studies explain the success of participatory governance in a few places with highly favorable context conditions, we know little about how to implement these new forms of governance in places with less favorable conditions. Both types of knowledge are essential for judging whether implementing participatory governance is a feasible and effective strategy to improve the governance of public service provision in developing countries.

1.2 Research Purpose and Scope

The overarching goal of this research project is to contribute to the literature on participatory governance by assessing whether it is a suitable means for increasing local government accountability and responsiveness. More specifically, the aims of the thesis are:

- 1) To evaluate whether the effective implementation of a participatory governance forum leads to more responsive local government spending
- 2) To assess the feasibility of implementing participatory governance effectively in an unfavorable context

To reach these two aims, I examine two central research questions:

- 1) How does effective participatory governance influence the allocation of local government spending?
- 2) Under what conditions does participatory governance work as an effective accountability mechanism?

By providing an answer to these two questions the thesis is supposed to contribute to the task of comparative institutional analysis to “(...) *clarify what class of problems are handled well by differing combinations of institutions*” (Bowles & Gintis, 2002, p. 6). Thus, it is expected to generate policy-relevant knowledge on the suitability of participatory governance as a reform strategy for making rural service provision more pro-poor.

The research for this thesis is carried out in ten rural Guatemalan municipalities. I chose Guatemala to examine the research questions of my thesis because many of its local governments are unresponsive to the needs of their voters and its central government has tried to address this problem with a participatory governance reform. So far however, there is hardly any evidence on the impact of this reform or the effectiveness of its implementation at the local level.

The empirical analysis focuses on rural areas, because poverty and low access to services are even more pronounced in these areas than in Guatemalan cities. More than 70% of the rural population was estimated to be poor and 24% were estimated to live below the extreme poverty line in 2006 (Instituto Nacional de Estadística (INE), 2006). Also, large parts of the rural population do not have access to adequate basic social infrastructure. According to National Census Data, in 2002 only 5.7% of rural households were connected to a sewerage system and only 52.7% had access to an improved source of drinking water (INE, 2002).

Participatory governance is implemented in Guatemala in the form of so-called “Development Councils”. In 2002 the central government embarked upon a range of “second generation” or “post-Washington consensus” reforms to improve the process of public service provision. These reforms included the Decentralization Law, the Municipal Code and the Urban and Rural Development Council Law (Congreso de la República de Guatemala, 2002a-c). The Development Council Law mandates the establishment of a five tier system of Development Councils for civil society participation in the planning, monitoring and evaluation of public services.²

The empirical research for the thesis is conducted at the municipal level, i.e., I analyze primarily the Municipal Development Councils (MDCs).³ I focus on this level of the Development Councils because the thesis aims to compare the conditions for and the outcomes of participatory governance across several cases within the same national institutional and cultural context. It is not supposed to examine the influence of differences in the design of participatory governance laws and other political institutions, such as the party system and the electoral system, on participatory governance outcomes.

The MDCs are deliberative forums for involving citizens in the planning, monitoring, and evaluation of social infrastructure projects. This form of participatory governance has been widely implemented in developing countries, e.g., in Uganda, Bolivia, the Philippines, South Africa, and Nicaragua.

² For a detailed description of the Guatemalan governance structure, see Appendix 1. For an account of the history of the participatory governance reform and the context for implementing it in Guatemala, see Appendix 2.

³ Guatemala is administratively divided in eight regions, 22 departments, and 333 municipalities. The system of Development Councils comprises the National, Regional, Departmental, Municipal, and Communal Development Councils.

Yet, participatory governance forums have received much less attention from social scientists than participatory budgeting and public social audits, which have been the focus of extensive research in Brazil and India (Goetz & Jenkins, 2001; Goldfrank, 2007; Shah, 2007).

The thesis analyses the effect of participatory governance on the allocation of local government budgets, because this is the most direct effect of participatory governance according to theory. Effective participatory governance is expected to influence the allocation of the local government budget by providing information on voter preferences to public officials and by increasing the incentive for these officials to satisfy them. The empirical analysis does not assess how participatory governance influences access to social services or indicators of poverty, well-being, and human development, which can be indirect effects of implementing participatory governance. They can theoretically follow from the first order effect of participatory governance on the allocation of public resources, but several intervening variables make it difficult to pin down the influence of participatory governance on these outcomes.

The criterion that I apply for evaluating the quality of the allocation of public spending is the degree to which it matches the preferences of the majority of voters in a jurisdiction. In the study area this corresponds to a pro-poor allocation of public resources because the majority of voters in rural Guatemalan municipalities live below the poverty line (INE & Secretaría de Planificación y Programación de la Presidencia (SEGEPLAN), 2006).⁴

Regarding the conditions for effective participatory governance the thesis extends previous research by analyzing how these forums can be implemented in an unfavorable context instead of focusing on success stories in favorable environments. Numerous studies of a few cases in Brazil, South Africa and India have found that participatory governance can be successfully implemented when it is supported by a strong coalition of civil society actors and a pro-participatory party (Avritzer, 2009; Heller, 2001; Wampler, 2008).

⁴ In the empirical analysis local government responsiveness is measured by the share of the budget that a local government allocates to social services that have been indicated as needed and preferred by village representatives in previously conducted interviews.

But should we conclude from these findings that top-down participatory governance reforms in countries that lack such a strong bottom-up participatory movement are doomed to fail? This question is addressed in the empirical analysis of Guatemalan municipalities to find out what conditions would need to be addressed in such countries to foster the effective implementation of participatory governance.

Finally, the empirical analysis in this thesis generates new policy-relevant knowledge for the Guatemalan government and the international donor community by evaluating the impact of and the conditions for an effective implementation of the Municipal Development Councils. The scarce literature on the implementation of the System of Development Councils in Guatemala and its impact consists in working papers, book chapters, and donor reports in Spanish. It is mostly descriptive and does not assess the effects of the Development Councils on outcomes, such as local government responsiveness, service provision or well-being of the population. Besides, there is hardly any evidence on the degree of implementation at the local level across the country.⁵ The thesis reduces this knowledge gap by providing the first systematic empirical analysis of the conditions for successful implementation of the MDCs in rural Guatemalan municipalities and their impact on resource allocation decisions of the municipal governments.

1.3 Theoretical Approach

The next sections outline the most important aspects of the theoretical approach of the thesis. They outline the basic assumptions on actor behavior and the context conditions that influence their choices (Section 1.3.1), the definitions of the two principal theoretical concepts of the thesis (Section 1.3.2), and the justification for the choice of theories that guide the analysis (Section 1.3.3).

⁵ For further details on what we know about the context for participatory governance and the actual implementation of the Development Councils, see Paper 4 (Chapter 5) and Appendix 2.

1.3.1 Basic Assumptions on Actors and Context Conditions

The central theoretical assumptions of my thesis are based on “rational choice institutionalism”⁶ (Weingast, 2002). Rational choice institutionalism comprises two major elements: first, human decision-making is modeled as boundedly rational (Simon, 1985) and second, institutions are defined as the main structural element of decision situations. Institutions are thus taken to be the crucial aggregation mechanism between individual intended behavior and social outcomes (Shepsle, 1989; Sabatier, 1993; Scharpf, 2000).

By explicitly acknowledging the bounded rationality of human beings rational choice institutionalism accounts for the failures of classic rational choice based models to predict human behavior correctly (for examples of such failures, see Kahneman & Tversky, 2000). There are three main assumptions on actor behavior in classic rational choice models: a) the assumption that actors have perfect cognitive abilities to receive, process, and retain information, b) the assumption that actors value actions and outcomes based on their material benefits (utility), and c) the assumption that actors select options through maximization (Ostrom, 2005).

My research strategy is to employ theories that relax one or two of these assumptions at a time, but not all three of them simultaneously. This allows me to continue to draw on the analytic toolkit of economics and to acknowledge at the same time that the rationality of human behavior is limited. More specifically, the theory I apply for the assessment of the impact of participatory governance on local government responsiveness in Papers 3 and 5 stresses the role of imperfect information. In the analysis of the conditions for effective participatory governance, I employ theories that relax the assumption that actors are motivated by the utility they obtain from material benefits. In this paper the reasons for actors to choose an action are assumed to include immaterial benefits, such as prestige, and positive and negative feelings about the reactions of other actors, such as pride and shame (see Paper 4). Hence, the theoretical approach of my thesis accounts explicitly for information asymmetries, emotions, and other-regarding preferences.

⁶Sabatier refers to the same approach as the “institutional rational choice paradigm” (Sabatier, 1993).

Besides individual-level factors, such as cognitive and motivational aspects, the context in which actors interact plays an important role for explaining their behavior. In this thesis, two kinds of context factors are assumed to influence actors' decision: first, actor behavior is assumed to be constrained and enabled by institutions in the form of rules, norms, and strategies. Second, non-institutional factors, such as the resources that actors have at their disposition and the characteristics of a group are assumed to affect actors' decisions. Such non-institutional factors can influence the capacity of actors to carry out certain actions and they can change the costs and benefits associated with an action (Ostrom, 2005).

1.3.2 Definitions of Key Concepts

The two key concepts for understanding the theoretical framing of the two research questions are institutions and governance.⁷ Therefore, it is important to lay out how these concepts are defined and interpreted in this thesis.

In line with Ostrom institutions are defined as “(...) *prescriptions that humans use to organize all forms of repetitive and structured interactions*” (Ostrom, 2005, p. 3). Three approaches to interpreting institutions have been widely established in the literature I draw on: institutions as equilibrium strategies, institutions as norms of behavior, and institutions as the rules of the game (Crawford & Ostrom, 1995). All three types of institutions shape incentives for actors as non-compliance with them is sanctioned (Knight, 1992). Institutions are adhered to because it is in the interest of all actors to comply with them (strategy) or because they are enforced. They can be enforced by a third party (rule), by other actors of society (social norm) or by actors themselves with emotions (personal norm) (Crawford & Ostrom, 1995; Grasmick, Harold G., & Bursik, 1990; Posner & Rasmusen, 1999). Therefore, all three types of institutions in written or unwritten form are seen as structural determinants of actor behavior and taken into account in the theoretical approach of this thesis.

⁷ For an overview of the conceptual debate among economists and political scientists about the definition of an institution, see e.g., Aoki (2000), Hodgson (2006), and Ostrom (2005). For a comprehensive discussion of definitions and usages of the term governance, see e.g., Brunnengräber (2004) and Mayntz (2005).

The use of the term governance in rational choice institutionalist theories is based on the transaction cost theoretic work of Williamson.⁸ Therefore, I draw on his definition of governance as the design of contractual relations (and their enforcement mechanisms) in an effort to “(...) *craft order, thereby to mitigate conflict and realize mutual gains*” (Williamson, 2000, p. 599, emphasis in the original). According to this definition, participatory governance is the aggregate of institutional and organizational arrangements that structure the interaction of citizens and politicians in the provision of local public services. Thus, I transfer Williamson’s definition of governance to the political context and apply it to the allocation of public funds instead of the exchange of private funds.

1.3.3 Principal Theories

The theories that guide the empirical analysis in this thesis emanate from the public choice and the law and economics tradition, i.e., they constitute applications of economic methods to the study of politics and law. The theories I use to derive my research hypothesis are political agency theory (Barro, 1973; Besley, 2007; Ferejohn, 1986), imperative and behavioral theories of law (Cooter, 1998; Posner & Rasmusen, 1999; Scott, 2000), distributive bargaining theory (Knight, 1992), and collective action theory (Ostrom, 2007).

These theories are fruitful tools for studying the outcome of a governance reform, such as the introduction of participatory governance, and the conditions for its implementation. Political agency theory is well suited for analyzing the impact of participatory governance, because it shows how a change in governance mode can change the incentives for actors in a context of imperfect information. Thus, it allows the researcher to study the mechanism through which participatory governance changes government performance at the level of the individual. By employing both imperative and behavioral theories of law, I can evaluate the influence of both, self-interest, and other-regarding preferences on the decision of a local government to implement participatory governance.

⁸ In his work Williamson stresses the importance of the characteristics of an economic transaction for the choice of the most efficient governance mode (Williamson, 1979; Williamson, 2000).

These aspects are usually not addressed in detail in empirical analyses of participatory governance that draw on theories of deliberative democracy or empowerment, as these theories have a different focus of analysis.⁹ Finally, combining distributive bargaining theory and collective action theory allows me to derive and test theoretical predictions on the influence of group characteristics and socio-economic conditions. Both types of factors been found to influence the implementation of participatory governance in developing country contexts, but so far they have not been integrated into a theoretical framework for analyzing it.

In the following I restate the research questions of the thesis to show how they are framed in terms of the outlined concepts and theories. Moreover, I add two sub-questions to the second research question which will guide the empirical analysis.

- 1) What impact does effective participatory governance have on the incentives of a boundedly rational politician to allocate the government budget according to the interest of voters who have only imperfect information about this decision?
- 2) Under what conditions is a written institution on participatory governance implemented in practice?
 - a) What types of incentives motivate a boundedly rational politician to adopt participatory governance?
 - b) What socio-economic factors and group characteristics enable civil society actors to enforce and implement participatory governance?

⁹ For a more detailed analysis of the main theoretical approaches that are used for guiding empirical analyses of participatory governance, see Paper 1 (Chapter 2).

1.4 Research Design

1.4.1 Sequencing of the Research Process

How were the research questions examined? The main stages of the research process and the sequence of these stages are illustrated by Figure 1.

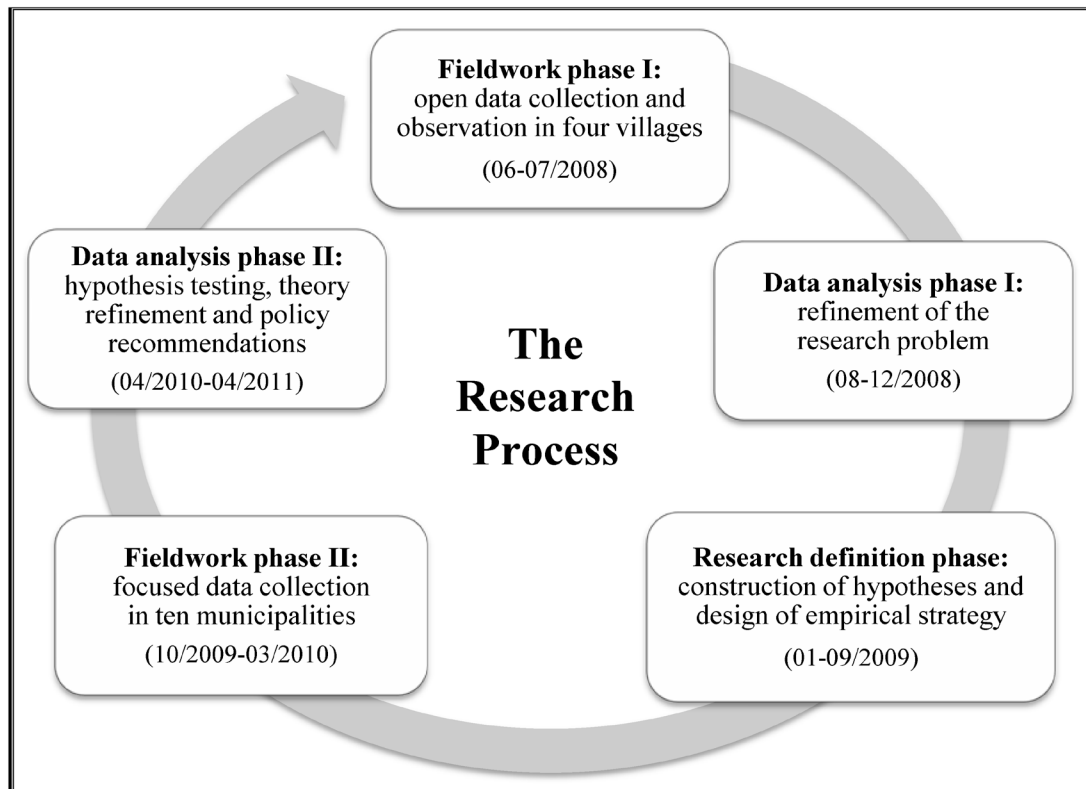


Figure 1: The research process

Source: author's own elaboration.

As Figure 1 shows, I started the research process with an exploratory fieldwork phase in four rural villages in June and July 2008.¹⁰ The goal of this first fieldwork phase was to find out what public services are relevant for satisfying the needs of the rural poor and how the provision of these services is governed in Guatemala. For obtaining this information I conducted focus group discussions (six groups), and standardized, semi-structured interviews with experts (12 interviews), village leaders (six interviews), local service providers (13 interviews), and households (58 interviews).

¹⁰ For a detailed report on the approach, the methods, and the findings of the first fieldwork phase, see Speer (2009).

The analysis of these data increased my understanding of the livelihoods and the service situation of rural households, as well as my knowledge about the state of implementation of governance reforms at the local level. Both types of information were essential for refining the research questions of my thesis. The data showed that the Communal Development Council (CDC) is the most important organization for obtaining social infrastructure projects and for holding mayors accountable if they fail to deliver these services. Yet, I also found that a CDC cannot succeed in this task if the next higher level of the system, the Municipal Development Council (MDC), does not work (Speer, 2009). These insights were essential for refining the research problem and the central research questions in the research definition phase between January and September 2009. They also helped me in choosing theories for deriving my research hypotheses. Moreover, the first fieldwork phase taught me important lessons on how to design an appropriate empirical strategy for rural Guatemalan municipalities and how to prepare the second round of fieldwork.

In the second fieldwork phase I collected data to answer the two central research questions on the impact of and the conditions for effective participatory governance in the MDCs in ten municipalities in six different regions. The first part of this second fieldwork phase was conducted from October 2009 to December 2009 and the second part from January 2010 to March 2010. Together with the first fieldwork phase I spent five months in the study area.

Finally, I prepared, analyzed and interpreted the data from the second fieldwork phase from April 2010 to April 2011. During this time I tested my research hypotheses, I refined the theoretical predictions on the impact of and the conditions for participatory governance based on my findings and I elaborated policy recommendations for policy makers and donor representatives.

The papers of this thesis are primarily based on data from the second fieldwork phase. Consequently, the following descriptions of the empirical strategy (Section 1.4.2), of the case selection (Section 1.4.3), and of the methods for data collection (Section 1.4.4), data preparation and data analysis (Section 1.4.5) refer to this stage of the research process.

1.4.2 *Empirical Strategy*

The empirical analysis of the two research questions needs to address two main challenges: first, for evaluating the research questions several multi-dimensional concepts need to be measured appropriately in the context of the studied cases. Second, Guatemala is characterized by a high degree of socio-economic and cultural heterogeneity between its regions. This heterogeneity implies that findings from one region may not apply to other regions. Both challenges are typical problems for research on participatory governance in developing countries. Due to the first challenge, most studies on this topic have been conducted in the form of case studies and meta-analyses of these case studies. The second challenge however cannot be addressed by case studies, as it requires investigating a larger sample of cases. Quantitative studies on participatory governance with large samples of cases are scarce and those that have been carried out suffer from measurement problems because detailed data on participatory governance are not available for developing countries.¹¹

To address both challenges the empirical analysis of this thesis is based on an innovative research strategy. It draws on a systematic comparative study of ten cases and a case study. This empirical strategy is supposed to overcome both, the limited external validity of a case study and the limited internal validity of quantitative studies. Comparing the experiences of an intermediate number of cases from all of Guatemala's main socio-economic regions means that I can test a number of explanations that have been proposed in case studies and generalize my results moderately. At the same time, collecting qualitative data allows me to measure the functioning of participatory governance and its effects in a comprehensive and context-sensitive way, which would have been impossible in a survey of a large number of cases. In sum, studying an intermediate number of cases has the advantage of having a higher external validity compared with a case study, without compromising as much internal validity as studies with large samples (Blatter, Janning, & Wagemann, 2007)

¹¹ For a detailed account of the methods and findings in research on participatory governance, see Paper 1 (Chapter 2).

The comparative analysis in the thesis is based on data from ten municipalities which are analyzed with fuzzy-set Qualitative Comparative Analysis (fsQCA) (Ragin, 2000, 2008). FsQCA is a systematic and transparent method for analyzing data from an intermediate number of cases. Causal relationships are determined in a fsQCA based on the necessity and the sufficiency of an explanans (condition) for an explanandum (outcome) and not based on the probability with which the explanans has an effect on the explanandum. Hence, fsQCA determines causal relationships based on a deterministic notion of causality as it is promoted in Mill's methods (Mill, 1967 [1843]). Its epistemological foundation differs substantially from the probabilistic understanding of causal relationships that underlies statistical methods (Ragin, 1987, Ragin, 2006; Rohwer, 2010).

FsQCA systematically compares the characteristics of cases using an algorithm that is based on fuzzy-logic¹². The result of this comparison, the so-called solution formula, indicates the necessity and sufficiency of the conditions for an outcome. The validity and utility of the solution formula is then evaluated by drawing on qualitative data from the cases to ensure that the solution formula is consistent with the case-level evidence and that it increases our understanding of the cases (Ragin, 1987; Schneider & Wagemann, 2010).

One of key advantages of fsQCA is that it can reveal patterns of multiple conjunctural causation (Ragin, 2000; Rihoux & Ragin, 2009). Specifically, fsQCA allows for patterns of causality where conditions affect an outcome in combination with other conditions, where conditions affect an outcome in different ways depending on the context, and where different combinations of conditions lead to the same outcome (Berg-Schlosser, de Meur, Rihoux, & Ragin, 2009). Hence, causality is interpreted in fsQCA as complex and context specific.

The qualitative comparative analysis is complemented with a case study. By examining how and why differences in conditions lead to differences in outcomes in two extreme cases the case study provides a deeper insight into the mechanism behind the generalized pattern of causation that the fsQCA solution formula reveals. Thus, it adds to the validity of the findings of the qualitative comparative analysis (Yin, 2003).

¹² Fuzzy logic is a superset of Boolean logic. It is a multi-valued logic that is derived from fuzzy-set theory and allows for calculating values between zero and one (Zadeh, 1965; Zadeh, 1972).

The empirical strategy links deductive and inductive elements in a continuous dialogue between theory and evidence. On the one hand, I derive the research hypotheses from theory to contribute to theory development with my findings. Moreover, to be able to make analytic generalizations I carry out the case selection based on the conditions that theoretically influence the outcome. Besides, the data collection instruments are designed to capture the conditions that are theoretically predicted to affect the outcome. On the other hand, the empirical strategy includes inductive elements to reduce measurement error and to gain new insights beyond the confirmation or rejection of the research hypotheses. For example, I adjust the fuzzy-set value definitions for the calibration of the data according to my substantial case and context knowledge. This is done to ensure that differences in expressions of attributes are measured in a meaningful way across cases. Furthermore, I use open and in-vivo coding of the interview data to capture additional dimensions of a concept and to gain new insights on the causal relationship between the conditions and the outcome.¹³

The perspective of the empirical analysis is predominantly static. The fsQCA exploits differences in configurations of conditions and outcomes at one point in time for analyzing causal relationships. Similarly, the case study compares the current dynamics in two municipalities. The empirical analysis does not track the processes that lead to these differences in detail. Thus, it sacrifices some of the depth of a qualitative case study.¹⁴

1.4.3 Case Selection

The criteria for the case selection are guided by Mill's (1967 [1843]) indirect method of difference, or, as it was later called by Przeworski and Teune (1970), the Most Similar Systems Design (MSSD). In the MSSD cases (systems) are similar in their characteristics, but they vary in their outcomes. The idea behind this quasi experimental case selection design is that we can identify the factors that cause differences in outcomes by eliminating factors that cases share, i.e., by discovering in what factors the cases differ despite their similarity (Berg-Schlusser & de Meur, 2009; Blatter, Janning, & Wage-mann, 2007).

¹³ For a more detailed description of the interplay between theory and evidence in the qualitative comparative analysis, see Paper 2 (Chapter 3).

¹⁴ For a more comprehensive discussion of the limitations of the thesis, see the Chapter 7.3.

For selecting the ten municipalities for the qualitative comparative analysis, I applied the MSSD as follows: the universe of cases consisted of all 333 Guatemalan municipalities. The selection of municipalities from this universe was done in five steps in which I reduced the number of cases to ten. In the first step, I defined all rural municipalities, i.e., the 155 municipalities in which more than 70% of the population live in rural areas, as the population of cases. Then, in the second step, I randomly selected 45 municipalities that varied in their outcomes to make sure that cases with high and low government responsiveness are included. In the third step I eliminated municipalities that differed strongly from other municipalities in key characteristics. Thus, I kept only 35 municipalities in the selection that have similar systems, which means that these cases share important characteristics that could affect the outcome. After that I reduced the selection to 27 “most likely” and “least likely” cases, i.e., to cases that are likely and cases that are unlikely to display the outcome according to their configuration of causal conditions. Finally, in the fifth step, I chose ten out of the 27 municipalities so that both indigenous and non-indigenous municipalities, as well as cases from all major socio-economic regions of the country were included. Appendix 3 contains a detailed description of the case selection, a map indicating the location of the cases, as well as two tables that summarize their main characteristics.

1.4.4 Data Collection

In the data collection for the empirical analysis I combined a range of instruments, which I applied with the support of my Guatemalan fieldwork assistants. Upon arrival in a municipality, we set up a focus group or conducted an interview with a key informant to get an overview of the actor constellation and the socio-economic context of the municipality. For this purpose, we used an open interview guideline and visual interviewing techniques, such as influence and information flow mapping (Schiffer & Waale, 2008).

After this entry meeting, we collected qualitative primary data using semi-structured interviews. In each of the ten municipalities we conducted between eight and ten extensive interviews with the mayor, representatives of Communal Development Councils (CDCs) and local civil society organizations, as well as local journalists. Overall we carried out 88 stakeholder interviews in the ten municipalities.

The interview guideline for these interviews contained both structured and open questions. The main topics we covered were: 1) mayor, 2a) civil society, 2b) community representatives, 3) central government, 4) social and economic conditions, 5) information flows, 6) elections, 7) Municipal Development Council, and 8) allocation of public funds. For typical questions on each of these topics, see Appendix 4 which contains an exemplary interview guideline.

To obtain supplementary primary quantitative data on the cases, e.g., on the frequency of meetings of the participatory governance forum or municipal spending, we used a pre-structured data collection sheet. For each municipality we filled this sheet with the information that we had gathered in several departments of the municipal administration. Moreover, we collected secondary qualitative data, such as minutes of meetings, Municipal Development Plans, and local media reports in each municipality. We also retrieved secondary quantitative data, such as demographic, economic, political, and social indicators for all ten cases from the national statistics institute.

Lastly, we carried out semi-structured interviews with eleven key experts in Guatemala City at the beginning and at the end of the fieldwork phase to complement the data on the cases with background information on the national context for the implementation of participatory governance.

1.4.5 Data Preparation and Analysis

During the interviews and focus group discussions my fieldwork assistant and I took notes and we recorded the interview. We conducted all interviews in Spanish. After entering the interview notes into a text editor, we revised them; for processing complex and long interviews we also compared our notes with the recording or transcribed the interview.

After completing the data processing, I conducted a content analysis of the qualitative data with the help of the software Atlas.ti to categorize the data for the case study and the fsQCA. For this analysis I developed a list of codes based on the theoretical framing of the research questions and the research hypotheses. This initial list was complemented during the coding process with new codes that I created through open and in-vivo coding. The final list of codes with the initial and the newly created codes is presented in Appendix 5.

For the fsQCA the coded qualitative data were then calibrated as fuzzy-sets. Fuzzy sets can have values between zero (full exclusion from the set) and one (full inclusion in the set). For the calibration, I summarized the code output in qualitative classifications for each case. Next, I determined the fuzzy-set scale and defined the fuzzy-set values. Lastly, I assigned and revised the fuzzy-set values of the conditions and the outcome for each case. This calibration process is described in detail in Paper 2 (Chapter 3).

The quantitative data that I use in the fsQCA were calibrated as fuzzy-sets with the direct calibration technique which is outlined in detail in Ragin (2008, pp. 85–94). For the direct calibration of the data I determined the fuzzy-set anchor points “fully out” (0), “neither in nor out” (0.5), and “fully in” (1) based on my case- and context knowledge. Then, I employed the algorithm contained in the software fsQCA to calibrate the quantitative data (Ragin, Drass, & Davey, 2006).

After calibrating the raw data as fuzzy sets, I used the fsQCA software to assess the necessity and sufficiency of the conditions for the two main outcomes that are evaluated in this thesis, local government responsiveness and effective participatory governance. The details of the fsQCAs are provided in Paper 3 and Paper 4 (Chapter 4 and 5).

For the case study of two municipalities in Paper 5 (Chapter 6), I used the query tool of the Atlas.ti software after coding the interview data. With this tool I extracted the coded quotes from the two municipalities that provided information for answering the research question of the case study (Miles & Huberman, 1994). This information was then reviewed, organized, and interpreted by drawing on the criteria that my co-author Markus Hanisch and I present in the theoretical part of the case study.

1.5 Thesis Outline

The five papers of the thesis contribute to the overall research goal and provide part of the answer to the two central research questions. In the following I outline the sub-research question, the approach and the contribution of each of the five papers. At the end of each section, I also lay out how the paper connects to the other papers. The main results of the papers, the implications of these results for theory development and policy making, as well as the limitations of the thesis and areas of further research are discussed in depth in the conclusion (Chapter 7).

1.5.1 Paper 1: Literature Review on Participatory Governance

The first paper of my thesis aims at summarizing and evaluating the existing evidence on participatory governance. It reviews the international literature on the impact of participatory governance and the conditions that are required to make it work. Hence, it addresses the sub-research question:

What do we know about the impact of and the conditions for effective participatory governance from previous research?

The literature review begins with an overview of the development of the key strands of the literature and a brief description of their focus and normative perspective. Then, I proceed to a summary of the main findings on the impact of and the conditions for successful participatory governance. Finally, I discuss the strength and weaknesses of the reviewed literature and outline indications for future research.

The literature review shows that participatory governance has become an integral part of the good governance agenda of the international development community and that it has been implemented in a number of countries in order to increase government responsiveness. There is however not much evidence on the assumed positive effects of participatory governance on government performance. Previous research also suggests that implementing participatory governance effectively requires a high level of capacity and motivation among public officials and citizens.

By summarizing and critically discussing the literature on a range of participatory governance experiments Paper 1 brings together the findings from different disciplinary and conceptual backgrounds and identifies advances and remaining challenges in this diverse field of research. Thus, the literature review motivates and informs the theoretical and empirical analyses in Papers 3, 4, and 5.

1.5.2 Paper 2: Refinement of the Main Empirical Method

The second paper of my thesis has the goal to develop a structured approach for using qualitative data in fsQCA. In this paper Xavier Basurto and I address the research question:

How can qualitative data be collected systematically and calibrated reliably as fuzzy sets for fsQCA?

To answer this question, we propose a transparent and replicable procedure for collecting and calibrating qualitative data for fsQCA. We illustrate each of the steps of the procedure with an example from my empirical analysis. The procedure we propose begins with the determination of the conditions and the outcome of a study and the derivation of the research hypotheses. It ends with the assignment and revision of fuzzy-set values of the conditions and the outcome for each case. In between, we describe the operationalization of the conditions and the outcome, the development of anchor points for fuzzy sets, the formulation of the interview guideline, the content analysis and summary of the interview data, and the definition of fuzzy-set values.

By putting forward a systematic procedure for calibrating qualitative interview data we complement available calibration techniques for fsQCA, which have covered only quantitative data so far (Ragin, 2008). We also make the application of fsQCA more transparent for other researchers and facilitate the replication of fsQCA studies. Thus, we expand the range of best practices in the application of interview data based fsQCA.

The procedure we propose is followed in the collection, preparation, and analysis of the data for the two qualitative comparative Papers (Paper 3 and 4) in which I use fsQCA. The second paper hence makes the empirical analysis in these two papers more comprehensible and reproducible, which lends support to their findings.

1.5.3 Paper 3: Comparative Analysis of the Impact of Participatory Governance

The aim of the third paper is to determine the conditions for local government responsiveness in the ten case municipalities. It contributes to answering the first central research question about the influence of participatory governance on the allocation of public resources. Specifically, it addresses the sub-research questions:

What is the impact of participatory governance on local government responsiveness? How is this impact linked to the presence of other accountability mechanisms? And, what socio-economic context conditions promote local government responsiveness?

The main research hypotheses of the paper are derived from political agency theory. According to this theory effective participatory governance, competitive local elections, and good access to local media are all potential solutions to the agency problem between voters and a politician. Hence, the main research hypothesis of the paper is that these three mechanisms together contribute to local government responsiveness. Moreover, theoretical arguments suggest that the effectiveness of the three accountability mechanisms is promoted by economic equality, ethnic homogeneity, and a high level of education. The research hypotheses are examined in a two-step fsQCA of the ten municipalities. In addition, I draw on qualitative case-level evidence for interpreting the fsQCA solution formulas and for shedding light on the processes that generate it.

The contributions I make with this paper are: first, I point out and test the conjunctural causation of three accountability mechanisms that are often in place at the same time but have so far not been analyzed collectively. Second, I take the context-sensitivity of the effectiveness of these accountability mechanisms seriously and test for it explicitly with an innovative fsQCA technique, which has not been done in previous studies on local government responsiveness.

The key finding of the paper is that participatory governance and competitive elections need to be jointly present for local government responsiveness. The combination of information about government actions in participatory governance forums and the credible threat not to be re-elected increase the incentives for a government to act in the interest of its electorate. This finding provides an empirical argument for implementing participatory governance, which motivates the analysis of the conditions that are likely to facilitate this process in Paper 4. It also raises the question how participatory governance complements elections, which is examined in detail in Paper 5.

1.5.4 Paper 4: Comparative Analysis of the Conditions for Participatory Governance

The fourth paper aims at explaining the deeper reasons for the variation in the effectiveness of participatory governance within Guatemala. It contributes to the second central research question, i.e., to the question what conditions need to be present for the effective implementation of participatory governance. Precisely, the paper seeks to answer the questions:

What motivates a mayor to adopt participatory governance forums? And, what enables civil society actors to exert pressure on their local government to establish and run a participatory governance forum effectively?¹⁵

In the theoretical part of the paper I derive a research hypothesis on the incentives for a mayor to implement participatory governance based on imperative and behavioral theories of law. For the second sub-research question, I derive a research hypothesis on the factors that influence civil society capacity to engage in debates with office-holders from distributive bargaining theory and collective action theory. In the empirical part of the paper I test the two research hypotheses with two fsQCAs and draw on case-level evidence to discuss the validity and utility of the fsQCA results.

The findings of the paper indicate that a mayor can be motivated to run a participatory governance forum by the combination of seeing a benefit in running the forum, self-enforcement of the obligation to run the forum and social enforcement of the law by civil society actors. The paper's findings also suggest that social enforcement can only take place when there is a large number of civil society organizations, when citizens have a high capacity to engage in public debates and when the cost of attending meetings are relatively low.

These findings deepen the debate on what institutional incentives can lead to the implementation of participatory governance and they highlight interaction effects of group characteristics and individual level factors for effective citizen participation. They show what conditions would need to be addressed to make participatory governance more effective and, thus, to increase local government responsiveness, as was shown in Paper 3. The feasibility of fostering these conditions in Guatemala is discussed in Paper 5.

¹⁵ The paper focuses on these two sub-research questions because the historic and social context of the participatory governance reform in Guatemala suggest that the two key factors that are likely to constrain its effective implementation are the rejection of the reform by mayors and the low level of civil society capacity. This argument is explained in more detail in Paper 4 (Chapter 5) and Appendix 2.

1.5.5 Paper 5: Case Study on the Link between Participatory Governance and Responsiveness

The aim of the fifth paper is to examine the potential of participatory governance forums to provide information to voters in rural areas effectively and to discuss policy options for strengthening this potential. Hence, it contributes to both central research questions. In this paper Markus Hanisch and I address the sub-research questions:

Can participatory governance forums effectively reduce the information asymmetry between voters and a politician and contribute to local government responsiveness? How and under what conditions can they fulfill this task? And, which policy measures can improve these conditions?

In the conceptual part of the case study we derive the research proposition that a participatory governance forum that provides information effectively can contribute to local government responsiveness. We evaluate this proposition in a case study in which we contrast the dynamics in two municipalities, one with a Municipal Development Council (MDC) that provides information effectively and one with a MDC that does not function in this way. Then we examine the performance of the local governments in the two municipalities. Finally, we analyze the reasons behind the differences in the performance of the two MDCs and, thus, explore the conditions that need to be in place for effective information provision through participatory governance. After that, we discuss the policy implications of the case study.

The case study findings lend further support to the key result of Paper 3 that the combination of effective information provision through participatory governance and competitive elections leads to local government responsiveness. Thus, it contributes to the empirical literature on the mechanisms through which participatory governance improves the quality of government. The case study also shows how the conditions that are found to be necessary and sufficient for civil society enforcement of participatory governance in the comparative analysis of Paper 4 influence the functioning of two specific MDCs. Finally, the paper provides an assessment of the feasibility of policy measures for increasing the effectiveness of participatory governance forums in Guatemala by addressing these conditions; hence, it adds to the policy debate about the viability of achieving effective participatory governance in developing countries.

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**2. Literature Review (Paper 1):
“Participatory Governance, Accountability and Government Responsiveness: A Critical Literature Review”**

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Abstract: Over the last twenty years participatory governance reforms have been widely promoted in developing countries. Participatory governance has come to be perceived as an integral part of good governance because it is claimed to increase the accountability and responsiveness of local governments. Thus, it is believed to make public service provision more efficient and sustainable. This paper evaluates these claims by conducting a critical review of the literature on participatory governance. It concludes that so far there is little substantial evidence of a positive effect of participatory governance on government responsiveness and the quality of public services. The reviewed studies also suggests that making participatory governance arrangements work as effective accountability mechanisms requires a level of capacity and motivation among public officials and citizens that is unlikely to be present in many developing countries.

Keywords: Participatory governance, accountability, government responsiveness, public service

2.1 Aims and Scope

“[O]pening up of the core activities of the state to societal participation is one of the most effective ways to improve accountability and governance.”
(Ackerman, 2004, p. 448)

“I believe that in the light of the available evidence it is important to temper present-day excessive optimism about the short-run prospects of participatory development.”
(Platteau, 2009, p. 27)

In the last twenty years, the promotion of participation in developing countries has increasingly included the adoption of various forms of participatory governance, such as participatory planning and participatory monitoring and evaluation. Nowadays, participatory governance is widely implemented and firmly anchored in the development strategies of most donors and development non-governmental organizations (NGOs). Participatory governance mechanisms are broadly defined as institutional arrangements that aim to “(...) *facilitate the participation of ordinary citizens in the public policy process*” (Andersson & van Laerhoven, 2007, p. 1090). They involve citizens in decision-making over the distribution of public funds between different communities and the design of public policies, as well as in auditing past government spending. Hence, participatory governance mechanisms differ from community-based development schemes in which community members participate in the planning, implementation, and monitoring of a development project within their community.

Donors, NGOs and political parties who promote the implementation of participatory governance in developing countries argue that it is both a means to improve public service delivery and a strategy to deepen democracy. Participatory governance is stated to increase local government responsiveness and accountability. Thus, it is claimed to improve the efficiency and sustainability of public service delivery, as well as the match between public services and beneficiaries’ preferences (Ackerman, 2004; Shah, 2007; World Bank, 2003). Involving citizens in decision-making over public policy is also argued to consolidate young democracies by breaking up patterns of particularistic policy-making and promoting public deliberation and citizenship (Avritzer, 2002; Schönleitner, 2004).

In the hope to realize these benefits a large number of laws on participatory governance have been passed and many civil society initiatives for increasing participation in public decision-making have been established all over the developing world.

Reformers have experimented with various forms of participatory governance including public hearings (India, Philippines), vigilance committees (Bolivia, Philippines), participatory budgeting (Brazil, Peru) and forums for participatory planning and decision-making over public service provision (Bolivia, Mali, Uganda, Mexico) (Ackerman, 2004; Blair, 2000; Commins, 2007).

This literature review aims to provide an overview of the scientific evidence on the conditions for and the effect of participatory governance in order to evaluate the validity of the deeply rooted claims about the benefits of participatory governance in the development community. The review focuses on the effect of participatory governance on government accountability and responsiveness. Thus, it assesses the potential of participatory governance to improve the efficiency, equity, and sustainability of public service provision. In addition, it summarizes the empirical evidence on the conditions that are required to make participatory governance work to assess the feasibility of implementing it effectively in developing countries.

The literature review shows that empirical studies have so far not established a causal link between participatory governance and the positive effects it is assumed to have on government performance and service quality. Moreover, research on the conditions for participatory governance suggests that effective participatory governance requires a level of capacity and motivation among public officials and citizens that is unlikely to be present in a large number of developing countries. All in all, the reviewed evidence does seem to justify the promotion of participatory governance as a panacea for improving local public service provision.

The next section provides a short overview of the background, the focus and the normative perspective of the main strands of research on participatory governance and their links to the literature on decentralization and community development (Section 2.2). Then, Section 2.3 summarizes the main findings on the effect of and the conditions for successful participatory governance. After that, Section 2.4 discusses strengths and weaknesses of the literature on participatory governance. The final section concludes and outlines areas of future research on participatory governance (Section 2.5).

2.2 Background, Partitioning, and Delimitation of the Literature

Arguments for and against citizen participation have been discussed in development theory and policy for many years and, as Hickey states, “[f]ar from being defeated, the eighty-year history of participation within development thinking shows little sign of abating.” (2004a, pp. 20–21). Various forms of participation have been tried out in development cooperation projects and development country politics.¹ For most of the time, development policy practice and theory have concentrated on the participation of beneficiaries to incorporate local knowledge into the planning, implementation and monitoring of development projects. From the early 1990s onwards academics and donor agencies have increasingly stressed however that citizens should also participate in public policy processes to make government institutions more accountable, legitimate, and responsive (Gaventa, 2004). Thus, participatory governance has entered the development policy agenda about twenty years ago.

The move towards participatory governance was motivated by failures in centrally provided public services and shortcomings in conventional systems of accountability, as well as by an increased emphasis on “getting governance structures and institutions right” to make the state more effective (Goetz & Gaventa, 2001; Prichett & Woolcock, 2004; World Bank, 1997). In addition, the so-called “third wave of democratization” and the widespread decentralization reforms in developing countries have fostered the demand for improving accountability relationships between local governments and citizens (Bräutigam, 2004). Participatory governance has thus become an integral part of the good governance agenda as one of the most popular mechanisms for strengthening vertical accountability.

Participatory governance is not a neutral development technique and all research on this topic is based on a normative perspective that is rarely made explicit or discussed (Goldfrank 2007a). This perspective determines the focus of a study and thus the scope of its findings. Therefore, I take into account the normative perspective of the studies I evaluate in this literature. What is more, I organize the reviewed literature in four strands based on the four different normative perspectives that studies on participatory governance usually adopt.

¹ For more details on the history of participatory approaches in development, see Hickey (2004a) and Ruttan (1997).

The four strands I propose to define are: 1) the democratic decentralization strand (liberal perspective), 2) the deliberative democracy strand (radical democratic perspective), 3) the empowerment strand (leftist perspective), and 4) the self-governance strand (polycentric perspective). In the following I briefly outline the key characteristics of each of these strands. An overview of these characteristics is provided in Figure 1.

To begin with, scholars from the **democratic decentralization** strand of the literature argue that participatory governance is crucial for increasing the accountability and responsiveness of local governments (Blair, 2000; Harriss, Stokke, & Törnquist, 2004; Crook & Manor, 1998; Manor, 1999). This literature emerged from political economy studies of the implementation of decentralization in Africa and Asia. Authors from this strand of the literature tend to take a liberal stance on participatory governance according to which participatory governance is seen as one of several so-called “second generation” reforms for improving the institutional set-up of developing countries. Participatory governance is expected to remedy problems of elite capture and clientelistic policymaking at the local level that have been observed in decentralized developing country governments (Bardhan & Mookherjee, 2000; Crook, 2003; Ruttan, 1997). Thus, participatory governance is predicted to increase the legitimacy of a government and to prevent social exclusion from public services. This perspective on participatory governance is also adopted in parts of the broader development policy literature on good governance of public service governance (Ackerman, 2004; Prichett & Woolcock, 2004; World Bank, 2003).

In a second strand of the literature participatory governance is primarily perceived as a means to come closer to the ideal of **deliberative democracy**. Scholars from this strand of the literature tend to take a radical democratic view on participatory governance. According to this view participatory governance should make a political system more democratic by strengthening deliberative forms of decision-making. The deliberation and contestation of ideas that takes place in participatory governance bodies is also predicted to lead to better policy outcomes and to make state decisions more transparent and equitable (Bishop & Davis, 2002; Bucek & Smith, 2000; Weeks, 2000). Deliberative democracy scholars draw mostly on experiences with participatory budgeting in Brazil, but they have also examined cases in Asia and Africa (Abers, 1998; Avritzer, 2002, Avritzer, 2009; Baiocchi, 2001; Heller, 2001; Schönleitner, 2004; Wampler, 2008b).

In a third strand of the literature authors take the view that the ultimate goal of participatory governance reforms is the **empowerment** of the poor. This perspective is inspired, on the one hand, by the theoretical discourse on the role of power in societal order and political institutions (Dahl, 1957; Bachrach & Baratz, 1962; Giddens, 1984; Lukes, 1974; Gaventa, 1980) and, on the other hand, by Sen's (1999) capability approach. From the late 1990s onwards researchers at development cooperation think tanks, such as the Institute for Development Studies (IDS) in Sussex and the World Bank, have investigated the potential of participatory governance mechanisms to increase human capabilities and to empower the poor in order to overcome existing societal and political power structures (Gaventa & Cornwall, 2006; Mohan & Stokke, 2000; Narayan-Parker, 2000; Nelson & Wright, 1995). These researchers tend to adopt a leftist view according to which participatory governance can only be successful in improving the livelihoods of the poor if it challenges existing institutions and structures and, thus, overcomes structural conditions of underdevelopment. Research in this strand of the literature is mostly conducted in the form of concept-based² case studies from, e.g., Peru, India, and Bangladesh (Brinkerhoff & Azfar, 2006; Gaventa, 2004; Gibson & Woolcock, 2008; Jenkins & Goetz, 1999; Mohan & Stokke, 2000).

Finally, in a fourth body of studies participatory governance is seen as a flexible decision-making mode for successful **self-governance** in polycentric systems. According to this view, the goal of implementing participatory governance is to allow citizens to influence the design and implementation of everyday rules on public services (Gibson & Lehoucq, 2003; Andersson, Gibson, & Lehoucq, 2006; Andersson, Gordillo, & van Laerhoven, 2009). Hence, scholars from this body of literature see participatory governance as a promising design principle for collective decision-making because it allows public service providers and users to develop governance solutions that are tailored to local circumstances (Ostrom, 2005). Thus, participatory governance is seen as a way to make public service provision resilient to changes in these circumstances. The self-governance strand of the literature mainly comprises quantitative analyses and case studies of participatory governance in Latin America (Andersson & van Laerhoven, 2007; Andersson, Gibson, & Lehoucq, 2006; García-López & Arizpe, 2010).

² One of the most popular concepts in research on participatory governance is the concept of "Empowered Deliberative Democracy (EDD)" (Fung and Wright 2001). EDD combines elements of the deliberative democracy and the empowerment strand and has been widely used as a reference point for evaluating participatory governance experiences in case studies (Baiocchi, 2001; Gibson & Woolcock, 2008).

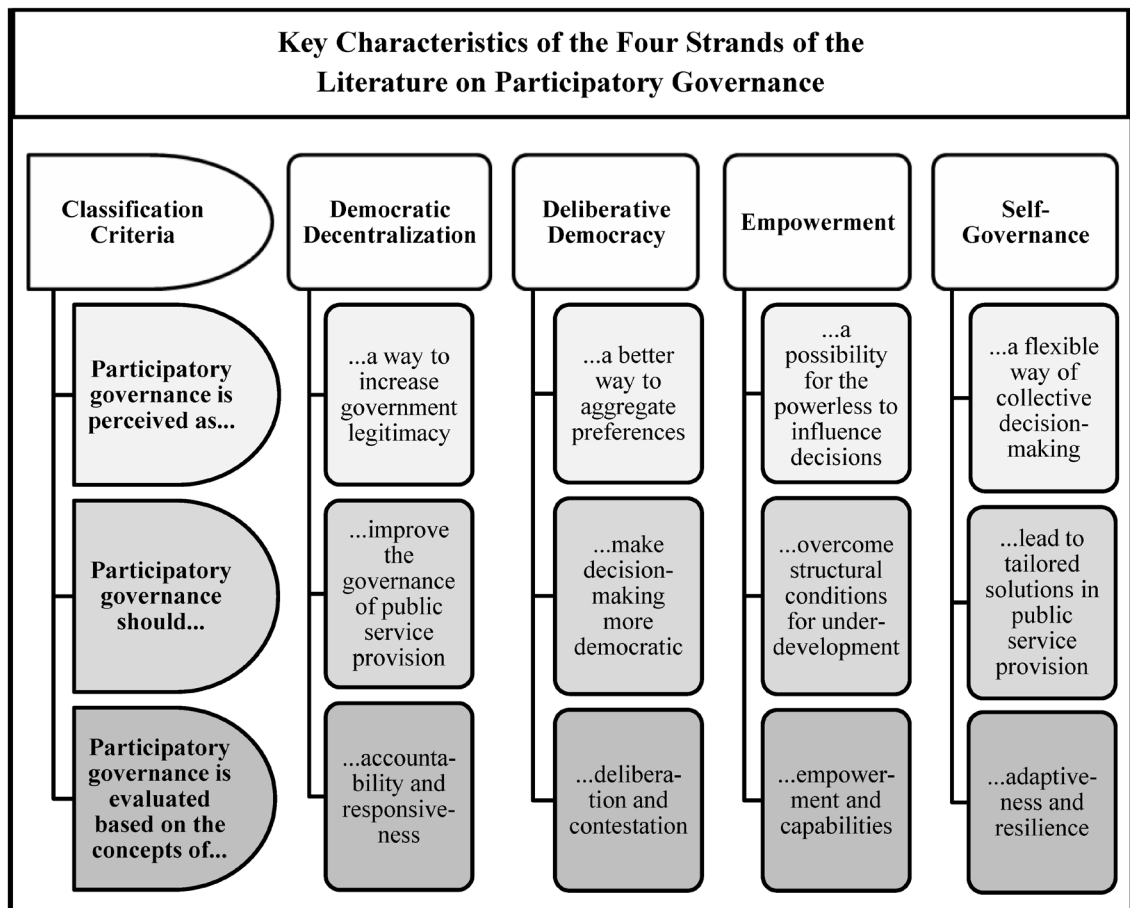


Figure 1: Overview of the classification of the literature

Source: author's own elaboration.

Besides these four strands of the literature there are two bodies of literature that are closely related to the topic of participatory governance: the literature on community-based development and the literature on decentralization. These two literatures will not be reviewed here in depth because they address different aspects of participation and public service provision.

The literature on community-based development analyzes the role of beneficiary participation in the planning, implementation, and monitoring of development projects. Its main focus is on in-group dynamics at the community level and not on the interaction between representatives from several communities and civil society organizations and elected representatives that are addressed by the literature on participatory governance (Bardhan, 1993; Bowles & Gintis, 2002; Brett, 1996; Chambers, 1995; Gerson, 1993; Hickey & Mohan, 2004b; Mason & Beard, 2008).

Yet, some findings from this literature on issues, such as the role of heterogeneity for collective action, elite capture of funds and information distortion are potentially relevant for the interaction between citizen representatives and politicians in participatory governance arrangements as well (Conning & Kevane, 2002; Kwaja, 2009; Mansuri & Rao, 2004; Platteau & Abraham, 2002; Platteau, 2009). Hence, though the literature review does not cover this wide field of the literature in depth such insights are presented when they complement findings on participatory governance.

In the literature on the implementation of decentralization in developing countries the delegation of political power to lower levels of the state is often discussed together with participatory governance arrangements under the conceptual roof of democratic decentralization (Crook & Manor, 1998; Crook, 2003; Manor, 1999). Yet, the normative and positive debate about decentralization, service delivery, and poverty focuses on determining the optimal level of government for efficient and responsive public service provision (Ahmad & Brosio, 2009; Bardhan, 2002; Bardhan & Mookherjee, 2000, Bardhan & Mookherjee, 2006; Grote & von Braun, 2000; Jütting, Corsi, Kauffmann, McDonnell, Osterrieder, Pinaud et al., 2005; Peterson, 1997; Seabright, 1996; Shah, Thompson, & Zou, 2004). This debate centers on the question how responsibilities and public resources should be distributed between different levels of government. It does not address the question whether citizens should be involved in decision-making by public officials between elections. As has been outline above, insights from the democratic decentralization scholars that refer to participatory governance are integrated in this review, but the optimal level of decentralization, the conditions that make it work and its impact on public service delivery and poverty are beyond its scope.

2.3 The Key Findings of the Literature on Participatory Governance

The following two sections summarize the main findings of the literature on the impact of and the conditions for participatory governance. Section 2.3.1 reviews the results on the impact of participatory governance on local government responsiveness, the quality of public service provision, and indicators of well-being. Consequently, this section draws mainly on studies from what I have classified as the democratic decentralization strand of the literature.

Section 2.3.2 reviews the literature on the conditions for effective participatory governance. It begins with the research on the factors that influence the capacity and motivation of civil society actors to participate. Then, it turns to research on the contribution of public officials to making participatory governance work. In this section I draw on studies from all four strands of the literature, because they all examine different aspects of the enabling environment for participatory governance.

The complementary Appendix provides information on the theoretical approach, the strand of the literature, the study area, and the key results of the reviewed studies. The studies are arranged in the Appendix according to their research design, i.e., they are sorted into the categories “case studies”, “comparative studies”, “regression analyses”, and “meta-analyses”.

2.3.1 The Impact of Participatory Governance on Government Responsiveness, Service Quality and Well-Being

The main theoretical argument on the impact of participatory governance in the democratic decentralization and political economy oriented strand of the literature is derived from principal agent theory (Ackerman, 2004; Besley, Pande, & Rao, 2005; Brinkerhoff, Brinkerhoff, & McNulty, 2007; Jenkins & Goetz, 1999; Paul, 1992; Schneider, 1999). Based on this theory scholars argue that participatory governance can help to overcome the agency problem between voters (the principals) and their elected representative (agent) by contributing to the key elements of a favorable incentive structure for the agent: on the one hand, participatory governance forums can improve information flows from citizens to governments about citizen preferences and from governments to citizens about government decisions and actions, as well as about service provision outcomes. On the other hand, citizens are included into the decision-making process in participatory governance forums, which is argued to reduce the discretion of the local government in choosing, e.g., the location and quality of a new facility. Finally, when citizens are effectively involved in the process of service provision, government accountability is expected to be strengthened because citizens can demand corrective actions from their government.

These theoretical arguments for the positive effects of participatory governance are frequently cited, but so far they have not been translated in established formal agency models.³ Such models could account for the specific institutional features of different participatory governance reforms, such as the type of information that is exchanged and the severity of sanctions that citizens can impose on office-holders. Thus, they would refine the theoretical analysis of the micro-level mechanisms through which participatory governance is stated to affect government performance.

The empirical evidence on the theoretical arguments for a positive impact of participatory governance on government responsiveness is not conclusive (Commins, 2007; Robinson, 2003). On the one hand, there are several studies with positive findings. For instance, Schneider and Goldfrank (2002) and Boulding and Wampler (2010) show that participatory budgeting has increased the share of government spending that is allocated to education, health and sanitation in Brazil. Besley et al. (2005) find that holding a *Gram Sabha* meeting in South Indian villages makes it more likely that poverty cards are targeted towards the needy. Also, Heller's (2001) case study demonstrates that participatory budgeting in Brazil and village meetings in India have increased government spending in line with the needs of the poor. On the other hand, Bräutigam (2004) finds in a comparative study of five countries that participatory budgeting is neither necessary nor sufficient to make government spending more pro-poor. She concludes that "*[o]ften citizens are listened to or 'consulted' and this is called participation, but in such cases it is not uncommon for both the citizens and those who consult them to be aware that decisions are not likely to be changed*" (Bräutigam, 2004, p. 654). Similarly, Shatkin (2000), who studied participatory planning of urban housing in the Philippines, concludes that it has not increased the influence of citizens on government decisions and therefore not increased government responsiveness. Lastly, Francis and James (2003) show that decisions on resource allocation to villages in Uganda do not reflect villagers' needs in spite of having been planned with their participation.

³ For a first attempt to develop an agency model of participatory planning forums, see Speer (2010).

Further down the chain of the purported positive effects of participatory governance, it is argued that citizen monitoring of the implementation of projects can increase the efficiency of public service delivery and the quality of services. Moreover, citizen participation in the decision-making over public resources is claimed to enhance access to services for the poor and to improve their income situation and well-being through better access to public services (Baiocchi, 2001; Shah, 2007).

So far however, there is little evidence on a causal link between participatory governance and such outcomes. Establishing this link is difficult because these outcomes are also influenced by a number of other factors, such as the financial resources of a government. The small number of mainly qualitative studies that have looked at this relationship cannot overcome this identification problem, but they put forward some tentative evidence for a positive impact of participatory governance. For example, Evans (2004) argues that participatory governance has led to an expansion of public infrastructure and higher efficiency in service production, as well as better human development indicators in Porto Alegre (Brazil) and Kerala (India). Fox and Aranda (1996) studied participatory decision-making over rural infrastructure projects in twelve municipalities in Mexico. They state that projects that were planned with the participation of local communities had a higher social impact. Also, Andersson et al. (2009) find in their quantitative study of 390 municipalities in Latin America that local governments in municipalities with a high degree of participatory decision-making and implementation are more likely to provide effective agricultural services. In their case study on bottom-up planning in Uganda Porter and Onyach-Olaa (2000) state however that participation in the planning process is a necessary, but not sufficient condition for improving the quality of service delivery. In line with this result, Boulding and Wampler (2010) do not find a significant positive effect of participatory governance on indicators of well-being in a recent study based on data from 220 Brazilian municipalities.

2.3.2 The Conditions for Making Participatory Governance Work as an Accountability Mechanism

The conditions for effective participatory governance have been addressed by a much larger number of studies than the effects of participatory governance. Several studies, among them Bland (2000) (Bolivia), Porter and Onyach-Olaa (2000) (Uganda), and Brinkerhoff, Brinkerhoff and McNulty (2007) (Peru), document a large variance in the degree of implementation of participatory governance reforms.

Hence, it has been widely acknowledged that “*while legal frameworks [for participatory governance] are enabling factors (...), they are insufficient to guarantee that effective participation will take place*” (McGee, Bazaara, Gaventa, Nierras, Rai, Rocamora et al., 2003, p. 3) (Barrientos, 2007; Goetz & Gaventa, 2001; Reid, 2005; Russell-Einhorn, 2007; Smith, 2004).

Departing from this insight a number of studies have investigated what conditions contribute to an effective implementation and functioning of participatory governance mechanisms in practice. Though these studies come from a wide range of disciplinary and conceptual backgrounds, most of them agree that effective participatory governance requires two main conditions are met: first, civil society actors need to be willing and able to contribute to the government task at hand. Numerous studies have unanimously pointed to the importance of a well-organized and active civil society for enforcing participatory governance arrangements and for filling them with life (Avritzer, 2002; Brinkerhoff, Brinkerhoff, & McNulty, 2007; Fox, 2002; Heller, 2001). Second, public officials need to be interested in participatory governance and they need to be able to fulfill their promises (Evans, 2004; Goldfrank, 2007a). Several studies have shown that the willingness of local governments to share their power and their administrative and financial capacity to implement the participatory governance arrangement and the projects that emerge from them are indispensable for successful participatory governance (Andersson & van Laerhoven, 2007; Brinkerhoff, Brinkerhoff, & McNulty, 2007; Wampler, 2008a). Hence, there is a broad consensus in the literature on participatory governance that variance in real levels of participation within the same legal framework can be explained by differences in these two conditions, which have been referred to as the “civil society condition” and the “political economy condition” respectively (Evans, 2004).

Besides these two main requirements some cross-national studies point to the institutional set-up of participatory governance, the electoral system, the degree of political decentralization, and the size of the jurisdiction as potential causal conditions for differences in the effectiveness of participatory governance between countries (Brinkerhoff & Azfar, 2006; Goldfrank, 2007b). This body of research is however only emerging and has not yet generated conclusive findings on whether and how these conditions precisely influence participatory governance (Goldfrank, 2007a; McGee, Bazaara, Gaventa, Nierras, Rai, Rocamora et al., 2003).

Therefore, the majority of studies on participatory governance focus on explaining differences in the civil society and the political economy condition within and across developing countries.

The civil society condition is examined in studies that look at the factors that affect either the capacity to organize or the motivation of civil society actors to participate: first, in the deliberative democracy strand of the literature several scholars argue that the absence of social capital can explain low levels of citizen participation (Abom, 2004; Brinkerhoff & Azfar, 2006; Costa, Kottak, & Prado, 1997; Durston, 1998; Eguren, 2008; Fox, 2002; Schönleitner, 2004). In these studies social capital refers to structural features of civil society, such as the number of civil society organizations and the strength of the ties between them and/or to the existence of informal institutions, such as norms of trust and reciprocity.⁴ Such structural conditions are hence argued to play a key role in explaining differences in the implementation of participatory governance by affecting both the capacity and the motivation of civil society actors to participate.

Second, in the democratic decentralization strand of the literature it has been pointed out that economic inequality and the absence of an encompassing interest can hamper collective action of community representatives and civil society actors in a municipality (Faguet, 2009). This argument has not received much attention in the literature on participatory governance, but it has been a focus of the community-based development literature and the literature on collective common pool resource management (Bardhan, 1993; Das Gupta, Grandvoinet, & Romani, 2004; Habyarimana, Humphreys, Posner, & Weinstein, 2007; Miguel & Gugerty, 2005; Molinas, 1998; Ostrom, 2007). The large amount of evidence from these literatures on the relationship between intra-community inequality and collective action suggests that “(...) *the propensity of individuals to join groups, to participate in social activities, to cooperate in various collective action problems, or to contribute to public goods and services is negatively related to inequality.*” (Bardhan, Ghatak, & Karaivanov, 2007, pp. 1843–1844). Whether inequality can also explain low levels of collective action of community representatives and NGOs in participatory governance mechanisms has to be shown in future research.

⁴ The concept of social capital, which was made prominent by Coleman (1990) and Putnam (1993), has enjoyed great popularity in the development literature, but it has also been heavily criticized for its analytical and methodological flaws and its imprecision (Harriss & de Renzio, 1997). I do not address this conceptual debate here because it is not relevant for understanding the findings on the civil society condition.

Third, the empowerment strand of the literature emphasizes the role of individual-level factors for explaining the variance in citizen representatives' capacity to participate in participatory governance. Several studies in this strand of the literature find that this capacity can be constrained by a lack of economic resources and access to information, as well as by low levels of education among civil society representatives (Abom, 2004; Andersson, 1999; Baiocchi, 2001; Gaventa, 2004; Fung & Wright, 2001; Krishna, 2006; Wiebe, 2000). Accordingly, these studies advocate measures for information provision and capacity building for improving the civil society condition and thus making participatory governance more effective (Das Gupta, Grandvoinnet, & Romani, 2004; Gibson & Woolcock, 2008).

Fourth, studies from the self-governance and the deliberative democracy strands of the literature stress that for explaining differences in the civil society condition individual representatives' motivations for participation have to be taken into account. These studies point out that it cannot be assumed that citizens are motivated to participate in participatory governance mechanisms. They argue that citizen representatives' interest in participation depends on the perceived costs and benefits of participatory governance arrangements. According to this argument, time and transport cost of participation, as well as the risk of being co-opted by the government need to be outweighed by benefits, such as the transfer of real decision-making power over public resources to civil society and access to preferred public services (Abers, 1998; Costa, Kottak, & Prado, 1997; Goetz & Gaventa, 2001).

Research on the other side of the equation, i.e., research on the political economy condition, shows that citizens can only obtain such benefits from participatory governance when local governments are able and willing to implement participatory governance mechanisms. For this governments need to have sufficient administrative, political, and financial capacities. These capacities include the bureaucratic competence to organize participatory governance processes, the financial resources to fund the prioritized projects, and the political power to introduce participatory forms of decision-making (Bland, 2011; Goldfrank, 2007a; Wampler, 2008b).

For motivating public officials to implement participatory governance mechanisms two types of reasons have been put forward: first, in democratic decentralization and deliberative democracy strand of the literature several studies conclude that individual characteristics of a politician account for a government's willingness to make participatory governance arrangements work.

In their study on regional coordination councils in Peru Brinkerhoff et al. (2007) conclude that the personality, leadership skills and personal ideology of a regional president favored the establishment of a regional coordination council. Along the same vein, Schönleitner (2004) argues that the attitude of the municipal government towards the inclusion of civil society was crucial for making participation effective in municipal health councils in Brazil. Such explanations suffer however from being highly idiosyncratic. In addition, they do not tell us whether there are ways to motivate mayors who do not have a positive attitude or ideology to implement participatory governance arrangements.

The second type of explanation for the motivation of public officials is based on rational choice institutionalism. Several authors from different strands of the literature point to the importance of incentives for explaining differences in the political economy condition. One type of incentives that can motivate a politician to implement participatory governance arrangements are benefits, such as improved relationships with community representatives and higher popularity (Bland, 2011). Moreover, supporting participatory governance can increase the re-election chances of politicians. As Wampler (2008b) points out in his analyses of participatory budgeting in Brazil the latter benefit applies in particular to politicians who are affiliated to a party whose electoral base is dominated by a strong pro-participation social movement, such as the Brazilian Workers Party.

A second type of incentives that have been argued to influence the willingness of a local government to establish and maintain participatory governance arrangements are institutional incentives⁵ that arise from the formal and informal enforcement of such arrangements (Blair, 2000; Devas & Grant, 2003; Gibson & Lehoucq, 2003; Kauneckis & Andersson, 2009).

⁵ Institutional incentives have been defined in this line of research as “(...) *the expectations of future rewards and penalties associated with one's actions*” (Andersson & van Laerhoven, 2007, p. 1092).

According to a comparative study of four Latin American countries the most important institutional incentives are set by civil society organizations that actively demand to be included in decision-making and by central government actors who enforce and support participatory governance mechanisms at the local level (Andersson & van Laerhoven, 2007). The former brings the discussion on the political economy condition back to the civil society condition, because civil society enforcement can only be carried out by a capable and motivated civil society.

2.4 Discussion

The reviewed literature on the impact of participatory governance on government responsiveness and the quality of public service provision in developing countries is scarce and strongly limited in methods and scope.⁶ It lacks both detailed theoretical models of the impact of participatory governance reforms and empirical studies that draw on medium or large samples for testing theoretical arguments systematically. The second problem is mainly caused by the virtual absence of quantitative data on participatory governance in developing countries.⁷

Not surprisingly, the reviewed literature could so far not establish a causal link between participatory governance, government responsiveness and improved public service provision. The lack of quantitative data can partly explain this situation, but there are also other problems that affect the quality of quantitative, as well as qualitative empirical analyses. Specifically, there are three conceptual issues that have so far not been dealt with by most of the literature on the impact of participatory governance: first, as Goetz and Gaventa (2001) point out, participatory governance mechanisms can only have a positive impact on responsiveness when citizens can hold government officials accountable, i.e., when they receive information and can effectively demand corrective actions. This implies that evaluations of the impact of participatory governance need to measure the effectiveness of participatory governance in order to be able to distinguish between the finding that participatory governance has not been implemented and the finding that it does not have a positive effect.

⁶ This applies only to studies on the effect of participatory governance on local government responsiveness and public service provision. It does not refer to the literature from the deliberative democracy strand that examines the impact of participatory governance on the quality of democracy (Avritzer, 2002; Boulding & Wampler, 2010; Eguren, 2008; Schönleitner, 2004).

⁷ A notable exception to this pattern is the econometric study by Besley et al. (2005) who have collected their own data in South India.

Second, the impact of participatory governance is likely to vary with the stage of public service provision in which citizens are involved. For instance, citizen involvement in the planning of public services, e.g., in participatory budgeting is more likely to have an effect on the responsiveness of the allocation of public resources. Citizen involvement in the monitoring and evaluation of project implementation, e.g., in social audit commissions, is more likely to increase the efficiency of public spending. Hence, studies on the effects of participatory governance should state the causal relationship between a particular form of participatory governance and the outcome they evaluate explicitly.

Third, evaluations of the impact of participatory governance should control for the influence of other accountability mechanisms which can influence government responsiveness and the efficiency of public spending. For example, competitive elections and local media have been shown to affect these outcomes (Besley & Burgess, 2002; Besley & Case, 1995; List & Sturm, 2006). Therefore, they should be taken into account in the empirical analysis of the effect of participatory governance.

The literature on the conditions for effective participatory governance is much more comprehensive than the literature on its impact on government responsiveness and public service provision. Authors in this literature have arrived at a broad consensus about the key conditions that are required for making participatory governance work, i.e., the civil society and the political economy condition. Hence, most of the research focuses on explaining the civil society condition based on structural and individual level factors.

Within this literature however, case studies are usually guided by popular concepts, such as social capital and human capabilities instead of drawing on theories from economics, politics, sociology or psychology for developing explanations for civil society activity. Moreover, a number of studies particularly from the deliberative democracy and the empowerment strand of literature seem to assume a positive effect of participation on the quality of government and, hence, they do not distinguish clearly between positive findings on participatory governance and normative recommendations for policy makers. Besides, much of the empirical work concentrates on a few isolated successful cases of participatory governance, such as participatory budgeting in Porto Alegre or the People's Campaign in Kerala. This limits the scope of the explanations that these studies can provide for differences in the capacity and willingness of civil society actors to participate.

Last but not least, there is a lack of studies that evaluate both, structural and individual level explanations for the collective action of civil society actors and compare their explanatory power.

In the literature on the political economy condition, the rational choice based approach offers a more systematic explanation for differences in public official's willingness to implement participatory governance arrangements than individual characteristics of a politician. Yet, for deriving policy recommendations on how to increase the compliance of public officials more research on the effectiveness of different types of incentives for politicians and interaction effects between these incentives is needed.

Finally, the research community that examines participatory governance lacks a common analytic framework to compare the findings on the impact of and the conditions for participatory governance from different disciplines. Such a framework would facilitate research co-operations and it would foster the accumulation of knowledge on participatory governance.

2.5 Conclusion

The state of the literature on participatory governance can be interpreted in different ways. In a sceptical interpretation of the findings of this literature one would argue that there is no evidence of the purported positive effects of participatory governance. Such an interpretation would rely on the fact that the few mainly qualitative studies on this topic have not established that there is a positive impact of participatory governance on government responsiveness, access to public services, well-being and poverty. Furthermore, one would need to contend that even if participatory governance had such positive effects, they are cannot be expected to materialize in many places. The reason for this is that the two key conditions that have been found to be necessary for the effective implementation of participatory governance arrangements-the civil society and the political economy condition-have been found to be absent in a number of studies on participatory governance.

A more optimistic interpretation of the literature on participatory governance would be that the scarcity of convincing evidence on its positive effects is mainly a result of the lack of quantitative data. In such an interpretation one would stress that sound arguments for a positive impact of participatory governance can be derived from principal agent theory and that several case studies support these arguments. Moreover, outstanding examples of successful participatory governance show that the civil society and the political economy condition can be met in developing country contexts. From this one could conclude that we can expect to confirm the beneficial effects of participatory governance once more data become available and that we need to establish the “success factors” that have led to effective participatory governance, e.g., in Porto Alegre in other places to reap these benefits.

This last implication is however the most problematic point in the optimistic interpretation of the literature on participatory governance. As research on the determinants of the civil society and the political economy condition shows, it will be a long and protracted process to fulfill these two conditions in places where they are not met. This requires among other things to increase the density of civil society, to increase the capacity of citizens to engage in public discourse, to reduce poverty and to motivate central governments to support participatory governance actively. Overall, the literature review hence suggests that the positive impact of participatory governance on government accountability and responsiveness remains to be proven and that implementing participatory governance effectively is a challenging enterprise in many places.

For obtaining more robust evidence on the benefits of participatory governance future research needs to focus on conducting systematic studies with medium and large samples in a broad range of countries and locations. Such studies would also allow researchers to test the explanations for effective participatory governance that have been proposed by several case studies. Moreover, as Fox (2002) and Wampler (2004) show, participatory governance mechanisms can weaken elected legislative bodies. Hence, research on participatory governance should pay more attention to the potential of this new accountability mechanism to crowd out existing systems of checks and balances. Independent of these questions, all future research efforts would benefit from the establishment of a common analytic framework for comparing and accumulating findings on participatory governance.

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Appendix: Overview of the Reviewed Studies on Participatory Governance

Author, Title & Year	Theory / Concept	Research Design	Strand of Literature	Subject & Study Area	Main Results
Case Studies (up to five cases)					
Abers, R.: From Clientelism to Cooperation: Local Government, Participatory Policy, and Civic Organizing in Porto Alegre, Brazil. 1998.	Social capital; theories of mass mobilization and associational democracy	Case study of Porto Alegre on how state action can foster civil society organization	Deliberative democracy	Participatory budgeting/ Brazil (Porto Alegre)	Participatory budgeting increased the perceived benefits and lowered the perceived cost of participation. Hence, causation can also run from democratization to social capital which contradicts Putnam's deterministic view on social capital. The findings support theories of associational democracy and mass mobilization which stress the importance of a window of opportunity and an enabling environment for successful collective action.
Andersson, V.: Popular Participation in Bolivia: Does the law "Participación Popular" secure participation of the rural Bolivian population? 1999.	Sociological analysis of lifeworlds; political power structures	Case study of the causes for the lack of implementation of the law in one municipality	Empowerment	Municipal vigilance committees/ Bolivia	The Popular Participation Law has not been implemented in the case municipality. National party politics dominate local politics and formally established base organizations do not take indigenous traditions of organization into account; the local government is found to be corrupt and to deliver services of low quality.
Avritzer, L.: Participatory Institutions in Democratic Brazil. 2009.	Development of a theory of participatory institutions	Analysis of the emergence of participatory institutions in Brazil and their current performance in a comparative case study of four cities	Deliberative democracy	Participatory budgeting, health councils, city master plans/ Brazil	Stresses the importance of the context, i.e., political society and civil society characteristics, for the implementation of participatory governance. The institutional design of participatory institutions should be adapted to the context. The interaction between political will and a high level of civil society capacity yields successful participatory governance.
Baiocchi, G.: Participation, Activism and Politics: The Porto Alegre Experiment and Deliberative Democracy Theory. 2001.	Empowered Deliberative Democracy (EDD)	Case study of the functioning of participatory budgeting in one municipality based on a quantitative household survey	Deliberative democracy/ Empowerment	Participatory budgeting/ Brazil (Porto Alegre)	The three potential problems with EDD, i.e., inequality in meetings, crowding-out of civil society initiatives, and opposition from powerful interest groups, have been successfully addressed or not arisen in Porto Alegre. The poor participate in meetings, civil society activity has even increased and the powerful have not managed to stop the initiative.

Author, Title & Year	Theory / Concept	Research Design	Strand of Literature	Subject & Study Area	Main Results
Barrientos, I.: Participación Ciudadana y Construcción de Ciudadanía Desde los Consejos de Desarrollo. El Caso de Chichicastenango. 2007.	Capability approach; sociological theories of authoritarian societies	Case study of the functioning of participatory planning in one municipality based on qualitative primary data	Empowerment	Municipal and communal development councils/ Guatemala (Chichicastenango)	The Municipal Development Council works reasonably well, it has formed commissions and integrates a broad range of actors in the case municipality. But there are still large obstacles towards the “ideal” implementation of participatory governance.
Bräutigam, D.: The People’s Budget? Politics, Participation and Pro-Poor Policy. 2004.	Theories on forms of participation; Arnstein’s ladder of participation	Comparative case study of five cases on whether participatory budgeting makes spending more pro-poor	Democratic decentralization / empowerment	Participatory budgeting/ Brazil, Ireland, Chile, Mauritius, Costa Rica	Participatory budgeting is neither necessary, nor sufficient for making spending more pro-poor. It seems to work if a leftist party is in power and if there is a strong national auditor, media pressure, and an informed civil society. Resource-generating actors (businesses) should be included in participatory budgeting to make it more sustainable.
Brinkerhoff, D. W., Brinkerhoff, J. M. & McNulty, S.: Decentralization and Participatory Local Governance: a Decision Space Analysis and Application to Peru. 2007.	Rational choice theory, principal-agent theory; decision-space analysis	Case study of two regions to analyze the decision-space of local governments and the functioning of participatory governance	Democratic decentralization	Regional development council and participatory budgeting/ Peru	There is a large gap between the law on paper and practice in Peru. Participatory governance works best when there is committed local leadership, well organized civil society organizations and central government monitoring.
Costa, A. C., Kottak, C. P. & Prado, R. M.: The Socio-Political Context of Participatory Development in Northeastern Brazil. 1997.	Anthropological theories on determinants of collective action	Case study of how cultural factors affect participation and how participation affects development project outcomes	Deliberative democracy	Participatory planning/ Brazil (Northeast)	There is some evidence on a positive impact of community participation in planning on development project outcomes and civicness. The prior cultural setting (patron-client relationships, elite manipulation) has an influence on the level of participation.
Eguren, I. R.: Moving Up and Down the Ladder: Community-Based Participation in Public Dialogue and Deliberation in Bolivia and Guatemala. 2008.	Deliberative democracy	Comparative case study of the factors that affect the implementation of participatory governance mechanisms	Deliberative democracy	Municipal development councils and national consultation on health policy/ Bolivia, Guatemala	Committed local leadership and increasing the awareness for participatory governance among the population made participatory spaces successful. Participation can thrive on existing informal indigenous institutions.

Author, Title & Year	Theory / Concept	Research Design	Strand of Literature	Subject & Study Area	Main Results
Fox, J.: La Relación Recíproca entre la Participación Ciudadana y la Rendición de Cuentas: la Experiencia de los Fondos Municipales en el México Rural. 2002.	Social capital	Case study of four Mexican states to explore the relation between accountability, social capital and municipal autonomy	Democratic decentralization	Participatory planning of social infrastructure investments/ Mexico	Social capital is a key determinant of successful participatory planning that yields poverty alleviating investments. Municipal autonomy can be at odds with participatory planning mechanisms when they are implemented by the central government.
Francis, P. & James, R.: Balancing Rural Poverty Reduction and Citizen Participation: The Contradictions of Uganda's Decentralization Program. 2003.	Political economy of decentralization and accountability	Case study of three villages. Analysis of the implementation of Uganda's laws on decentralization and participatory governance	Democratic decentralization.	Village planning councils/ Uganda	The planning structures in the villages are not participatory, but remain clientelistic. There is a lack of financial autonomy at the local level. Decisions in the planning process do not reflect local needs and the political system does not provide enough information to villagers to hold officials accountable.
Gibson, C. & Woolcock, M.: Empowerment, Deliberative Development, and Local-Level Politics in Indonesia: Participatory Projects as a Source of Countervailing Power. 2008.	Empowerment, capabilities, routines of deliberative contestation	Comparative case study of four communities	Empowerment / deliberative democracy	Community involvement in service delivery projects/ Indonesia	Interventions and capacity building measures by non-governmental organizations (NGOs) can strengthen the capacity of civil society to engage in routines of contestation and to use of deliberative repertoires in participatory organizations.
Goetz, A.M. & Jenkins, R.: Hybrid Forms of Accountability-Citizen Engagement in Institutions of Public-Sector Oversight in India. 2001.	Conceptualization of various forms of accountability	Analysis of new forms of accountability with two case studies from two Indian states	Democratic decentralization / empowerment	Service delivery audit by civil society/ India (Maharashtra, Rajasthan)	"Diagonal accountability", i.e., involving citizens in public sector oversight has reduced corruption in service delivery in some locations in India. Limitations of such mechanisms are problems of legitimacy and control of power of NGOs, as well as a limited impact on policy.
Goldfrank, B.: The Politics of Deepening Democracy: Decentralization, Party Institutionalization, and Participation. 2007.	Deliberative democracy.	Comparative analysis of three cases to figure out what factors lead to successful participatory governance	Deliberative democracy	Participatory planning of urban services/ Uruguay, Brazil and Venezuela	Three factors contribute to successful participatory governance: high local government capacity to respond to service needs, the non-confrontational party system, and interconnected community organizations that are independent from parties.

Author, Title & Year	Theory / Concept	Research Design	Strand of Literature	Subject & Study Area	Main Results
Heller, P.: Moving the State: The Politics of Democratic Decentralization in Kerala, South Africa, and Porto Alegre. 2001.	Discourse about political and technical decentralization	Comparative analysis of three cases to find out how deep and broad participation at the local level can be initiated and sustained	Democratic decentralization	Participatory budgeting, village development councils, urban forums/ India (Kerala), Brazil (Porto Alegre), South Africa	In Brazil the priorities of citizens have been taken into account; in India spending increased for housing schemes, sanitation, and drinking water; in South Africa planning processes serve mainly as instruments for exerting political and bureaucratic control. Crucial factors for success shared by all cases were: a well-developed civil society, a strong programmatic leftist party, and a strong, well-organized central state. Social movement-party relations and historical background/political project are the factors that explain why South Africa was not as successful as Kerala and Brazil.
Porter, D. & Onyach-Olaa, M.: Inclusive Planning and Allocation for Rural Services. 2000.	Participatory development discourse	Case study of five districts on the impact of participatory planning on service outcomes	Democratic decentralization	Village planning councils/ Uganda	Participation is necessary, but not sufficient to ensure efficient service delivery. Participation is also needed in later stages of public service delivery. Preferably, local political representatives should be held accountable for bad service provision outcomes.
Schneider, A. & Goldfrank, B.: Budgets and Ballots in Brazil: Participatory Democracy from the City to the State. 2002.	Participatory and direct democracy theory, public policy theories of budgeting	Case study of how participatory budgeting was scaled up to the state level and what its impact was on development outcomes	Deliberative democracy	Participatory budgeting/ Brazil (Rio Grande do Sul)	Participatory budgeting was successfully scaled up to the state level and has given marginalized groups access to decision-making. It has improved the planning efficiency of the state (overlap of planned and realized spending) and increased the share of the budget that is allocated to expenditures for health, education, and sanitation to the benefit of the poor.
Schönleitner, G.: Can Public Deliberation Democratise State Action? Municipal Health Councils and Local Democracy in Brazil. 2004.	Deliberative democracy and social capital; discourse ethic	Comparative study in four municipalities to analyze the implementation of participatory governance and its effect on service outcomes and democracy	Deliberative democracy	Municipal Health Councils/ Brazil	Local government commitment is the key determinant of whether deliberation or power politics take place in the councils. When local government commitment is combined with strong civic organization a council comes closest to the ideal of a deliberative forum. The Municipal Health Councils are embedded in local power dynamics.

Author, Title & Year	Theory / Concept	Research Design	Strand of Literature	Subject & Study Area	Main Results
Shatkin, G.: <i>Obstacles to Empowerment: Local Politics and Civil Society in Metropolitan Manila, the Philippines</i> . 2000.	Empowerment and decentralization discourse	Case study on implementation of participatory governance and its real outcomes	Empowerment/ democratic decentralization	Participatory planning of urban housing/ Philippines (Manila)	Powerful interests mostly prevail over the needs of the urban poor in allocation decisions on the construction of new housing. Participatory governance reform has not increased the influence of civil society on government decisions.
Smith, H.: <i>Costa Rica's Triangle of Solidarity: Can Government-led Spaces for Negotiation Enhance the Involvement of Civil Society in Governance?</i> 2004.	Analytical framework on governance, negotiation spaces and state capacities	Case study on the implementation and outcomes of a central government-led initiative on participatory planning in two urban neighborhoods	Empowerment	participatory planning of urban social infrastructure/ Costa Rica	The participatory planning initiative left the roles and positions of the central government, local government and civil society unchanged and was not successful in involving citizens in decision-making. The degree of successful project implementation was very low in the case study areas.
Wampler, B.: <i>Expanding Accountability Through Participatory Institutions: Mayors, Citizens, and Budgeting in Three Brazilian Municipalities</i> . 2004.	Conceptualization of forms of accountability	Comparative analysis of three cases on the motives for mayors to implement participatory budgeting and its impact on accountability	Democratic decentralization / deliberative democracy	Participatory budgeting/ Brazil (Sao Paulo, Recife, Porto Alegre)	The political environment (municipal council, electoral base, etc.) are important determinants of the mayor's implementation decision. Mixed results on accountability: participatory budgeting increases societal and vertical accountability, but it crowds out the municipal council as a body of horizontal accountability.

Author, Title & Year	Theory / Concept	Research Design	Strand of Literature	Subject & Study Area	Main Results
Comparative Studies (between six and fifty cases)					
Bland, G.: The Popular Participation Law and the Emergence of Local Accountability. 2000.	Political economy of the implementation of decentralization	Detailed description of the law and its implementation in Bolivia; four detailed cases and 38 surveyed municipalities	Democratic decentralization	Local development councils and vigilance committees/ Bolivia	The law is not uniformly implemented across Bolivia and does not function well in many cases: participatory governance forums are captured by party politics; people are not interested in participation in open council sessions, participatory budgeting often results in a mere list of preferences which do not even reflect the preferences of the population but rather those of the village representatives themselves. Mayors can be removed from office but this is used by other political parties to get into power, not as an accountability mechanism.
Bland, G.: Supporting Post-conflict Democratic Development? External Promotion of Participatory Budgeting in El Salvador. 2011.	Promotion of democracy through participatory governance	Examination of the sustainability of an externally promoted participatory budgeting program in 28 municipalities	Deliberative democracy	Participatory budgeting/ El Salvador	Externally promoted participatory budgeting works under the same conditions as home-grown reforms. The sustainability of externally promoted participatory governance in El Salvador is limited. The political will of the mayor is crucial for the sustained use of participatory budgeting. Mayors can be motivated by better relations with communities and higher popularity. Also, leftist mayors tend to be more supportive of participatory processes. Participatory budgeting works better in small municipalities because their homogeneity fosters collective action. Factors that impede independent participation are the centralization of the administration, strongly institutionalized parties, and reliance on local institutions to organize the communities.
Devas, N. & Grant, U.: Local Government Decision-Making–Citizen Participation and Local Accountability: Some Evidence from Kenya and Uganda. 2003.	Political economy of decentralization; “exit” and “voice” terminology	Comparative study of the relationship between local decision-making, accountability, and participation in seven cases	Democratic decentralization	Village councils, informal consultation and interaction with CSOs/ Kenya, Uganda	Committed local leadership, central government monitoring of performance, capable CSOs and availability of information are important determinants of good practice, i.e., accountable local decision-making.

Author, Title & Year	Theory / Concept	Research Design	Strand of Literature	Subject & Study Area	Main Results
Fox, J. & Aranda, J.: Decentralization and Rural Development in Mexico: Community Participation in Oaxaca's Municipal Funds. 1996.	Political economy of decentralization	Two-step study combining a quantitative analysis of fifty municipalities with a comparative study of twelve municipalities	Democratic decentralization	Participatory planning of social infrastructure investments/ Mexico	Most development projects were chosen by the community assemblies. Projects that were chosen by the community assemblies were comparatively more successful in terms of social benefit. The most remote (poor, indigenous) communities had less successful projects.
Wampler, B.: When Does Participatory Democracy Deepen the Quality of Democracy? Lessons from Brazil. 2008.	Historical and rational choice institutionalism	Comparative study of eight municipalities on the reasons why governments actually implement participatory budgeting	Deliberative democracy / self-governance	Participatory budgeting/ Brazil	The eight studied municipalities vary with respect to transfer of decision-making power to citizens, i.e., with respect to the degree to which participatory budgeting deepens democracy. The main conditions that explain this are: civil society and political society capacity, intervening institutions (rules), and interest/strategic choices of the involved actors.
Regression Analyses (more than fifty cases)					
Andersson, K., Gordillo, G. & van Laerhoven, F.: Local Governments and Rural Development. Comparing lessons from Brazil, Chile, Mexico, and Peru. 2009.	New institutional economics; political economy of decentralization	Quantitative analysis based on interviews with more than 1200 mayors, local officials, and farmers in 390 municipalities.	Self-governance	Participatory rural development councils, municipal planning councils, economic and social councils, roundtables/ Brazil, Chile, Mexico, Peru	The effectiveness of agricultural service provision depends on whether formal or informal participatory governance arrangements are in place in a municipality. This link is independent of the degree of decentralization in a country. Involving local actors in the design of institutional arrangements for participatory planning, horizontal learning and co-provision of services makes public services more pro-poor. Perverse incentives for corruption, clientelistic practices and paternalistic government structures hinder participatory governance.
Andersson, K. P. & van Laerhoven, F.: From Local Strongman to Facilitator: Institutional Incentives for Participatory Municipal Governance in Latin America. 2007.	Institutional rational choice theories	Quantitative study of a sample of 390 municipalities on the factors that motivate a mayor to invite participation	Self-governance	Municipal planning forums, co-production of services, and field presence of municipal staff/ Brazil, Chile, Mexico, Peru	Institutional incentives (demand from CSOs, support and supervision of central government) outperform political structure (competitiveness of elections, party structure) and socioeconomic context variables (literacy, level of income) in explaining whether participatory local governance takes place.

Author, Title & Year	Theory / Concept	Research Design	Strand of Literature	Subject & Study Area	Main Results
Besley, T., Pande, R. & Rao, V.: Participatory Democracy in Action: Survey Evidence from India. 2005.	Political economy equilibrium model	Quantitative analysis of the determinants of holding a Gram Sabha meeting and of its impact on targeting of needy groups	Democratic decentralization	Village planning councils and allocation of below poverty cards/ India (Andhra Pradesh, Karnataka, Kerala, Tamil Nadu)	In villages that hold a Gram Sabha meeting below poverty line rationing cards are better targeted towards the needy. But, higher literacy also improves targeting significantly and is correlated with holding Gram Sabha meetings. Villages with a higher literacy rate and villages that are more populous are more likely to hold a Gram Sabha meeting. Also, disadvantaged groups are more likely to participate than the wealthy.
Boulding, C., & Wampler, B.: Voice, Votes, and Resources: Evaluating the Effect of Participatory Democracy on Well-Being. 2010.	Deliberative democracy, livelihoods	Quantitative analysis of the impact of participatory budgeting on well-being based on panel data from 220 municipalities	Deliberative democracy / democratic decentralization	Participatory budgeting/ Brazil	Participatory budgeting adoption has increased municipal spending on health and education significantly, but the changes in the allocation of resources did not lead to significant changes in indicators of well-being.
Meta-analyses of Case Studies, Literature Reviews, and Theoretical Contributions					
Ackerman, J.: Co-Governance for Accountability: Beyond "Exit" and "Voice". 2004.	Rational choice theory; principal-agent theory; "exit" and "voice" terminology	Review of five case studies to analyze the determinants of effective participatory governance and the impact of co-governance on accountability of bureaucrats and public officials.	Democratic decentralization	Participatory budgeting, management of a electoral institute and school councils, community councils for rural development, social auditing/ Brazil, India, Mexico, United States	Co-governance can foster accountability and strengthen the capacity of state and society actors; it can reduce possibilities for corruption and the political use of public funds (Brazil). Citizens should be involved early on and participate also in the design of co-governance mechanisms. Participation should be actively encouraged by the state and participatory mechanisms should be institutionalized.
Blair, H.: Participation and Accountability at the Periphery: Democratic Local Governance in Six Countries. 2000.	Political economy of decentralization	Review of six case studies to analyze the relation between participation, accountability, and democratic local governance	Democratic decentralization	Public planning meetings, formal grievance procedures/ Bolivia, Honduras, India, Mali, Philippines, Ukraine	Both, participation and accountability are important elements of effective democratic local governance; given central government support local accountability mechanisms can prosper. But, participatory budgeting is neither necessary, nor sufficient to make spending more pro-poor.

Author, Title & Year	Theory / Concept	Research Design	Strand of Literature	Subject & Study Area	Main Results
Brinkerhoff, D. W. & Azfar, O.: Decentralization and Community Empowerment: Does Community Empowerment Deepen Democracy and Improve Service Delivery? 2006.	World Bank: empowerment and accountability framework for service delivery; “exit” and “voice” terminology	Review of several studies on the relationship between community empowerment and democratic local governance	Democratic decentralization	Participatory budgeting, school and health committees/ Numerous locations	The more decentralization moves towards devolution the greater the space for communities to exercise voice. Community empowerment can strengthen accountability and responsiveness effects of decentralization. The effect of community participation on accountability depends on local political support for such involvement and discipline imposed by higher levels of government.
Commins, S.: Community Participation in Service Delivery and Accountability. 2007.	World Bank: empowerment, accountability framework for service delivery	Review of several studies on the impact of participation on public sector accountability and service delivery, as well as the effect of context factors on participation	Democratic decentralization	Participatory school management, co-production of services, vigilance committees, citizen scorecards/ Numerous locations	Participation can increase the allocative and productive efficiency of public service provision and accountability. Context factors that influence the effectiveness of participation are the degree of heterogeneity of the population, the type of service that is provided and the spatial context. Legislation alone does not lead to effective participation.
Evans, P.: Development as Institutional Change: The Pitfalls of Monocropping and the Potentials of Deliberation. 2004.	Deliberative democracy, capability approach; discourse ethic	Review of studies on two cases of participatory governance to analyze the conditions for and the effect of participation on human development	Deliberative democracy / empowerment	Participatory budgeting, village planning meetings/ Brazil, India (Kerala)	Participatory governance mechanisms must be socially self-sustaining and overcome the political economy and the growth problem. Participatory budgeting in Brazil has increased cost recovery and expanded public infrastructure. Participation in Kerala goes along with high human development indicators and highly efficient service delivery.
Fung, A. & Wright, O.: Deepening Democracy: Innovations in Empowered Participatory Governance. 2001.	Empowered Deliberative Democracy (EDD)	Derivation of a normative model of participatory governance from five case studies of participatory governance	Deliberative democracy / empowerment	Habitat Conservation Planning, participatory budgeting, participatory planning/ United States, Brazil, India	The authors develop the concept of “Empowered Deliberative Democracy (EDD)”. The main elements of this concept are participation, deliberation, and empowerment. They identify institutional design principles and contextual conditions that are required for successful EDD.

Author, Title & Year	Theory / Concept	Research Design	Strand of Literature	Subject & Study Area	Main Results
Goetz, A.M. & Gaventa, J.: Bringing Citizen Voice and Client Focus into Service Delivery. 2001.	Theories on forms of participation; own analytical framework on forms of exercising voice	Review of several studies to identify successful ways to increase the responsiveness of service providers to the needs of the poor	Empowerment	Various examples of participatory governance/ Numerous locations	Only where citizens have real influence do initiatives increase accountability and responsiveness. Key conditions for successful initiatives are: formal recognition of citizen participation, continuous presence of observers, access to official documents, and the right to pass negative reports to the legislative or seek formal investigation/legal redress for poor service delivery.
Goldfrank, B.: Lessons from Latin America's Experience with Participatory Budgeting. 2007.	Deliberative democracy	Review of the literature and comparison of five case studies on the implementation of participatory budgeting	Deliberative democracy	Participatory budgeting/ Guatemala, Brazil, Bolivia, Nicaragua, Peru	The conditions for successful participatory budgeting are: political will of the incumbent, social capital of CSOs who want to participate, bureaucratic competence, small decision-making units, resources to implement projects, a legal foundation for participation, and political decentralization. Based on these factors the potential of the five cases for implementing participatory budgeting is assessed.
McGee, R., et al.: Legal Frameworks for Citizen Participation: Synthesis Report. 2003.	Participatory development discourse; deliberative democracy	Review several case studies on the implementation of legal frameworks for citizen participation	Deliberative democracy	Several legal frameworks/ Numerous locations	Identification of enabling characteristics of legal frameworks and enabling contextual factors, such as a strong civil society, trustful relationship between the state and citizens, progressive political parties, transparency, and a commitment of the elite to participation.
Robinson, M.: Participation, Local Governance and Decentralised Service Delivery. 2003.	Democratic decentralization and service delivery discourse	Review of several studies on the impact of participatory governance on equity of service delivery	Democratic decentralization	Various examples of participatory governance/ Numerous locations	The evidence so far on the impact of participatory governance is not generalizable because it contains mainly case studies. Hence, one cannot draw conclusions on its impact on the equity of access to public services.
Wampler, B.: Grafting Participatory Governance onto Representative Democracy and Existing State Institutions: Explaining Outcomes via Political Society and Civil Society Lenses. 2008.	Historical and rational choice institutionalism, social capital	Development of a analytical framework for analyzing the conditions for participatory institutions	Democratic decentralization	Various examples of participatory governance/ Numerous locations.	Develops a theoretical framework for explaining successful participatory institutions. Argues that the variables that affect functioning of participatory institutions are: state and civil society capacity, political and civil society regime and individual interests within the two, as well as intervening institutional variables.

3. **Method Refinement (Paper 2):
“Structuring the Calibration of Qualitative Data as Sets for
Qualitative Comparative Analysis (QCA)”***

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Abstract: Most studies that apply fuzzy-set Qualitative Comparative Analysis (fsQCA) rely on macro-level data, but an increasing number of studies rely on units of analysis at the micro level, i.e., communities, local associations, protected areas or departments. For such studies qualitative interview data are often the primary source of information. Yet, so far no procedure is available describing how to calibrate interview data to fuzzy-sets. We propose a technique to do so and illustrate it using examples from the study of Guatemalan local governments. By spelling out the details of this important analytic step we aim at contributing to the growing literature on best practice in fsQCA.

Keywords: fsQCA, interview data, fuzzy-sets, intermediate n studies, best practice

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3.1 Background and Goals

Qualitative Comparative Analysis (QCA) constitutes one of the most exciting and novel analytical tools in social-science in the last thirty years. QCA offers the possibility to compare intermediate numbers of cases and to assess the necessity and sufficiency of causal conditions. It is based on set theory, Boolean Algebra, and its fuzzy-set version (fsQCA) draws on fuzzy logic (Zadeh 1965). The overall aim of any QCA is “(...) *to allow systematic cross-case comparisons, while at the same time giving justice to within-case complexity*” (Rihoux and Ragin 2009: xviii).¹

QCA has been welcomed by many social scientists because it promises to maintain a constant dialogue between theory and evidence throughout the analytical process. The goal of this paper is to advance this dialogue in contexts where scholars are working with qualitative data on intermediate numbers of cases. For this purpose, we introduce a systematic and transparent procedure that allows scholars to transform qualitative data from interviews or secondary sources (e.g., texts from archives, websites, company profiles, NGO leaflets) to fuzzy sets. We aim to add to the growing literature on best practice in applying fsQCA techniques (Ragin 2000, 2008; Rihoux and Ragin 2009; Schneider and Wagemann 2010).

The number of empirical studies that rely on QCA as an analytical tool to systematically compare across intermediate numbers of cases continues to increase and has surpassed several hundred in the last years (www.compass.org). QCA first emerged in comparative sociology, a subdiscipline within sociology that is dominated by qualitative case-oriented scholars (Yamasaki and Rihoux 2009). Thus, it should not come as a surprise that the main applications of QCA have been to macro social phenomena, the traditional areas of interest to comparative sociologists or comparative political scientists, e.g., peasant revolts or regime change (Grofman and Schneider 2009).

¹ QCA can be used to compare factors systematically and rigorously across several cases. This increases the external validity of the results compared to single case studies without losing information on the complexity and richness of cases as it happens in standard quantitative analyses. Unlike in statistic-based methods, causality is conceived in QCA as non-linear, non-additive and non-probabilistic. More specifically, QCA allows for multiple conjunctural causation, i.e., it acknowledges that different combinations of causal conditions can lead to the same outcome (Berg-Schlusser et al. 2009).

But in the last years QCA applications in other areas, such as natural resources (Heikkilä 2003; Lam and Ostrom 2010; Rudel 2005; Wade et al. 2003), firms and markets (Skoko et al. 2006), and decentralization (Lindner 2010), are increasing.

A non-exhaustive review of the main repository of QCA literature (www.compass.org) shows that: 1) Most QCA studies use crisp set QCA, which uses only dichotomous data. 2) Only few studies apply QCA to interview data. There are several reasons for these two trends. While fuzzy-set QCA is a more advanced technique which allows for partial membership of cases in conditions and outcomes, its adoption lag is to be expected as it takes time for scholars to adopt new techniques. The scarcity of studies applying QCA to interview data could be due to the fact that most QCA applications are still situated within comparative sociology and politics and therefore focus on the study of macro social and political phenomena. In these areas the individual is not the typical unit of analysis or the source of data.

The few studies at the micro-level that use interview data for their QCA mostly coded their data as crisp sets, without providing much detail on the coding criteria (Haworth-Hoepfner 2000; Marx 2008; Lam and Ostrom 2010; Lindner 2010; Skoko et al. 2006). The predominant use of crisp sets is counterintuitive given that the richness of qualitative data would be better represented by fuzzy rather than crisp sets. Yet, one of the factors that might be discouraging scholars from pursuing fsQCA to analyze their interview data could be the lack of—and the need for—a clear and transparent procedure with which to calibrate qualitative interview data to fuzzy sets. Hence, we argue that until now the linkage between qualitative interview data and fuzzy sets has not received enough attention from fsQCA scholars and that a calibration technique is needed to make fsQCA more accessible for scholars who use interview data.

The procedure presented here is based on the experience of the authors developing fieldwork-based projects to study decentralization issues in Central America using fsQCA (Basurto 2007, 2009; Speer 2010b). These projects relied mainly on interviews as data sources and thus needed to develop a technique for calibrating these data to fuzzy sets. The explanation of this technique is illustrated with examples from a study that we conducted in Guatemala.

The technique we propose consists of six stages, beginning with the preparation of data collection and ending when the fuzzy-set values of cases are assigned. Note that this is not a paper about how to run a fsQCA. We assume that the reader has some basic understanding of fsQCA concepts and general procedures and is looking for guidance on how to best approach the preparation of interview data for fsQCA analysis.

3.2 **Background of the Guatemalan Study**

Aim and research question: The aim of the study in Guatemala was to evaluate which accountability mechanisms contribute to good governance of public services. Large parts of the poor population in rural Guatemala lack access to basic public services. In light of the importance of these public services for improving the livelihoods of the rural poor and the low budget of the Guatemalan state, it is crucial that the state provides these services efficiently and that public spending responds to the needs of the poor. The research question of the study is therefore: under what conditions are local governments responsive to their mainly poor electorate?

The Theory: The provision of public services to rural areas in developing countries has been found to be primarily affected by information asymmetries and conflicts of interest between the mayor and the population. These two problems were first conceptualized in political agency theory in models that show how retrospective voting in elections can act as a disciplining device for politicians who shirk by either exercising reduced effort in carrying out their task or by diverting resources to private ends (Barro 1973; Ferejohn 1986). The objective from the point of view of the electorate then is to devise institutions that provide incentives for a self-interested mayor to refrain from opportunistic behavior (Moe 1984).

The baseline political agency model shows how competitive elections can increase local government discipline. An extension of the model predicts that good access to information for citizens e.g., through active local media can have a positive effect on local government performance by making elections more effective as an accountability mechanism (Besley 2007: 108-111 and 128-132). Finally, another extension of the model shows that effective participatory governance can increase local government's discipline, since participatory governance forums serve both as a source of information, and as a sanctioning mechanism (Speer 2010b).

These arguments are summarized in the following research hypothesis: the combination of competitive elections (CFE) and good access to information through media (GAI) or effective participatory governance (EPG) are likely to contribute to a local government that acts in the interest of its electorate. In formal QCA notation the hypothesis reads as: $CFE * GAI + EPG \rightarrow RLG^2$

Empirical Strategy: The study evaluated this hypothesis in a fsQCA of ten rural local governments (Speer 2010a). The unit of analysis of this study is the municipality, i.e., a local government's constituency. The qualitative data were mainly collected through semi-structured interviews. Overall we completed 88 stakeholder interviews and eleven expert interviews. To obtain quantitative data e.g., on the frequency of MDC meetings, we collected complementary secondary data, such as minutes of MDC meetings³ and municipal budgets, as well as economic, political, and social information. The fuzzy-set QCA used in the Guatemala study is based on quantitative and qualitative measures, but for purposes of illustrating our technique we will only provide examples of qualitative measures.

3.3 The Procedure: From Interview Data to Fuzzy-Set Values

In the following sections we outline the procedure that we developed to calibrate interview data to fuzzy sets and obtain fuzzy-set values ready to be loaded into the fsQCA software for analysis. We elaborate on the six stages of our procedure, describing them in chronological order. In Stage 1 we identified and operationalized the conditions and the outcome. In Stage 2 we developed the anchor points and elaborated the interview guideline. After coming back from the field, we applied a content analysis to the raw interview data (Stage 3) and summarized the code output (Stage 4). Then, we determined the fuzzy-set scale and defined the fuzzy-set values (Stage 5). Finally, in Stage 6 we assigned and revised the fuzzy-set values of the causal conditions and the outcome for each case.

² The Boolean algebra notation of the hypothesis in the box uses: “+” to represent logical “OR”, “*” for logical “AND”. Lower case letters refer to logical negation/absence of a condition.

³ The MDCs are participatory governance forums for the planning, monitoring and evaluation of municipal projects for building or repairing social infrastructure. In the MDC representatives from the communities and local civil society, as well as officials of the municipal and central government meet once a month.

3.3.1 Stage 1: Identifying Measures of the Causal conditions and the Outcome

We start the description of the procedure by identifying the theoretically relevant factors and the outcome to observe and then developing appropriate measures to operationalize them. In fsQCA terminology, the factors are the “causal conditions”. Then, we derived a testable hypothesis and determined appropriate measures for the causal conditions and the outcome before collecting interview data in the field (see Stage 2). We recommend stating the hypotheses in formal QCA notation preferably identifying which conditions are expected to be necessary and which conditions are expected to be sufficient for the outcome. Yet, a deductive research design is not required for implementing the procedure we propose. It is also possible to carry out the fsQCA using a more open, inductive research strategy.⁴

Next we developed a preliminary list of measures of the conditions and the outcome. The operationalization of the theoretical concepts of the causal conditions and the outcome can be based on standard scientific practice and/or the researcher’s knowledge of the empirical context she is going to investigate (Ragin 2000). Measures may be added or dropped from the preliminary list during the research process based on the substantial information gained while studying your cases. Gathering qualitative data is likely to be a source of important case and contextual knowledge that will inform the operationalization of the theoretical concepts for your cases. Box 1 contains an example of the preliminary list of measures that we devised for the Guatemala study and the adjustments we made after returning from the field.

⁴ We recognize that there are many traditions in the social sciences that follow other strategies for designing their research. We assure those scholars who use more open research designs that our calibration technique can be equally useful to you. For a discussion of several ways on how to select the conditions for a QCA see Berg-Schlusser and De Meur (2009: 25-32).

Box 1: Developing a preliminary list of measures of conditions

For each of the conditions and the outcome we developed a preliminary list of measures to be recorded in the field. Below we provide a list of four preliminary measures that we considered for measuring the degree of access to information (GAI).

Condition	Preliminary Measures
Good Access to Information (GAI)	Amount of coverage of local political issues in local media
	Circulation of local media
	Accessibility of official documentation in public information offices
	Frequency of NGO/donor information campaigns

In the field the researcher often learns new things about the measure first selected and adjustments need to be made accordingly. In the Guatemalan project we learned that official documents were accessible in all municipal public offices and that NGOs do not provide information on local government decisions and plans. In this context, the accessibility of official documentation turned out not to display any variance and the frequency of NGO information provision was zero in all municipalities. Hence, we dropped these two measures and only measured access to information as a composite measure that reflected the amount of coverage of local politics in local media and their circulation. The final version of the list of measures for GAI looked like this:

Condition	Final Measures
Good Access to Information (GAI)	Availability of news on local politics for majority of population on TV
	Availability of news on local politics for majority of population on the radio
	Availability of news on local politics for majority of population in newspapers

Figure 1: Box 1: Developing a preliminary list of measures and conditions

3.3.2 Stage 2: Developing Anchor Points and the Interview Guideline

We collected data on each measure of the Guatemala study using mainly semi-structured interviews.⁵ In preparing the interview guideline, we first developed a list of anchor points of each fuzzy set. Anchor points are the three main thresholds that structure a fuzzy set: 1 (threshold for full membership), 0.5 (cross-over point), and 0 (threshold for non-membership) (Ragin 2000: 160). Anchor points help the researcher to clarify how to distinguish a case that is more in the set from a case that is less in the set.

⁵ See Bernard (2006) for information on interviewing techniques and data collection in developing countries.

We determined the initial anchor points based on our knowledge of the theoretical concepts we were aiming to measure and our knowledge of the context of our cases.⁶ Back from the field we revised the initial anchor points and adapted them when necessary. Yet, even though they may change during the research process, developing anchor points is essential for judging during an interview whether an interviewee’s answer is detailed enough for measuring the fuzzy-set values of the cases and for elaborating the specifying questions in the interview guideline. Thinking about the anchor points also improved the definitions of the theoretical concepts we used. See Box 2 for an illustration of the development of anchor points.

Box 2: Developing anchor points

We developed a list with anchor points for all measures of the conditions and the outcome. The list below shows the preliminary anchor points that we determined for three measures of participatory governance. Later in the research process we replaced them with the final fuzzy-set value definitions (see Step 5). We only present a few measures of participatory governance used in the Guatemalan study to illustrate the development of anchor points.

Condition: Participatory governance	
Measure	Anchor points
Frequency of Municipal Development Council (MDC) meetings	0: MDC has not met in the last year
	0,5: MDC has met six times in the last year
	1: MDC has met 12 times or more in the last year
Provision of information from village heads to Municipal Corporation	0: The Municipal Corporation has not received any information on community preferences in the last year
	0,5: The Municipal Corporation received the preference lists from half of the communities in the last year
	1: The Municipal Corporation received the preference lists from all community representatives in the last year
Provision of information from Municipal Corporation to MDC about allocation of funds: oral or printed information on municipal budget revenues and expenses and on allocation of central government funds	0: The Municipal Corporation has not informed on any of these issues in the last year
	0,5: The Municipal Corporation has informed about selected topics at irregular intervals in the last year
	1: The Municipal Corporation has informed about both issues in the legally mandated intervals in the last year

Figure 2: Box 2: Developing anchor points

⁶ The challenge to assign a numerical value such as an anchor point to a verbal label is not unique to fsQCA, but frequently encountered e.g., in the design of questionnaires for quantitative research. The assignment of anchor points is easier for some measures for which there are already agreed-upon thresholds, such as the cut-off point for poor countries in international GDP rankings, and more difficult for others where no consensus has been established so far.

Then, we designed the interview guidelines in three steps. First, we devised one section per causal condition and the outcome in our interview guideline. For example, since we examined three causal conditions and one outcome in the Guatemalan study, the interview guideline had four sections. Second, we defined an introductory eliciting question for each section and within the sections we included a sub-question on each measure. Starting with an open initial eliciting question leads the interviewee into the topic and allows them to talk about the ideas that first came to their minds, and thus inform us about their relevance. The sub-questions elicit more targeted information about a selected measure. Including additional sub-questions that explore new dimensions of the theoretical concept or additional measures is also recommended. In the third step, we added specifying questions for following up on answers to the sub-questions based on the anchor points. The purpose of this step is to anticipate situations in which a respondent would not answer in enough detail to determine the fuzzy-set value of a measure of a causal condition or outcome. We provide examples of each step in Box 3.

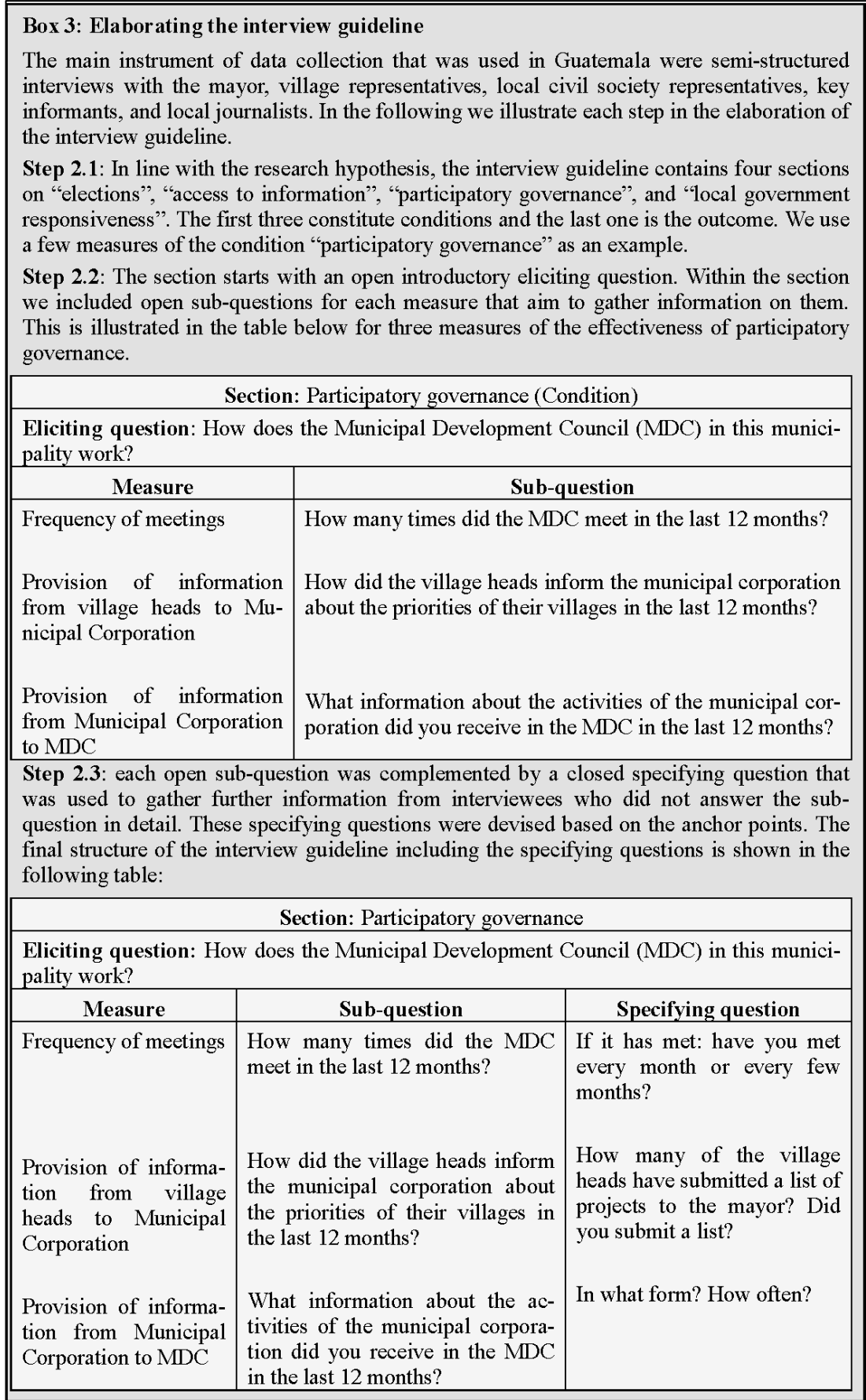


Figure 3: Box 3: Elaborating the interview guideline

3.3.3 *Stage 3: Interview Coding*

After completing data collection we performed a content analysis of the raw interview data using qualitative data analysis software. To code our Guatemalan interview data we developed an initial list of codes based on the list of measures of the causal conditions and the outcome. When interviewees pointed out an additional dimension of one of our theoretical concepts that we had not captured in the initial list of measures (and thus for which there was no code in the initial list of codes for that dimension) we added it in the course of the content analysis using open and in-vivo coding. For instance, the content analysis of the interviews from Guatemala revealed that there were large differences in access to local media between rural and urban areas. Hence, we added the codes “mediause_rural” and “mediause_urban” and subsequently took them into account in measuring access to information through local media.

3.3.4 *Stage 4: Summarizing the Interview Data to Qualitative Classifications*

At this stage we carried out a systematic analysis of the coded interview data (code output) and summarized all quotations within one case for each code. We relied on qualitative data analysis software for this stage, but there are a number of techniques for summarizing interview data that can be done without software (see Bernard and Ryan 2010).

We extracted interview quotations for one code for several groupings of interviewees in three different ways (see Box 4). First we examined all quotations that had been coded with the same code across all cases (i.e., municipalities) and interviewees (Step 1). For example, we reviewed all quotations that had been coded with “mediause_rural” (by reviewing all data that we collected on each code, we could make sure that there was sufficient reliable data for all cases on the respective measure). Furthermore, we assessed whether there was enough variation across cases in each measure and, if so, which range of values of the measure we observed. Measures for which we could not collect sufficient data in the field or that turned out to display no variation across our cases were dropped from the list. The result of this revision process was the final list of measures that we used for our causal conditions and the outcome.

Second, we extracted data once for each code per type of interviewee (Step 2). For instance, we looked at all answers from village representatives that had been coded as “downward information flow from the local government”. This allowed us to detect biases in the responses of certain types of interviewees and to take into account the particular characteristics of different types of interviewees in evaluating their answers. In our Guatemala study, village representatives were often economically or politically dependent on the mayor and therefore avoided saying that the mayor did not inform them about his spending decisions.

Being aware of such biases in responses is crucial for the third step of the analysis: the summarizing of all interview quotations on one code for each case to formulate a qualitative classification⁷ (Step 3). For instance, we reviewed the interview quotations from all ten interviewees of the Guatemalan municipality of San Bueno⁸ that we had coded with “downward information flow from the local government”. Then we summarized all these quotations from the mayor, the village representatives, NGO members, etc. to create the qualitative classification of San Bueno for the measure “provision of information from the Municipal Corporation to the Municipal Development Council”. In our example, the qualitative classification was “the local government of San Bueno provides yearly information on total revenues and expenses”. In stage six, the qualitative classifications of each case will be matched to a fuzzy-set value.

The challenge of the last step is to summarize the information of several interviewees in one statement that best reflects the case.⁹ As in all interview data, it is possible that two or more interviewees contradict each other. Based on our knowledge of the cases, the context, and the data, we were in a position to solve such contradictions in the replies of interviewees and to decide how to weigh the different answers of interviewees for the same measure of interest.

⁷ We use the term “qualitative classification” to refer to the verbal statement that indicates the expression of a qualitative measure for a case. We follow the terminology used by Adcock and Collier (2001). The quantitative equivalent of a qualitative classification is the numerical score of a case on a measure or indicator.

⁸ We use a fictional name to illustrate this example.

⁹ Please mind that such a reduction of qualitative data makes it necessary to cut away some of the complexity of the data. For example, the qualitative classifications cannot reflect different interpretations of a concept among several actors in one case. Such interesting additional findings should be part of the qualitative analysis of the cases that should complement any fsQCA.

For triangulating interviewees' answers we drew on information about the Guatemalan context, about each case, about potential sources of biases in answers from interviewees, and secondary data, such as minutes of the meetings of a council and municipal budgets. The decisions on contradictions in the data and the information based on which they were made need to be transparent in the presentation of the results of the analysis.

Box 4: Summarizing qualitative data for each case		
The table below summarizes the most important aspects of reviewing the interview data which we sorted in three different ways to arrive at the final table of measured values for all cases and all codes.		
Logic of review	Tasks	Output
<u>Step 4.1:</u> For each code review data from all cases and all interviewees	Ask yourself for each code: <ul style="list-style-type: none"> ✓ Is there sufficient reliable information for all cases? ✓ Is there sufficient variation across cases? ✓ Do I need to add this code as a measure to the list? 	Final list of measures of conditions and outcome
<u>Step 4.2:</u> For each code review data from all cases sorted by interviewee group	Check for each code and interviewee group whether there are biases due to: <ul style="list-style-type: none"> ✓ relation with other actors ✓ social position ✓ level of education ✓ other factors 	List of systematic biases in responses of interviewee groups for each code
<u>Step 4.3:</u> For each code review data from all interviewees sorted by case	Summarize quotations for each code within each case. If there are contradictions, resolve them using information on: <ul style="list-style-type: none"> ✓ systematic biases in responses (see Step 4.2) ✓ interview situation, consistency of answers ✓ common interview problems ✓ secondary data 	Table with measured values for all cases (see Box 6 for an example)

Figure 4: Box 4: Summarizing qualitative data for each case

3.3.5 Stage 5: Determining the Precision of Fuzzy Sets and Defining their Values

Before we matched the qualitative classifications to fuzzy-set values we determined the degree of precision of the fuzzy-sets we defined each of their values. The degree of precision of a fuzzy set is determined by the level of detail in the qualitative data we use. For the Guatemalan study data the data lent itself to a four value fuzzy set for each measure. Such a fuzzy set would have the values: “fully out (0)”, “more out than in (0,33)”, “more in than out (0,67)”, and “fully in (1)”.

Our qualitative data was not suitable for a more finely scaled fuzzy set ¹⁰ as it became increasingly difficult to assign different fuzzy-set values to two cases if these values were very close to each other.

The definition of each of the fuzzy-set values is based on the theoretical concept of interest and it draws on the researcher's in-depth knowledge of cases (Ragin 2000, 2008). Discussions in the literature about the definition of the concept allowed us to determine the main elements of "effective participatory governance" or "competitive elections." The discourse on the concept of participatory governance reveals, for example, that one of its essential elements is "inclusiveness," i.e., the quality of participatory governance depends on who participates. In other words, you must spell out the definition of the theoretical concept clearly and ensure to adequately measure the concept. This is crucial for being able to derive implications for theory development from the findings of the fsQCA.

Besides closely examining the theoretical concept, we also took into account the socio-cultural context of our cases for determining the four fuzzy-set values. This is necessary since the cases are not compared against an absolute, ideal, context-free case in a qualitative comparative analysis. Instead the context-based cases are compared among each other. Hence, following Ragin (2008) to define full membership in a fuzzy set (fuzzy-set value=1.0), we constructed an imaginary ideal case in the context of the universe of our cases, e.g., rural Guatemalan municipalities. This ideal case might not necessarily coincide with an empirical case featuring the highest value on a given measure. Rather it is the best imaginable case in the context of the study that is logically and socially possible (Ragin 2000: 165-171). For example, for the measure "provision of information from Municipal Corporation to MDC about municipal revenues and expenses" the value of one was adjusted to the context of the Guatemalan law, which foresees that the municipal government informs the MDC four times a year about its revenues and expenses. The provision of information to the MDC three or four times a year is therefore defined to correspond to a fuzzy-set value of one even though in other contexts this frequency of information provision could be quite low.

¹⁰ For an overview of differently scaled fuzzy sets and their advantages and disadvantages see Ragin (2008: 30-33). More precise fuzzy-sets can be used when more detailed qualitative data are available or when quantitative data are calibrated to fuzzy-set values.

We used the same technique to define the lowest value of a fuzzy set, that is, non-membership in a set. However, for constructing the imaginary case that is fully out of a set it is more important to draw on the theoretical concept than on the socio-economic context. The definition of the theoretical concept one uses usually contains one or several key characteristics. For example, in elections at least two serious candidates need to be running if they are to be regarded as competitive. Cases that do not display at least one of the defining characteristics of the concept to a low degree need to be assigned a 0 which stands for non-membership in the set of municipalities with competitive elections. Again, this value might not necessarily coincide with the lowest measured value among the sampled cases.

Box 5 provides an example of the definitions of the four fuzzy-set values of two measures of participatory governance for the Guatemalan study.

Box 5: Defining fuzzy-set values		
The table below shows how the four fuzzy-set values were defined for two of the measures of effective participator governance.		
Condition	Measures	Fuzzy-Set Value Definitions
Effective Participatory Governance (EPG)	Participation of all required groups of actors	0: None of the required groups participates 0,33: Less than half of the organizations participate 0,67: Half or more of the organizations participate 1: All of the required groups participate
	Provision of information from Municipal Corporation to Municipal Development Council about municipal revenues and expenses	0: No revenues and expenses are communicated 0,33: All revenues and expenses are communicated once a year 0,67: All revenues and expenses are communicated twice a year 1: All revenues and expenses are communicated 3 or 4 times a year

Figure 5: Box 5: Defining fuzz-set values

An alternative to adjusting the definition of the fuzzy-set values to the socio-cultural context of the cases is to re-label the concept of the condition or the outcome. For example, we could have re-labeled the measure “provision of information from Municipal Corporation to MDC about municipal revenues and expenses” to “compliance with mandated budget information.”

3.3.6 Stage 6: Assigning and Revising Fuzzy-Set Values

After defining the fuzzy sets we assigned values within the fuzzy set to each case in our data set. We did this by matching the qualitative classifications we derived in Stage 4 with the fuzzy-set values defined in Stage 5. We illustrate how we conducted this matching exercise in Box 6 below.

Box 6: Assigning fuzzy-set values			
In the table below we illustrate how we matched the verbal measure values for the provision of information by the Municipal Corporation to the Municipal Council on revenues and expenses (derived in Step 4) with the definitions of the fuzzy-set values (developed in Step 5).			
For each verbal measure value (column 2) we chose the closest value from the four-value fuzzy set (column 3). In Case A of the example below, we decided that the verbal measure value “yearly information on total revenues and expenses” best matched with 0.33 = “all revenues and expenses are communicated once a year”. Hence, we assigned Case A the fuzzy-set value of 0.33.			
Measure: Provision of information from Municipal Corporation to Municipal Development Council about municipal revenues and expenses			
Case	Verbal measure value	Fuzzy-set value definitions	Assigned fuzzy-set value
Case A	Yearly information on total revenues and expenses	1.0 = All revenues and expenses are communicated 3 or 4 times a year	0,33
Case B	No information given	0.67= All revenues and expenses are communicated twice a year.	0,00
Case C	3 of 4 reports given to a public hearing in written form	0.33 = All revenues and expenses are communicated once a year 0.0 = No revenues and expenses are communicated	1,00

Figure 6: Box 6: Assigning fuzzy-set values

The final step is the revision and adjustment of the assigned fuzzy-set values, i.e., the values found in the last column of Box 6, for all cases and all measures. This revision is a crucial part of the dialogue between theory and evidence. Going through one measure across all cases, the scholar can evaluate whether the fuzzy-set value differences between cases reflected real differences between the cases according to case knowledge and whether the interview data were well captured by the fuzzy-set values. If this is not the case the scholar needs to go back to Stage 4 to revise the interview data summary for overlooked clues or biases in the data affecting the resulting qualitative classifications. If not, the scholar returns to Stage 5 to check whether the definitions of the fuzzy-set values reflect all relevant dimensions of the theoretical concept and have been adjusted appropriately to the context.

This process of figuring out why a fuzzy-set value of a case does not seem to fit given the researcher's case knowledge can make the researcher aware of important aspects that have so far been neglected in her definition of the fuzzy-set values. It is critical to ensure that the revision process is not used as a way to adjust the data to display a nice pattern of causality. Instead, it is a process in which the researcher verifies that the data are well aligned with the theoretical concepts she is interested in, the causal conditions and outcome are well represented by their measures, and the case evidence is adequately summarized in the fuzzy-set values.

Hence, it may happen that even after the revision there are measures where all cases are concentrated in the lower or upper half of the fuzzy sets. This might then be an example of a naturally occurring limited diversity, which may be in itself an issue of interest for future inquiry (Ragin 2000: 168-169). For example, in Guatemala no rural municipality has local media that critically cover local government decisions and thus provide independent information to voters. Local media was intended to be a measure of "good access to information through media" but all fuzzy-set values were low for all cases. Why there are no rural municipalities with independent local media might be an issue that merits future inquiry.

At this point, the researcher is ready to aggregate the fuzzy-set values of all measures into the causal condition to which they belong and create a summary table as show in Table 1. This table contains the fuzzy-set values of the causal conditions and the outcome for all cases in the Guatemalan study. Aggregating measures can be done in many different ways depending on the theoretical concept and the particular research question. In our example, we have taken e.g., the maximum of the three measures of Good Access to Information (see Box 1), since it does not matter through which medium people are informed and hence, the three measures are substitutable.¹¹

¹¹ For a discussion of the criteria that can be used to decide on whether measures should be aggregated taking the average, the maximum or the minimum, see Ragin (2000:321-328).

Table 1: Final fuzzy-set values of cases

Final fuzzy-set values of cases				
Case	Conditions			Outcome
Municipality	Good Access to Information (GAI)	Competitive and Free Elections (CFE)	Effective Participatory Governance (EPG)	Responsive Local Governance (RLG)
Case A	0,33	0,67	0,22	0
Case B	1	0,33	0,67	0
Case C	0,67	0	0,33	1
Case E	0	0,67	0,33	0
Case F	0	0,67	0,67	0,67
Case G	0,67	0	1	0,67
Case H	0,33	1	1	1
Case I	0	1	1	1
Case J	0,33	1	1	0,67
Case K	0,33	0	0,67	0,33

Source: author's elaboration based on the data from Guatemala.

3.4 Contribution to FsQCA Best Practice

We agree with seasoned fsQCA users that regardless of whether one uses quantitative data, interview data, historical documents or secondary text data, the determination of fuzzy-set values should be based on a researcher's theoretical and substantive knowledge and not on internal criteria such as the mean or the mode (Ragin 2008: 30). Yet, we argue that this commonly accepted proposition about how fuzzy-set values should be determined has not been sufficiently developed for interview data. While there are two techniques to calibrate quantitative data (Ragin 2008), to our knowledge no equivalent calibrating procedure is available for qualitative interview data¹²: So far, studies that use interview data for a fsQCA do not provide any details on how they have transformed their interview data to fuzzy sets (Metelits 2009; Schneider and Sadowski 2010). Hence, a number of important analytical steps remain opaque to the audience of such research.

¹² Not all studies using qualitative data for fsQCA however, need to be calibrated following the technique described in this paper. Sometimes it might be adequate for the researcher to provide the interviewee with a predetermined scale of fuzzy-set values.

The potential of the technique that we propose consists in its ability to maintain a constant dialogue between theory and evidence. As we have illustrated, until the fuzzy-set values are defined the researcher must continuously think thoroughly about the definition of the theoretical concepts she uses and their main elements or subdimensions. When applying the technique we propose, these considerations are explicitly stated in the analysis and are thus open to criticism from other scientists.

Our technique is not immune to criticism fsQCA has received from researchers using mainly statistical tools. Such researchers have stated that the definition of the fuzzy-set values is arbitrary or can be adapted by the researcher to get the desired results (Wade and Goldstein 2003). The possibility that this might happen cannot be completely ruled out in the procedure we propose since it relies heavily on case and context knowledge of a researcher. However, we consider that reliance on such knowledge is not a weakness but a tremendous strength in the interpretation of qualitative and quantitative data. In addition, fsQCA researchers can show in sensitivity tests whether slight changes in the definitions of the fuzzy sets affect their results or not. Another possibility for demonstrating the robustness of the results of the fsQCA is to use alternative measures for a given concept.

Finally, the availability of a well-developed calibration technique is an essential step towards increasing the reliability and repeatability of any study using fsQCA. The procedure illustrated here constitutes only one example of the different ways calibration techniques could be devised. By spelling out one possible way to proceed in the calibration of interview data to fuzzy sets we welcome discussion among scholars about the advantages and disadvantages of this procedure. An open discussion on how to improve the integration of qualitative interview data into analyses through fsQCA will increase the credibility of the results that are produced using this method and opens the possibility of their adoption among scholars who are accustomed to using other analytical approaches.

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**4. Qualitative Comparative Empirical Study (Paper 3):
“It Takes Two to Tango: How Combining Participatory Governance
and Competitive Elections Enhances Local Government Respon-
siveness”**

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Abstract: This study argues that competitive elections need to be complemented by effective information provision to bring about local government responsiveness. It points out the synergy effects of participatory governance forums, media coverage, and competitive elections in a political agency framework. The theoretical argument is evaluated in a fuzzy-set Qualitative Comparative Analysis (fsQCA) of ten rural Guatemalan municipalities. The main finding of the study is that information provision in participatory governance forums and a credible threat of not being re-elected need to be jointly present to reduce the agency problem between a local government and its electorate. Local media turn out to be ineffective as providers of unbiased information in rural areas due to their financial dependence on local governments. Finally, the comparative analysis shows that local leadership, the presence of NGOs, and short distances between villages and the capital are important context conditions for the emergence of local government responsiveness.

Keywords: Local Government Responsiveness, Participatory Governance, Media, Electoral Competition, Fuzzy-set Qualitative Comparative Analysis (FsQCA), Guatemala

4.1 Introduction

The performance of their local government could not be more different for the residents of two Guatemalan municipalities: in the first two years in office the government of Buenas Hermanas¹ has invested almost its whole budget in social services, such as schools, health centers, water and sanitation systems, and local roads. In the same period, the government of La Villa has been spending almost half of its budget on its administration and personal advisors of the mayor. Therefore, La Villa invested less than half of its budget in social services that are preferred by the majority of its poor rural electorate, as research on the ground showed.

What explains such large differences in local government responsiveness between the two Guatemalan municipalities? First, according to the theoretical literature on political agency, competitive elections are the principal mechanism for the citizens of the two municipalities to hold their politicians to account for unresponsive behavior (Barro, 1973; Ferejohn, 1986). But differences in electoral accountability alone are unlikely to be the whole story because both municipalities have the same electoral system and their last elections were equally competitive². Moreover, studies on the impact of elections in developing countries have shown that they often fail as an accountability mechanism because their effect is limited by unfavorable context conditions, such as strong ethnic cleavages and low literacy rates (Bardhan, 2002; Keefer & Khemani, 2005).

So what other factors could explain the differences in outcomes in the two municipalities? Recently, two important complementary accountability mechanisms, improved access to information through local media and participatory governance arrangements, have each been found to increase local government responsiveness when they are combined with competitive elections (Besley & Burgess, 2002; Faguet, 2009). These findings suggest that local government responsiveness results from a context-dependent combination of several accountability mechanisms.

¹ All municipalities have been given fictitious names to protect the privacy of interviewees.

² Competitive elections are defined as elections in which at least two candidates have a similar chance of winning the election.

To test this proposition this study examines how competitive elections, effective participatory governance, and local media coverage interact in affecting local government responsiveness in Guatemala. Based on political agency theory it develops a theoretical argument for the complementarity of the three accountability mechanisms and their context-sensitivity. Thus, it accommodates the three main mechanism that have been found to be associated with local government responsiveness and the major context conditions that have been pointed out to influence them in one theoretical approach.

The theoretical argument is tested with a fuzzy-set Qualitative Comparative Analysis (fsQCA) of ten municipalities. To interpret the fsQCA solution formula and to shed light on the micro-level processes behind it, the study draws on qualitative case-level evidence

Guatemalan municipalities provide an ideal setting for testing the effect of the three accountability mechanisms on local government responsiveness because there are large differences in the competitiveness of local elections, the implementation of participatory governance forums, and the activity of local media. In addition, the comparison of local government performances within a country allows for controlling for differences in formal institutions, such as electoral rules, participatory governance legislation, and media regulation, as well as for the influence of cultural and historic factors.

The main finding of the study is that the joint presence of effective participatory governance and competitive elections is the most robust sufficient combination of conditions for responsive local governance. Case-level evidence shows that participatory governance arrangements play a key role in bridging the information gap between voters and politicians about the politician's actions and thus increase the effectiveness of elections.

The remainder of the study is organized as follows: the next section presents the theoretical argument. Section 4.3 provides background information on the Guatemalan governance reforms. Section 4.4 describes the method. Section 4.5 presents the results of the fsQCA and their interpretation. The final section concludes.

4.2 A Comprehensive Approach to Local Government Responsiveness

4.2.1 *The Political Agency Problem*

How should an effective system of accountability mechanisms be designed so that local governments take policy decisions that reflect the interest of their mainly poor electorate and refrain from wasting and diverting public funds? Political agency models provide a micro-foundation for analyzing this question and shed light on the incentives that accountability mechanisms create for local governments. The first generation of political agency models³ showed that the main obstacles to incumbent (agent) responsiveness to the preferences of the electorate (principal) are the conflict of interest between voters and a politician and the information asymmetry concerning the politician's behavior (Barro, 1973; Ferejohn, 1986).⁴

Solving this principal-agent problem requires a governance structure that makes it known to voters if the politician has diverted funds or has acted opportunistically and allows for punishment of such behavior (Moe, 1984). Some of the key elements of such a governance structure are: good information flows, shared decision-making, and the possibility to sanction the agent (Holmstrom, 1999). All three accountability mechanisms—local elections, participatory governance and information provision mechanisms—can contribute to one or two of these elements, but none of them is likely to be a sufficient governance solution on its own.

4.2.2 *Competitive Elections: Uninformed and Untimely Sanctioning*

Elections are the main mechanism through which a population can hold its leaders accountable at the end of their term. They serve as a credible threat to the incumbent that behavior which is not in the interest of the population will be punished in the future (Barro, 1973; Ferejohn, 1986). Elections can thus motivate a selfish politician to act in the interest of voters.

³ There are two generations of political agency models: in the first generation models all politicians are of the same type and are only re-elected by voters if they exercise enough effort, i.e., elections function as a disciplining device. The second generation political agency models allow for several types of politicians who signal their type to voters. In these models, elections serve as a selection mechanism (Besley, 2007).

⁴ The conflict of interest arises if selfish politicians do not exercise effort in carrying out their task or divert resources to private ends. Both actions are not in the interest of the population because they decrease their welfare. There is asymmetric information because voters cannot observe the policy choices the politician makes.

In line with this theoretical argument, empirical studies from the U.S. show that the possibility of re-election is associated with US governors being more ready to take the preferences of their electorate into account (Besley & Case, 1995; List & Sturm, 2006).

The impact of elections on the discipline of an incumbent varies with a number of factors, such as the frequency of elections, a politician's base salary, length of tenure, voter turnout, and the number of competitors (Besley, 2007). Within one country where e.g., the frequency of elections is fixed, the effect of elections mainly depends on their competitiveness: the less certain it is for a politician to be re-elected, e.g., because there are many competitors, the more likely is the politician to be responsive to preferences of the electorate (Griffin, 2006; Holbrook & van Dunk, 1993).

In spite of having a positive effect on an incumbent's discipline, competitive elections are not a panacea to the agency problem. The main factor that limits their effectiveness is the information asymmetry between voters and the politician. Citizens are unable to observe and understand all government actions (Ferejohn, 1999). Hence, as the targeting model by Timothy Besley (2007, pp. 144–145) shows, a politician can provide local public goods only to the majority and consume the rest of the public resources as a rent. If the targeted groups only know about the benefits they receive but do not realize what the politician has spent in other locations the politician may still be re-elected. The lower the probability that misconduct is discovered by voters, the lower is the cost of shirking for a politician.

In developing countries, this problem is particularly relevant since the poor tend to be even less informed than richer and better educated citizens (Besley & Burgess, 2002). Also, clientelistic practices have been argued to be more pronounced in young democracies where politicians can not make credible promises for programmatic changes and therefore refer to vote buying by providing tangible benefits to groups of voters (Bardhan, 2002; Jenkins, 2007; Keefer & Khemani, 2005). This argument is supported by evidence from Brazil which shows that mayors are not deterred from corrupt behavior by elections when the probability that their misconduct is detected by voters is low (Ferraz & Finan, 2009; Pereira, Melo, & Figueiredo, 2009).

Finally, long time intervals between elections and the fact that voters can only vote for or against a politician, make elections a crude and untimely sanctioning mechanism: A politician's lack of effort cannot be punished immediately and voters have only one vote in the next elections. Therefore, politicians may get away with many small bad actions if they can convince voters overall at the end of their term (Faguet, 2009).

4.2.3 Active Local Media: Broad Information Provision at Low Cost

As the emerging political economy literature on mass media points out active media can provide information on government actions to a wide audience at a low cost and thus reduce the information asymmetry between politicians and their voters (Bruns & Himmeler, 2010; Prat & Strömberg, 2005; Strömberg, 2004). The effect of media can be incorporated in the standard political agency model as a change in the probability that the population knows about the actions and the type of a politician (Besley, 2007, pp. 128–132). For example, voters may learn that a politician has not been spending public funds well in another village or they may be informed about acts of corruption. Such information increases the effectiveness of elections by making punishment for bad behavior and reward of good behavior more likely.

Timothy Besley and Robin Burgess (2002) support this argument with evidence from India. They show that a high turnout in elections combined with a high circulation of local newspapers is associated with more responsive state governments. Related studies support the general argument that access to information about government actions helps to mitigate the principal agent problem in developing countries. For instance, Anne Goetz and Rob Jenkins (2001) show how improved access to documents on public spending has helped Indian citizens to reduce corruption among public officials by holding public village audits. There is however little evidence on the capacity of media to influence government performance from other developing countries that do not have an established independent newspaper sector as India does (Besley, Burgess, & Prat, 2002).

4.2.4 *Effective Participatory Governance: Information Provision and Weak Sanctioning*

Participatory governance forums for deliberative planning and evaluation of public policy can improve information flows and provide a mechanism for a weak form of sanctioning between elections. First, meetings with citizens where officials report on their spending decisions and the implementation of projects can increase citizen knowledge about an incumbent's decisions and actions. Just like local media, participatory governance forums can therefore increase the cost of opportunistic acts and the benefits of responsive behavior for a politician (Speer, 2010). Moreover, as Matthew Cleary (2007) points out, participatory governance forums make it easier for a politician to plan future policy decisions because civil society representatives provide nuanced information on the preferences and the reactions of the electorate to past policy decisions in meetings with the government.

But participatory governance forums do not only increase upward and downward information flows, they also serve as a venue where government decisions need to be justified and policy choices that are not in line with the preferences of the electorate need to be corrected. Hence, participatory governance arrangements can reduce incumbent utility between elections when shirking is punished right away and thus increase an incumbent's discipline (Speer, 2010).

The majority of studies provide support for a positive effect of participatory governance forums and participatory budgeting on local government responsiveness (Besley, Pande, & Rao, 2005; Faguet, 2009; Schneider & Goldfrank, 2002), but there are also some studies that find no such effects (Bräutigam, 2004; Francis & James, 2003). Hence, the evidence on the influence of participatory governance on local government responsiveness is inconclusive. As this study argues the different findings are likely to stem from the fact existing studies do not control systematically for other accountability mechanisms and different context conditions.

4.2.5 *The Role of Remote Conditions: Literacy, Inequality, and Ethnic Heterogeneity*

Three important context conditions are likely to have an indirect effect on local government responsiveness and are therefore included in the empirical analysis. These conditions are of a structural nature and not influenced by actors in the short-run.

They create the environment in which the three proximate conditions (competitive elections, active local media, and effective participatory governance) unfold their effect on the outcome. Therefore, they are termed ‘remote’ causal conditions (Schneider & Wagemann, 2006).

First, the level of education is likely to affect local government responsiveness. In developing countries often large parts of the population are illiterate or have not even completed primary school. Such low levels of education limit voters’ ability to understand, e.g., information on local government spending and the implementation of projects that is provided in newspapers or participatory governance forums. Moreover, citizens with higher levels of education are more likely to be able to propose alternative policy options and engage in sanctioning in their role as members of a participatory governance forum or at the ballots (Faguet, 2009; Krishna, 2006).

Second, the structure of the local economy can have an impact on local government responsiveness. In a municipality where economic resources are concentrated in the hands of a few powerful economic actors campaign contributions from these actors can reduce the competitiveness of elections. Such contributions can be used to move the candidate towards a policy that favors the contributor and to persuade uninformed voters to vote for a candidate (Grossman & Helpman, 1996; Faguet, 2009). Such persuasion efforts are likely to be particularly effective when the share of uninformed and/or uneducated voters is high.

Third, ethnic heterogeneity can reduce the effectiveness of elections and participatory governance. The sanctioning effect of elections is limited by ethnic heterogeneity if voters prefer to vote for a candidate of their own ethnicity in spite of that candidate’s poor performance (Keefer & Khemani, 2005). Moreover, ethnic heterogeneity can affect the functioning of participatory governance forums, because they require that representatives from different villages and sectors of civil society cooperate in monitoring and evaluating local government actions. Ethnic divisions among the population can hinder such cooperation as has been shown in an extensive literature on collective action and public goods provision (Habyarimana, Humphreys, Posner, & Weinstein, 2007).

4.3 The Guatemalan Governance Reforms

In rural Guatemala 71% of the population are poor and 24% live below the extreme poverty line (Instituto Nacional de Estadística (INE), 2006). Moreover, large parts of the population in rural areas lack access to basic public services, such as drinking water, sanitation, and roads (World Bank, 2003). Hence, it is crucial that spending on these services responds to the needs of the poor.

In 1996, the government and the guerrilla forces signed a lasting Peace Agreement after 36 years of civil war in which they agreed to reform public service provision (Gobierno de Guatemala & Unidad Revolucionaria Nacional Guatemalteca, 1996). In the following years the Guatemalan government created or reformed all three accountability mechanisms: It transferred responsibilities for public service provision to democratically elected municipal governments, it established a local mechanism for citizen participation, and it improved access to information for citizens and the media.

Guatemalan municipalities are governed by a popularly elected mayor and a Municipal Council, who are elected every four years with a simple plurality system. The primary mechanism to hold municipal governments accountable in the provision of public services are local elections. The competitiveness of these elections, measured by the number of participating candidates, voter turnout, and the share of the winning party, differed strongly across the 333 Guatemalan municipalities in the last elections (Tribunal Supremo Electoral, 2007). This variation will be exploited in the empirical analysis to assess the impact of electoral competition on local government responsiveness.

Freedom of speech, freedom of the press, and free access to public documents is guaranteed by the Constitution, i.e., the legal basis for independent and critical media is formally established in Guatemala (Asamblea Nacional Constituyente, 1985). In addition, the Guatemalan Congress passed a new Right to Information Act in September 2008 (Congreso de la República de Guatemala, 2008). This law should facilitate critical reporting by local media about local government performance and increase citizens' access to such information.

Yet, the existence of a favorable legal framework does not imply that local media with independent coverage of local politics are equally active in all Guatemalan municipalities. The circulation of local media is likely to vary because it is more profitable to establish e.g., a local newspaper in large densely populated municipalities than in a small and sparsely populated locations. Also, criminal organizations and repressive local governments are known to limit the information that local media dare to publish in many municipalities in Guatemala. In those municipalities the coverage of political issues is likely to be lower than in less dangerous municipalities.⁵

Finally, the 2002 Development Council Law establishes the Municipal Development Council (MDC) as a participatory governance forum for the planning, monitoring and evaluation of municipal projects for building or repairing social infrastructure. In the MDC representatives from Communal Development Councils⁶ (CDC) and local civil society, as well as officials of the municipal and central government meet once a month. The decisions of the MDC are not binding for the municipal government, but the Development Council Law foresees that the mayor reports to the MDC about spending on investments in the municipality (Congreso de la República de Guatemala, 2002b). Also, members of the MDC can carry out social audits and denounce a local government at the general accounting office, which may lead to legal prosecution in cases of corruption. Last but not least, the Municipal Code demands that the municipal government explains the criteria that have led to the inclusion or exclusion of development projects in the municipal budget (Congreso de la República de Guatemala, 2002a).

As with any national law, these provisions are not adhered to equally in all municipalities. In about one third of the municipalities the MDCs are not even convened and in the remaining two thirds they differ in their degree of activity, inclusiveness and ability to exert pressure on the municipal government (United Nations Development Program (UNDP), 2005). Hence, there is great variation in the effectiveness of participatory governance across Guatemalan municipalities.

⁵ According to national press reports over 40 journalists employed by different media were intimidated or attacked in 2009 alone (Prensa Libre, 2010).

⁶ At the village level a community assembly, the so-called Communal Development Council, takes place every month.

4.4 Methods

4.4.1 Case Selection

The selection of the ten municipalities for the fuzzy-set Qualitative Comparative Analysis (fsQCA) is based on John Stuart Mill's (1967 [1843]) indirect method of difference, or, as denoted by Adam Przeworski and Henry Teune (1970), the Most Similar Systems Design (MSSD). For the MSSD cases (systems) are selected purposefully so that they share several characteristics, but vary in the explanatory conditions under study and in outcomes to identify the conditions that cause differences in local government responsiveness in Guatemalan municipalities.

The MSSD was applied in five steps. The starting point of the case selection was the universe of all 333 Guatemalan municipalities. This universe was reduced to 155 municipalities in which more than 70% of the population lives in rural areas.⁷ These 155 rural municipalities constitute the population of cases (Step 1). Then, 45 cases with different outcomes were selected. For this the 155 rural municipalities were divided into three strata according to their share of municipal spending on social services; then 15 cases from each stratum were sampled randomly (Step 2). In the next step, the selection was reduced to 35 cases with similar systems, i.e., ten cases were excluded because they differed strongly from the others in terms of the financial resources and the size of the municipality which could both influence the outcome (Step 3). From those similar 35 cases with different outcomes, 27 “most likely” and “least likely” cases, i.e., cases that are likely and cases that are unlikely to display the outcome according to their configuration of remote causal conditions were selected (Step 4). Finally, to cater to Guatemala's ethnic and socio-economic heterogeneity from these 27 ten cases were chosen from all major regions of the country (Step 5).

The main characteristics of the selected municipalities are summarized in Table 1 below. It shows that cases from all three strata of spending on social services are included and that the cases vary in the remote causal conditions illiteracy, inequality, and ethnic heterogeneity.

⁷ The study focuses on rural municipalities, because they are most affected by poverty and large gaps in the coverage of adequate basic social infrastructure (Instituto Nacional de Estadística (INE), 2006; World Bank, 2003).

It also illustrates that five most likely and five least likely cases have been chosen and that the cases are geographically dispersed across all major regions of the country. Given the purposeful theory-based selection these ten cases are not representative in a statistical sense, but they are suitable for examining the theoretical argument in a qualitative comparative analysis and they reflect Guatemala's regional and ethnic composition.

Table 1: Characteristics of the selected municipalities

Municipality	Stratum Social Spending	Level of education (illiteracy)	Inequality (Gini index)	Ethnic heterogeneity (ELF)	Most/ least likely case	Indigenous	Region
Bequita	1st	Medium	Low	Low	Least likely	No	Southeast
Mayan	1st	Low	Medium	Medium	Most likely	Yes	Central
La Selva	1st	High	High	High	Least likely	Yes	North
Buenas Hermanas	2nd	High	High	High	Least likely	Yes	Southwest
Victoria	2nd	High	Medium	Medium	Least likely	Yes	Northwest
Aurora	2nd	Low	Medium	Medium	Most likely	Yes	Southwest
Mar Azul	3rd	Low	Medium	Low	Most likely	No	Southwest
La Villa	3rd	Low	High	Medium	Most likely	No	Central
Valle de Oro	3rd	Low	Low	Low	Most likely	Yes	Southwest
Villa Beni	3rd	Medium	Low	High	Least likely	Partly	Petén

Source: author's elaboration based on data from INE (2002), INE and Secretaría de Planificación y Programación de la Presidencia (2006) and United States Agency for International Development and Instituto Centroamericano de Estudios Fiscales (2009).

The reference for the classifications of the characteristics is the distribution of the 45 rural municipalities selected in the first step. "High" is used for municipalities in the highest quartile of the distribution, "low" for municipalities in the lowest quartile, and "medium" for all municipalities in the second and third quartile.

4.4.2 Data Collection

The fsQCA is based on qualitative and quantitative raw data. Qualitative data were mainly collected through semi-structured interviews. In each of the ten municipalities I conducted between eight and ten interviews with the mayor, village representatives, local civil society actors, key informants, and local journalists. In addition, I carried out interviews with experts on decentralization, participation, and the media in Guatemala City.

Overall I completed 88 stakeholder interviews and eleven expert interviews. To obtain quantitative data, e.g., on the frequency of MDC meetings and voter turnout, I collected complementary secondary data, such as minutes of MDC meetings, municipal budgets, local media reports, as well as economic, political, and social information in the municipalities and at the national statistics institute.

4.4.3 *Measurement and Calibration of Fuzzy Sets*

The outcome local government responsiveness (*LGR*) is measured as the average share of the municipal budget that has been spent on education, health, water and sanitation, local roads, and electricity in the first two years of the current administration (2008/2009). The share of the budget that a municipality invests in these services instead of in its administration or in pet projects reflects the degree to which it devotes its resources to satisfying the needs of the rural poor as the qualitative analysis of the interviews with the village representatives showed.

The measures for the functioning of participatory governance (*PG*) and the quality of access to information through media coverage (*AI*) are based on qualitative interview data. Both concepts consist of several dimensions that are captured by different measures. For example, the functioning of participatory governance is measured among other things by the “frequency of meetings” and the “scope of participation”, which were then aggregated into a composite measure. The measures for the degree of competitiveness of elections (*CE*), the level of education (*EDU*), economic equality (*EQ*), and ethnic homogeneity (*ETHHOM*) are quantitative data from sources, such as the national census and the electoral tribunal. Appendix A contains detailed information on all measures.

For the fsQCA the qualitative and quantitative measures need to be converted into fuzzy sets. Fuzzy sets are sets in which cases are assigned a value between zero (full exclusion from the set) and one (full inclusion of the set) according to a membership function (Zadeh, 1965). For the qualitative measures four verbal labels were defined that correspond to the four values of a fuzzy set “fully out” (0), “more out than in” (0.33), “more in than out” (0.67), and “fully in” (1). Then, each case was assigned one of these four values based on the content analysis of the interview data (for more details of the qualitative calibration, see Basurto & Speer, 2012). The quantitative measures were directly calibrated following the technique described in Ragin (2008, pp. 85–94).

The fuzzy-set anchor points of “fully out” (0), “neither in nor out” (0.5), and “fully in” (1) were determined based on case- and social knowledge. Then, the calibration algorithm in the software fsQCA was applied to calibrate the quantitative data (Ragin, Drass, & Davey, 2006). All verbal label and anchor point definitions can be looked up in Appendix B; the fuzzy-set values of the conditions and the outcome are listed in Appendix C.

4.4.4 Two-Step FsQCA and Case-Level Analysis

The first part of the empirical analysis consists in a two-step fsQCA. FsQCA is a case-oriented method that draws on fuzzy-logic⁸ to identify the causal conditions that lead to an outcome. It is a transparent and replicable method for analyzing qualitative and quantitative raw data from an intermediate number of cases. The aim this approach is “(...) to allow for systematic cross-case comparisons, while at the same time giving justice to within-case complexity” (Rihoux & Ragin, 2009, p. xviii). As fsQCA does not impose a pattern of causality on the data it reveal patterns of multiple conjunctural causation⁹ (Ragin, 2000, Ragin, 2008). Therefore, it is perfectly suited to exploring the complementary effect of the three accountability mechanisms.

The two-step fsQCA approach was introduced by Carsten Schneider and Claudius Wagemann (2006) as a remedy to the too-many-variables/too-few-cases problem in medium N studies and is employed to avoid overloading the fsQCA with too many variables.¹⁰ In the first step, the fsQCA truth table algorithm is applied to an underspecified model that contains only the three remote conditions that are likely to support the emergence of local government responsiveness: education, economic equality and ethnic homogeneity.

⁸ Fuzzy logic is a superset of traditional Boolean logic, i.e., a form of multi-valued logic that is derived from fuzz-set theory.

⁹ Multiple conjunctural causation is a conception of causation in which a combination of conditions generates an outcome or several different combinations of conditions lead to the same outcome or a condition can have different effects on the outcome depending on the context in which it is embedded (Berg-Schlosser, de Meur, Rihoux, & Ragin, 2009).

¹⁰ Qualitative Comparative Analysis (QCA) has been shown to yield reliable results when the proportion of variables to cases stays far below one (Marx, 2010).

In the second step, the fsQCA is run several times each time with the three proximate causal conditions media coverage, competitiveness of elections, and functioning of participatory governance and one of the remote conditions that are found to be sufficient for the outcome in the first step. This procedure allows for testing the sufficiency of conditions, but not their necessity.¹¹

After concluding the fsQCA, it is essential to interpret, support and discuss the derived fsQCA solution formula by drawing on case-level evidence. The relevance of the solution formula depends on whether it can increase our understanding of the cases and their outcomes; its validity depends on whether we can identify the causal mechanisms at the case-level that generate it (Ragin, 2000, Ragin, 2008). Therefore, the last part of the analysis examines whether the fsQCA solution formula reflects the successful and unsuccessful cases of responsive local governance and what mechanisms at the case level drive the results.

4.5 Results

4.5.1 *FsQCA First Step: Analysis of Remote Causal Conditions*

In the first step of the analysis the fsQCA truth table algorithm is applied to test whether the following remote causal conditions enhance local government responsiveness (*LGR*) in the ten Guatemalan municipalities: the level of education (*EDUI*), economic equality (*EQ*), and ethnic homogeneity (*ETHHOMI*) (see Appendix D for the truth table). I follow Schneider and Wagemann (2006) in applying a low consistency threshold (0.7) and in using the parsimonious solution of the logical minimization process. For deriving the parsimonious solution the computer program uses any counterfactual (unobserved configuration of conditions) that makes the solution formula simpler.¹² Table 2 displays the result of the first step of the analysis.¹³

¹¹ If a causal condition is necessary, all cases that display an outcome display the causal condition. If a causal condition is sufficient, all cases that display the causal condition also display the outcome (Rihoux & Ragin, 2009).

¹² The parsimonious solution accounts for much of the empirical evidence, but it is less precise than the complex solution. It is used for the first step of the analysis because this step aims at identifying all relevant remote conditions that foster the emergence of local government responsiveness without yet providing an exact solution.

¹³ For both steps the fsQCA software is used (Ragin, Drass, & Davey, 2006).

Table 2: Result of Step 1 of the fsQCA

Model: $LGR = f(EDUI, EQ, ETHHOMI)$			
Parsimonious solution	Raw coverage¹⁴	Unique coverage¹⁵	Consistency¹⁶
<i>EDUI</i>	0.76	0.26	0.70
<i>eq</i>	0.73	0.23	0.66
Solution coverage: 0.99 Solution consistency: 0.65			

Source: author's elaboration using the fsQCA software.

The parsimonious solution formula

$$EDUI + eq \rightarrow LGR^{17}$$

shows that the presence of education and the absence of economic equality are associated with local government responsiveness in the ten Guatemalan municipalities. The solution coverage is 0.99, which indicates that the solution accounts for 99% of the cases with a positive outcome. The solution consistency is 0.65, i.e., in 65% of the cases that share the combination $EDU+eq$ it is sufficient for local government responsiveness.

The first part of the solution formula (EDU) is in line with the theoretical prediction that a high level of education fosters local government responsiveness by supporting the functioning of the media and participatory governance arrangements. Its second part (eq) implies that high economic inequality, which is measured by the Gini coefficient of the distribution of land, is associated with local government responsiveness. This finding does not correspond to the theoretical prediction and therefore needs explanation.

According to the interview data, responsive local governance emerges in spite of an unequal distribution of land not because of it. Land inequality is generally very high in Guatemala due to several violent land appropriations in its history.

¹⁴ Raw coverage refers to the proportion of cases with a positive outcome that are covered by a combination of conditions.

¹⁵ Unique coverage refers to the proportion of cases with a positive outcome that are covered only by the same combination of conditions.

¹⁶ "Set-theoretic consistency assesses the degree to which the cases sharing a given condition or combination of conditions (...) agree in displaying the outcome in question (...). That is, consistency indicates how closely the subset relation is approximated." (Ragin, 2006, p. 2)

¹⁷ Upper case letters denote the presence and lower case letters the absence of a condition. The plus sign indicates a logical "OR", a star denotes a logical "AND", and the connecting arrow means that the formula on the left leads to the outcome.

Yet, in many municipalities large landowners do not use their economic power to monopolize local politics, i.e., they do not finance one strong party, but contribute to several political campaigns. Some landowners refrain completely from interfering in local politics, because they are not interested in local public services (Faguet, 2009). For example, large-scale sugar cane harvesting at the Pacific Coast in Guatemala does not rely on local roads, but national highways. Hence, large *finca* owners prefer to channel their resources into national politics to make sure that they can, e.g., use well-maintained highways to extract their goods.

Ethnic homogeneity is not part of the solution formula of enabling conditions for the outcome. This can be explained mainly by the fact that Guatemalan municipalities are largely ethnically homogeneous. Most Guatemalan municipalities, including the case municipalities, are either almost completely populated by indigenous people or *Ladinos* (Instituto Nacional de Estadística (INE), 2002). Hence, candidates in the case municipalities generally belong to the same ethnicity as the majority of voters, which implies that ethnicity based voting does not affect the competitiveness of elections. Also, ethnic heterogeneity does not have a negative effect on collective action in participatory governance arrangements in the case municipalities. In the few municipalities with several indigenous groups they understand each other's language and cooperate with their peers from other ethnic backgrounds.

4.5.2 *FsQCA Second Step: Analysis of Proximate Causal Conditions*

The second step of the fsQCA tests what proximate causal conditions are sufficient for the outcome in the context of the presence of education or the absence of equality, the two conditions that were found to be sufficient for the outcome in the first step of the fsQCA. The fsQCA truth table algorithm is applied now to the fully specified model where the outcome is again *LGR*, the proximate causal conditions are access to information through media coverage (*AII*), competitiveness of elections (*CEI*), and functioning of participatory governance (*PGI*). As remote causal condition I include first the level of education (*EDUI*) and then the absence of equality (*NONEQ*) (see Appendices E and F for the truth tables). The consistency threshold is now 0.85 to obtain a more precise result and I use the complex solution that does not allow the computer program to make any assumptions about unobserved combinations of conditions. Table 3 displays the results of the two rounds of the second step of the analyses.

Table 3: Result of Step 2 of the fsQCA

Model: LGR= f (AI1, CE1, PG1, EDU1)			
Complex solution	Raw coverage	Unique coverage	Consistency
ai1*CE1*PG1	0.46	0.41	0.89
AI1*ce1*PG1*EDU1	0.15	0.10	0.87
Solution coverage: 0.552529 Solution consistency: 0.879257			
Model: LGR= f (AI1, CE1, PG1, NONEQ)			
Complex solution	Raw coverage	Unique coverage	Consistency
ai1*CE1*PG1*NONEQ	0.42	0.42	0.89
Solution coverage: 0.42 Solution consistency: 0.89			

Source: author's elaboration using the fsQCA software.

The complex solution of the main specification including the level of education is:

$$ai1*CE1*PG1 + AI1*ce1*PG1*EDU1 \rightarrow LGR$$

According to this formula there are two combinations of conditions or 'paths' that are sufficient for local government responsiveness in the ten municipalities. The first sufficient combination of conditions is competitive elections and effective participatory governance in the absence of access to information through media coverage. The second sufficient path to the outcome is access to information through media coverage, effective participatory governance, and a high level of education in the absence of competitive elections. Both paths are highly consistent, i.e., the subset relation for sufficiency is closely approximated by the model. The first path is empirically more relevant than the second one as the raw and unique coverage figures show, i.e., the first path accounts for more instances of the outcome than the second one.

When the three proximate causal conditions are analyzed in the context of the absence of equality the complex solution of the fsQCA is

$$ai1*CE1*PG1*NONEQ \rightarrow LGR$$

Hence, as in the first specification, the combination of competitive elections and effective participatory governance in the absence of access to information through local media is found to be a sufficient path to the outcome, this time in the context of an unequal land distribution. This path is highly consistent and accounts for a little bit less than half of the empirical cases.

In both specifications causality turns out to be conjunctural and equifinal, i.e., local government responsiveness is brought about by a combination of conditions and there are two paths that lead to the outcome. None of the proximate or remote causal conditions is found to be individually sufficient for the outcome.

4.5.3 Robustness Checks

To check the robustness of the results I use alternative measures and alternatively constructed composite measures for the causal conditions. For the quantitative measures I use two alternative measures for the competitiveness of elections (*CE2*, *CE3*) and one alternative measure for the level of education (*EDU2*) and ethnic homogeneity (*ETHHOM2*). For the functioning of participatory governance and for the quality of access to information through local media I use a different aggregation function to calculate two alternative composite measures (*PG2*, *AI2*).

The main results of the two specifications are confirmed in the robustness checks. The results of the first step of the analysis do not change when using *EDU2* and *ETHHOM2*. In the second step, the most robust combination of conditions that is sufficient for the outcome across nine of the eleven specifications is *ai*CE*PG* in the context of high education (*EDU*) or low equality (*NONEQ*). The second robust combination of conditions, *AI*PG* in the context of high education (*EDU*) and high equality (*noneq*), is part of the solution formula in five of the eleven specifications. The results of the second step robustness checks are documented in Appendix G.

4.5.4 Interpretation and Evaluation of the Results: Back to the Cases

As fsQCA is a qualitative, case-based methodology I will now draw on case-level evidence to interpret and evaluate the solution formula. There are two municipalities, Buenas Hermanas and La Selva, that share the configuration of low access to coverage in local media, competitive elections, and effective participatory governance, in the context of a low level of equality and education (*ai*CE*PG*NONEQ*edu*). A third municipality, Mayan, displays the same configuration of causal conditions except that it is characterized by a high level of education. All three municipalities have responsive local governments that spend a large share of their budget on much needed social services.

All three cases are indigenous municipalities in the Guatemalan highlands that share a strong tradition of community organization and a history of brutal state and military repression before and during the civil war. Due to this history the indigenous population continues to be suspicious of the municipal authorities who are elected according to a western system of democracy, even though these municipal authorities belong to their ethnic group. In spite of the mistrust towards the municipal authorities, increased self-esteem among indigenous people implies that a high number of indigenous candidates participate in the elections to compete for the position of the mayor. Often these candidates include not only candidates of national political parties but also a number of independent candidates that form so-called civic committees. Electoral outcomes are tight and mayors are hardly ever re-elected due to the general belief among voters that public officials always enrich themselves during their time in office.

In addition to facing intense competition in the next elections, the municipal governments of all three cases are under pressure in the years between elections, because there are functioning MDCs. The MDCs in the three municipalities do not only meet regularly, but their members also demand to be informed and they discuss the spending decisions of the municipal government. In Mayan the mayor and the municipal staff even feel threatened by some of the village representatives who criticize them openly in MDC sessions and demand more funds for their villages. As a result, the mayor now resorts to dividing the municipal budget in equal amounts that he hands out to the village heads for their small projects. In the other two municipalities the relationship between the mayor and the village representatives is more cooperative and respectful and the MDC meetings serve mainly to plan the distribution of projects and to inform the village representatives about the decisions of the mayor.

Local media in all three successful municipalities do not contain much coverage of local government actions and more importantly even those that do, do not reach the majority of the population in rural areas. Most households are not connected to local TV networks and newspaper vendors hardly ever get to the majority of villages. The information on recent activities of the local government is passed on by village representatives, who have learnt about it in MDC meetings, to the population in village assemblies.

The fact that the absence of access to information through the media does not hinder the emergence of responsive local governance in these cases suggests that this face-to-face communication can substitute local media in rural areas.

A further unexpected result is that two of the three successful cases, Buenas Hermanas and La Selva have very low literacy rates. One explanation for this finding is that the low level of education of the population is compensated by the strong presence of NGOs in these municipalities who provide capacity building measures on the decentralization laws and citizen's rights and duties. This capacity building helps even illiterate village representatives to understand the information on budget planning and project implementation that is provided verbally in the MDC.

Whereas a high level of education is not a necessary condition for local government responsiveness in municipalities with competitive elections, the case of Valle de Oro suggests that in combination with an alternative sanctioning mechanism it can compensate for the absence of the threat of not being re-elected. Valle de Oro is characterized by the second most robust part of the solution formula: access to information through media coverage and effective participatory governance combined with the absence of competitive elections in a highly educated and highly equal context (*AI*ce*PG*EDU*noneq*). In Valle de Oro municipal government responsiveness was brought about by the leadership of a small group of well-educated citizens who are familiar with national laws due to their employment in national agencies. This group of citizens convicted the former mayor of corruption for which he was sent to jail by the national auditor. Subsequently, the group of civic leaders won the election with a large majority. Once in office they established the MDC, which did not exist before. In addition, they communicate the municipal revenues and expenses every three months in a public hearing that is also transmitted by the local TV station to all villages. Through this TV station, a majority of citizens has access to information on local government spending. Yet, this information is only available because the local government provides it voluntarily. Hence, no independent investigative media outlet or a citizen driven MDC incentivizes the local government in Valle de Oro to respond to the needs of its population.

The analysis of the chronological order of events in Valle de Oro illustrates how important it is to complement the fsQCA solution formula with the case level analysis to examine which of the conditions is really driving the result. In this case, the proximate causal conditions *AI* and *PG*, as well as the outcome, resulted from local leadership and a high level of education.

The remaining six cases lend further support to the validity of the first part of the solution formula (*ai*CE*PG*). Four cases suggest that local government responsiveness is unlikely to emerge in the absence of all accountability mechanisms or when only competitive elections are present (Bequita: *ai*ce*pg*EDU*noneq*; Victoria: *ai*CE*pg*edu*noneq*; Villa Beni: *ai*CE*pg*EDU*noneq*, Aurora: *ai*CE*pg*EDU*NONEQ*). Two cases indicate that even when competitive elections are combined with access to media coverage and a high level of education they do not consistently bring about local government responsiveness (Mar Azul and La Villa: *AI*CE*pg*EDU*NONEQ*).

In the cases with only competitive elections the lack of an effective information provision mechanism prevents in Victoria and Villa Beni that unresponsive behavior between elections is punished by voters. In addition, imperfect information about local government actions is aggravated by the following factors: Victoria has the lowest level of education of all cases and the current mayor does not allow NGOs to work in the municipality. Consequently, village representatives hardly understand local government decisions. Villa Beni has an extremely low population density and a high share of immigrants from other regions. It is the largest municipality of the country and covers a huge part of the lowland jungle of the Petén. The lack of common roots hinders the organization of civil society and the long distances to the capital make it extremely difficult for village representatives to participate in MDC meetings or for media to reach the villages limiting access to information about local government action for the population.

Even though Aurora does not have an effective MDC or accessible media coverage about politics to complement competitive elections, it has a responsive local government due to its particular adaptation of the official 'western' municipal governance system to its indigenous system of governance.

Traditional indigenous authorities from several villages share the seats in the Municipal Council and oversee each other and the mayor in two teams. After two years in office, they swap positions. This system of inter-village oversight and rotation of offices after two years seems to be an effective substitute for a democratic election with informed voters.

The remaining two remaining municipalities, La Villa and Mar Azul, share the combination of active local media and competitive elections. But even though a majority of citizens has access to regular news on local government activities this information does not reduce the re-election chances of a corrupt or unresponsive incumbent because the coverage is always positive regarding the incumbent. For example, in La Villa the mayor hands out numerous small favors to supporters who queue every day in front of his office and he employs many village representatives in his administration. Both activities increase the share of the budget that he spends on administration and reduces the funds that are available for social investment. Because local media do not report critically on these clientelistic practices, they do not endanger his chances to be re-elected.

The interviews with local editors revealed that the reason for their uncritical coverage is their difficult financial situation and the resulting reliance on local government advertisements. Local media outlets struggle to tap other sources of revenues because of their consumer's low capacity to pay and the low interest of local businesses to use local media for advertising. Many local newspapers do not even charge for their copies but distribute them freely. This implies that they cannot afford to offend the local government and even if they wanted to cover politics more critically they could not do so because they cannot afford to pay journalists for their investigation.

4.6 Conclusion

There is widespread consensus that democratic elections alone do not prevent governments in developing countries from targeting public funds towards favored ethnic groups and campaign supporters instead of investing in social services for the poor majority. Yet, there is little evidence on how to increase vertical accountability and thus government responsiveness in developing country political markets that are severely affected by information asymmetries between politicians and voters.

Drawing on political agency theory this study argues that elections need to be complemented by an information provision mechanism, such as participatory governance or local media, to bring about local government responsiveness. The fsQCA of ten Guatemalan municipalities supports the conjunctural causation of competitive local elections and effective participatory governance. Widespread access to news on local politics in local media does not complement competitive elections in bringing about local government responsiveness in the case municipalities. Even when local media have high circulation figures and report regularly on politics they do not earn enough revenues from sources outside the local government to be able to publish critical reports on local government actions. This finding suggests that liberalizing state regulation of the media and guaranteeing freedom of the press is not sufficient for creating a landscape of free and independent media in developing countries; demand side constraints to media growth need to be addressed as well.

The effect of the context conditions literacy and economic inequality on local government responsiveness differed substantially across the cases. The micro-mechanisms that cause this variation in the overall effect would be a fruitful area of further case study or experimental research. Finally, the case-level analysis shows that local leadership, the presence of NGOs and the density of the population can play an important role in the emergence of local government responsiveness. Further research is needed to corroborate the empirical relevance of these context conditions in other settings.

Even though the case selection contains a variety of configurations of conditions it was not possible to evaluate the impact of participatory governance in the absence of competitive elections due to the limited diversity of cases. Moreover, to explore the link between low demand and bias in media coverage more systematically we would require a measure of the objectivity of local media coverage across all municipalities. Such a measure was not available due to a shortage of archived local media reports and financial reports of local media.

Taken together, the results of this study underline the importance of looking at the interplay of all accountability mechanisms that influence a local government and of controlling for important context conditions to assess what governance structure fosters local government responsiveness. By evaluating governance reforms, such as participatory budgeting or citizen report cards without taking into account existing accountability mechanisms, such as elections or media, we are unlikely to obtain a comprehensive picture of the incentives that politicians face to behave in line with the preferences of the majority of voters.

Contributing to a comprehensive theory of local government accountability that accommodates recently established forms of participatory governance in developing countries this study has applied the political agency model to outline the basic effects of participatory governance forums on local government responsiveness. Further research is needed to develop more extensive models that can make nuanced predictions on the impact of information provision, joint decision-making, and soft sanctioning in participatory governance forums on local government incentives.

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Appendix A: Measurement of Conditions and Outcome

Qualitative Measures				
Causal Condition	Measures	Justification for the Measures	Aggregation function	Data Sources
Participatory Governance (PG)	Frequency of MDC meetings (fqmdc)	Fqmdc and partmdc measure whether the MDC physically functions as foreseen, i.e. whether all relevant actor groups in the municipality meet regularly with the mayor.	PG1: the average of the values for all three information provision measures is calculated (downward information); the average of frequency and participation is calculated (physical establishment); then the minimum of these two 2 nd level measures and disapproval is taken. PG2: the average of the values for all three information provision measures is calculated (downward information); then the average of this 2 nd level measure and all other measures is taken.	Interviews with members of the MDC and the municipal government; focus group interviews in the villages; minutes of MDC meetings; local media coverage.
	Scope of participation (partmdc)			
	Provision of information from Municipal Corporation to MDC about municipal budget revenues and expenses (dwinfo1)	Dwinfo1-dwinfo3 measure the actual downward information flow within the MDC and thus its most important function.		
	Provision of information from Municipal Corporation to MDC about realization of development council and municipal projects (dwinfo2)			
	Provision of information from Municipal Corporation to MDC about justification for allocation of development council and municipal projects (dwinfo3)			
	Disapproval and demand for corrective actions is voiced within the MDC in case that development plans and projects are not implemented properly by the Municipal Corporation (dca)	Dca measures whether the MDC can sanction the behavior of the Municipal Corporation by publicly criticizing it and by demanding corrective actions.		
Access to Information through media coverage (AI)	Availability of news on local politics for majority of population on TV (tv)	The more locally accessible media (TV/radio/newspapers) report on municipal local politics, the more likely are voters to pick up this information.	AI1: the maximum of TV, radio and np. AI2: the average of TV, radio and np.	Content-analysis of locally available newspapers; interviews with local civil society representatives, donors and journalists.
	Availability of news on local politics for majority of population on the radio (radio)			
	Availability of news on local politics for majority of population in newspapers (np)			

Quantitative Measures			
Causal Condition / Outcome	Main and Alternative Measures	Justification for the Measures	Data Sources
Competitive Elections (CE)	Number of candidates for mayor (ce1) (main)	The more candidates have competed for the mayor position, the more difficult it was for each one of them to win enough votes in the last election.	TSE 2007: the data for the measures ce1-ce3 are available for the municipal elections 2007 from the electoral archive.
	Winning party share (ce2) (alternative)	The higher the share of votes for the winning party, the easier it was for the 1 st placed party to win more votes than the 2 nd placed one.	
	Voter turnout (ce3) (alternative)	High participation in the last election means that they have been competitive because politicians needed to convince more voters to get a majority of the votes	
Level of Education (EDU)	Literacy rate (edu1) (main)	Literacy reflects the ability to understand printed information on government performance.	INE 2002: data at the municipal level from the Census.
	Share of population with at least primary education (edu2) (alternative)	A higher level of education raises the ability to understand any information on government performance.	
Economic Equality (EQ)	Inverse of the Gini coefficient of land distribution (eq) (main)	The Gini coefficient of land is the area under the Lorenz curve of land distribution. Because fertile land is the main source of wealth in rural municipalities the land distribution is likely to be a good measure of the concentration of economic power.	UNDP 2005: National Development Report Guatemala
Ethnic homogeneity (ETHHOM)	Inverse of Ethnic Fractionalization Index (ethhom 1) (main)	The Ethnic Fractionalization Index of a municipality specifies the probability that two people that are randomly drawn from the municipality's population are from different ethnicities	INE 2002: data at the municipal level from the Census.
	Inverse of Language Fractionalization Index (ethhom 2) (alternative)	The Language Fractionalization Index of a municipality specifies the probability that two people that are randomly drawn from the municipality's population speak a different language	
Local Government Responsiveness (LGR)	Average share of the municipal budget spent on health, education, water and sanitation, roads, and electricity in 2008 and 2009 (lgr)	The more a municipal government invests in social services, the more it takes the preferences of its electorate into account.	Gobierno de Guatemala 2010: municipal budgets 2008 and 2009 from the SIAF-Muni System.

Appendix B: Calibration of Fuzzy-Set Values

Qualitative Measures		
Causal Condition	Sub-measures	Definitions of Fuzzy-Set Values
Participatory Governance (PG)	Frequency of officially documented MDC meetings (fqmdc)	0: MDC has not met in the last 12 months 0,5: MDC has met four times in the last 12 months 1: MDC has met 12 times or more often in the last 12 months
	Scope of participation (partmdc)	0: None of the interested organizations in the municipality participates 0,33: Less than half of the interested organizations participate 0,67: Half or more of the interested organizations participate 1: All of the interested organizations participate
	Provision of information from Municipal Corporation to MDC about municipal budget revenues and expenses (dwinfo1)	0: No revenues and expenses are communicated 0,33: All revenues and expenses are communicated once a year / only totals are communicated twice or once a year 0,67: All revenues and expenses are communicated 3 times or twice a year/ only totals are communicated 3 or 4 times a year 1: All revenues and expenses are communicated 3 or 4 times a year
	Provision of information from Municipal Corporation to MDC about realization of development council and municipal projects (dwinfo2)	0: No information is given 0,33: Information only on development council or municipal projects without cost once a year 0,67: Information without cost is given on development council and municipal projects at least once a year / information with cost on either development council or municipal projects is given at least once a year 1: Information with cost of projects is given on development council and municipal projects at least once a year
	Provision of information from Municipal Corporation to MDC about justification for allocation of development council and municipal projects (dwinfo3)	0: No information is given 0,33: Information about list of development council or municipal projects without reasons once a year 0,67: Information about list and reasons for including development council or municipal projects at least once a year 1: Information about list and reasons for including development council and municipal projects at least once a year
	Disapproval and demand for corrective actions is officially voiced by the MDC (dca)	0: MDC members do not evaluate any topic 0,33: MDC evaluate at least one crucial topic 0,67: MDC members voice disapproval for at least one crucial topic 1: MDC members voice disapproval and demand corrective actions

Causal Condition	Sub-measures	Definitions of Fuzzy-Set Values
Access to Information through media coverage (AI)	Availability of news on local politics for majority of population on TV (tv)	0: No news on local politics are available on TV for the majority of the population
		0,33: News on local politics are available on TV for the majority of the population every few months
		0,67: News on local politics are available on TV for the majority of the population every month
		1: News on local politics are available on TV for the majority of the population every week
	Availability of news on local politics for majority of population on the radio (radio)	0: No news on local politics are available on the radio for the majority of the population
		0,33: News on local politics are available on the radio for the majority of the population every few months
		0,67: News on local politics are available on the radio for the majority of the population every month
		1: News on local politics are available on the radio for the majority of the population every week
	Availability of news on local politics for majority of population in newspapers (np)	0: No news on local politics are available in newspapers for the majority of the population
		0,33: News on local politics are available in newspapers for the majority of the population every few months
		0,67: News on local politics are available in newspapers for the majority of the population every month
		1: News on local politics are available in newspapers for the majority of the population every week
Quantitative Measures		
Causal Condition / Outcome	Measure(s)	Anchor Points for Direct Calibration of Fuzzy-Sets
Competitive Elections (CE)	Number of candidates for mayor (ce1)	0: Only one candidate ran for the position of the mayor
		0,5: Five candidates ran for the position of the mayor
		1: Ten or more candidates ran for the position of the mayor
	Winning party share (ce2)	0: The share of the 1st placed party was at least 50% of the votes
		0,5: The share of the 1st placed party was 35% of the votes
		1: The share of the 1st placed party was at most 20% of the votes
	Voter turnout (ce3)	0: Voter turnout was at most 50%
		0,5: Voter turnout was 60%
		1: Voter turnout was at least 70%

Causal Condition / Outcome	Measure(s)	Anchor Points for Direct Calibration of Fuzzy-Sets
Level of Education (EDU)	Literacy rate (edu1)	0: Less than 50% of the population can read and write
		0,5: 65% of the population can read and write
		1: More than 80% of the population can read and write
	Share of population with at least primary education (edu2)	0: No one has completed primary education
		0,5: 25% of the population have completed primary education
		1: More than 50% of the population have completed primary education
Economic Equality (EQ)	Inverse of the Gini coefficient of land distribution (eq) (main)	0: Inverse of Gini coefficient of land distribution of at least 0,6
		0,5: Inverse of Gini coefficient of land distribution of 0,4
		1: Inverse of Gini coefficient of land distribution of at most 0,2
Ethnic homogeneity (ETHHOM)	Inverse of Ethnic Fractionalization Index (ethhom 1) (main)	0: Probability of 1 that two randomly selected people from the municipality are from different ethnic background
		0,5: Probability of 0.5 that two randomly selected people from the municipality are from different ethnic background
		1: Probability of 0 that two randomly selected people from the municipality are from different ethnic background
	Inverse of Language Fractionalization Index (ethhom 2) (alternative)	0: Probability of 1 that two randomly selected people from the municipality speak two different languages
		0,5: Probability of 0.5 that two randomly selected people from the municipality speak two different languages
		1: Probability of 0 that two randomly selected people from the municipality speak two different languages
Local Government Responsiveness (LGR)	Average share of budget spent on social services	0: Less than 60% of the budget is spent on social services
		0,5: 70% of the budget is spent on social services
		1: More than 80% of the budget is spent on social services

Appendix C: Fuzzy-Set Values of Conditions and Outcome

Municipality	Remote Causal Conditions					Proximate Causal Conditions							Outcome
	EDU1	EDU2	EQ	ETHHO M1	ETHHO M2	AI1	AI2	CE1	CE2	CE3	PG1	PG2	LGR
Victoria	0,03	0,33	0,57	0,93	0,93	0,33	0,11	0,77	0,86	0,77	0,33	0,36	0,05
La Villa	0,77	0,87	0,01	0,92	0,93	1	0,78	0,77	0,69	0,95	0,11	0,62	0
Mar Azul	0,75	0,76	0,35	0,95	0,95	0,67	0,22	0,86	0,12	0,51	0	0,42	0,77
Villa Beni	0,54	0,64	0,9	0,84	0,87	0	0	0,95	0,86	0,42	0	0,27	0,01
Aurora	0,8	0,78	0,46	0,94	0,67	0	0	0,77	0,83	0,04	0,33	0,62	0,82
La Selva	0,24	0,68	0,01	0,73	0,63	0	0	0,97	0,97	0,99	0,56	0,86	0,86
Valle de Oro	0,88	0,83	1	0,95	0,85	0,67	0,44	0,18	0,02	0,2	0,67	0,82	0,82
Buenas Hermanas	0,18	0,45	0,04	0,83	0,59	0,33	0,11	0,95	0,96	0,31	0,89	0,94	0,89
Mayan	0,81	0,82	0,43	0,89	0,67	0,33	0,11	1	0,95	0,94	0,56	0,84	0,57
Bequita	0,69	0,79	0,65	0,95	0,95	0,33	0,11	0,18	0,17	0,97	0	0,55	0,35

Source: author's elaboration based on interview data and quantitative data from Gobierno de Guatemala (2010), INE (2002), TSE (2007), and UNDP (2005).

Appendix D: Truth Table for the Analysis of Remote Causal Conditions

Row	EDU1	EQ	ETHHOM1	Number	LGR	Consistency	Cases
1	1	0	1	4	1	0.749271	La Villa, Mar Azul, Aurora, Mayan
2	1	1	1	3	1	0.735294	Villa Beni, Valle de Oro, Bequita
3	0	0	1	2	1	0.785276	La Selva, Buenas Hermanas
4	0	1	1	1	0	0.546296	Victoria
5	0	0	0	0	1	0.802083	-
6	1	1	0	0	1	0.719298	-
7	0	1	0	0	1	0.704918	-
8	1	0	0	0	1	0.808989	-

Source: author's elaboration using the fsQCA software.

Appendix E: Truth Table for Analysis of Proximate Causal Conditions with Education

Row	AI1	CE1	PG1	EDU1	Number	LGR	Consistency	Cases
1	0	1	1	1	1	1	1.000.000	Mayan
2	1	0	1	1	1	1	0.872093	Valle de Oro
3	0	1	1	0	2	1	0.864734	La Selva, Buenas Hermanas
4	0	1	0	1	2	0	0.805147	Villa Beni, Aurora
5	0	0	0	1	1	0	0.764706	Bequita
6	1	1	0	1	2	0	0.660793	La Villa, Mar Azul
7	0	1	0	0	1	0	0.591603	Victoria
8	0	0	0	0	0	0	0.805310	-
9	0	0	1	1	0	1	1.000.000	-
10	0	0	1	0	0	0	0.714286	-
11	1	0	0	1	0	0	0.792793	-
12	1	1	1	0	0	0	0.638889	-
13	1	1	0	0	0	0	0.638298	-
14	1	0	0	0	0	0	0.620370	-
15	1	1	1	1	0	1	0.867470	-
16	1	0	1	0	0	0	0.431373	-

Source: author's elaboration using the fsQCA software.

Appendix F: Truth Table for Analysis of Proximate Causal Conditions with Absence of Equality

Row	AI1	CE1	PG1	NONEQ	Number	LGR	Consistency	Cases
1	0	1	1	1	3	1	0.885714	La Selva, Buenas Hermanas, Mayan
2	1	1	0	1	2	0	0.556962	La Villa, Mar Azul
3	0	1	0	0	2	0	0.545161	Victoria, Villa Beni
4	1	0	1	0	1	0	0.800000	Valle de Oro
5	0	1	0	1	1	0	0.817121	Aurora
6	0	0	0	0	1	0	0.690476	Bequita
7	1	0	0	0	0	0	0.824074	-
8	0	0	1	0	0	0	0.785714	-
9	0	1	1	0	0	0	0.787879	-
10	1	1	1	0	0	0	0.674157	-
11	0	0	1	1	0	0	0.666667	-
12	1	1	1	1	0	0	0.645455	-
13	1	0	0	1	0	0	0.581633	-
14	1	1	0	0	0	0	0.795775	-
15	0	0	0	1	0	0	0.796296	-
16	1	0	1	1	0	0	0.256410	-

Source: author's elaboration using the fsQCA software.

Appendix G: Results of the Robustness Checks of the Analysis of Proximate Causal Conditions

Change in specification	Complex solution with education	Complex solution with absence of equality
Winning party share (CE2) instead of number of candidates (CE1)	$ai1*CE2*PG1 + AI1*ce2*PG1*EDU1 \rightarrow LGR$	$ai1*CE2*PG1*NONEQ + AI1*ce2*PG1*noneq \rightarrow LGR$
Voter turnout (CE3) instead of number of candidates (CE1)	$ai1*CE3*PG1*EDU1 + AI1*ce4*PG1*EDU1 + ai1*ce3*PG1*edu1 \rightarrow LGR$	$ai1*ce3*PG1*NONEQ \rightarrow LGR$
Share of population with primary education (EDU2) instead of literacy rate (EDU1)	$ai1*CE1*PG1*EDU2 \rightarrow LGR$	n/a
Use a softer aggregation function (average instead of minimum) for PG (PG2)	$ai1*CE1*PG2*EDU1 \rightarrow LGR$	$ai1*CE1*PG2*NONEQ + AI1*ce1*PG2*noneq \rightarrow LGR$
Use a stricter aggregation function (average instead of maximum) for AI (AI2)	$ai2*PG1*EDU1 \rightarrow LGR$	$ai2*CE1*PG1*NONEQ \rightarrow LGR$

Source: author's elaboration using the fsQCA software.

The cut-off value for consistency is 0.85 and the complex solution is displayed. The consistency and coverage values of these results are similar to the main results and available on request.

**5. Qualitative Comparative Empirical Study (Paper 4):
“Explaining Effective Participatory Governance: Qualitative
Comparative Evidence on the Role of Informal Incentives, Dis-
course Capabilities and Civil Society Organization”**

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Abstract: Participatory governance arrangements in developing countries have been shown to work when local governments are willing to allow participation and civil society actors have the capabilities to participate effectively. But in many instances these two conditions are hardly met. So, how can they be brought about? This study puts forward two institutional rational choice based research hypotheses, one on the compliance incentives for government officials and one on social and structural conditions for effective civil society participation. It tests them in a fuzzy-set Qualitative Comparative Analysis (fsQCA) of ten rural municipalities. The key findings of the analysis are that social enforcement by civil society actors, a mayor’s internal enforcement with feelings of guilt and a mayor’s interest in participatory governance are jointly sufficient for government compliance. Moreover, the analysis shows that a the combination of a high capacity to engage in public discourse, short distances to meetings, and the presence of a large number of civil society organizations is sufficient for effective civil society enforcement in the examined municipalities.

Keywords: Participatory Governance, Institutional Incentives, Fuzzy-set Qualitative Comparative Analysis (fsQCA), Guatemala

5.1 Introduction

In the last twenty years, many developing countries have formally introduced new forms of participatory governance¹. Participatory governance is promoted as a means to improve public service delivery and a strategy to deepen democracy (Avritzer 2009; Evans 2004; Prichett and Woolcock 2004). Effective participatory governance mechanisms have been found e.g., to increase government accountability and responsiveness in public service delivery and to enhance access to services for the poor (Besley et al. 2005; Boulding and Wampler 2010; Lemos et al. 2010; Shah 2007).

Yet, making participatory governance mechanisms work effectively turns out to be a great challenge for many developing countries. Several case studies e.g., from Bolivia, Peru and Uganda, observe a deep gap between formally adopted laws on participatory governance and their functioning on the ground (Andersson 1999; Brinkerhoff et al. 2007; Porter and Onyach-Olaa 2000). Difficulties in implementing participatory governance effectively have been explained by the fact that either the “political economy condition” and/or the “civil society condition” are not met (Evans 2004). On the one hand, participatory governance mechanisms have been found to fail because government officials are unwilling to involve citizens in decision-making and when they are able to implement the planned projects (Andersson and van Laerhoven 2007; Blair 2000; Brinkerhoff et al. 2007; Eguren 2008; Schönleitner 2004). On the other hand, effective participatory governance has been shown to be hindered by the fact that civil society actors lack the technical and organizational capacity to discuss and contest government decisions (Avritzer 2009; Devas and Grant 2003; Wampler 2008a).

So should we conclude from these findings that participatory governance is doomed to fail in places where these two conditions are not met or are there ways to foster the civil society and the political economy condition? To answer this question the remainder of this study examines the determinants of the civil society and the political economy condition in rural Guatemala.

¹ Participatory governance is defined in this study as the inclusion of citizens in the process of public policy making.

For guiding the empirical investigation, the study proposes two research hypotheses. The first hypothesis covers the conditions that influence a municipal government's decision to establish and run a participatory governance forum. This decision is conceptualized as the decision to comply with an institution, in this case the Guatemalan participatory governance law. The second research hypothesis refers to the conditions that contribute to civil society actors' ability to exert public pressure and to participate actively, which is framed as the collective social enforcement of the participatory governance law. Both hypotheses are derived from theories that belong to the field of rational choice institutionalism. Hence, the theoretical approach of this study is based on the assumptions that actors are boundedly rational and that institutions are the main structural element of decision situations (Shepsle 1989; Weingast 2002).

The two research hypotheses are tested in two fuzzy-set Qualitative Comparative Analyses (fsQCA) of ten Guatemalan municipalities. These municipalities provide an ideal testing ground for the research hypotheses. First, Guatemalan national law mandates the establishment of Municipal Development Councils (MDCs) since 2002. Municipal governments are able to implement these forums² and village representatives are motivated to participate in them³ But the willingness of municipal governments to share their power and the ability of civil society actors to contest government decisions are likely to vary greatly between Guatemalan municipalities due to Guatemala's ethnic, social, and economic heterogeneity (Durstun 1998). In fact, even though all forms of civic organization and community orientation have been severely affected by the long internal conflict, civil society participation in Guatemala has been found to vary strongly before, during and after the civil war (Booth 2000; Goldfrank 2007; Miños Chavez 2001). The study exploits these differences to analyze the determinants of the political economy and the civil society condition in ten municipalities from different regions of the country.

² All municipalities obtain substantial funds that can be prioritized in the participatory planning process in the Municipal Development Councils (MDCs). Moreover, even though bureaucratic competence and financial resources of Guatemalan municipal administrations are low (Miños Chavez 2001), they are able to carry out the basic organizational tasks of coordinating a MDC.

³ The village representatives are motivated by the projects that can be distributed according to the participatory prioritization. Representatives of civil society organizations benefit from participating in the MDCs because it offers them a forum for promoting their cause.

The remainder of the study is structured as follows: the next section provides information on the Guatemalan context for participatory governance. Section 5.3 presents the two research hypotheses and the theoretical arguments from which they have been derived. Section 5.4 describes the data and the methods. Section 5.5 presents the results of the empirical analysis and interprets them. Section 5.6 concludes.

5.2 Participatory Governance in Guatemala

Guatemala is among the poorest countries in Latin America. In 2006 more than half of Guatemala's population lived below the national poverty line and more than 15% of the population were estimated to be extremely poor (Instituto Nacional de Estadística (INE) 2006). The country continues to suffer from the socio-economic consequences of a 36-year-long civil war in which more than 200,000 people died and 250,000 are still missing (Jonas 2000).

To comply with the provisions of the 1996 Peace Agreement the Guatemalan Congress passed the Urban and Rural Development Council Law in 2002 (Congreso de la República de Guatemala 2002). This law established Communal, Municipal, Departmental, Regional and National Development Councils as the principal means of participation of the Guatemalan population in the public policy process.

The principal level of this system for bottom-up planning and monitoring of elected local governments is the municipal level where civil society actors participate in the Municipal Development Council (MDC). The Development Council Law establishes the MDC as a consultative forum for the planning and evaluation of municipal development projects. It foresees that representatives from the Communal Development Councils⁴ (CDC) and local civil society groups meet with municipal and central government officials once a month to discuss development projects and to evaluate municipal spending (Congreso de la República de Guatemala 2002).

Guatemalan municipalities are governed by mayors and Municipal Councils who are elected every four years. The mayors are the executive agents of the municipal government and the heads of the municipal administration.

⁴ At the village level a community assembly, the so-called Communal Development Council, takes place every month in which the needs of the community for public services are discussed and prioritized.

In addition, they usually have a majority in the Municipal Council due to the simple plurality electoral system (Puente Alcaraz and Linares López 2004). According to the law, they call the MDC meeting, coordinate the MDC and set the agenda for the debate. Hence, their compliance with the law is decisive for the effectiveness of participatory governance at the municipal level (López 2002). For this reason, the analysis focuses on a mayor's decision and leaves aside power struggles between different branches of the municipal government.

As there is no central government enforcement of the Development Council Law at the municipal level, the actual functioning of a MDC depends on the willingness of a mayor to coordinate and run it (the political economy condition) and the ability of civil society actors to participate effectively (the civil society condition) (López 2002; Centro de Investigaciones Económicas Nacionales 2003).

Both conditions are affected by Guatemala's historical and cultural legacy. On the one hand, many mayors reproduce the authoritarianism and arbitrariness of the central government and continue to perceive the MDC as competing with them for power and unduly restricting their autonomy. They are also afraid to open up a space where members of the opposition can voice their criticism and interfere with the implementation of projects (Barrientos 2007; López 2002). On the other hand, in many municipalities active demand for political participation is impeded by fear, a so called 'culture of dependency', and resignation due to the recent brutal civil war and decades of authoritarian regimes, as well as repeated experiences with corrupt politicians (Borrell 2002; Kaur 2003).

Yet, in spite of this legacy, Guatemala remains a multi-ethnic country with an immense variety of indigenous cultures, languages, climate zones, customs and traditions, which naturally translates into a variation in civil society activity⁵ (Durstun 1998; Grant 2001) and differences in the degree of implementation of the MDCs.

⁵ For example, "[T]here is a widespread perception in Guatemala that the Mayan corporate communities in the western highlands are more 'civic', more organized and more oriented toward collective decision-making and action, while the eastern lowlands are described as being 'individualistic' with little participation in community organizations and much resistance to the idea of collective action" (Durstun 1998: 5).

For example, the United Nations Development Program (UNDP) finds that 200 municipalities had established a MDC in 2005, whereas 131 did not do so (UNDP 2005: 213). What explains this diversity within one country? The following section puts forward two research hypotheses for explaining differences in the compliance of a Guatemalan mayor with the Development Council Law and the ability of civil society actors to demand and exercise their right to be included in decision-making.

5.3 An Institutional Rational Choice Approach to Explaining Participatory Governance

The research hypotheses on the political economy condition (Section 5.3.1) and the civil society condition (Section 5.3.2) are developed from theories that adopt a rational choice institutionalist perspective. Hence, the theories share the view that institutions constrain and enable interactions of boundedly rational human actors by conveying information about the likely future actions of other actors and the nature of sanctions for noncompliance (North 1990; Weingast 2002).⁶

5.3.1 Incentives for Municipal Government Compliance

The first research hypothesis addresses the motivations that can induce a municipal government to establish and run a MDC. It is derived from imperative and behavioral theories of law which provide arguments on why citizens comply with laws. According to these theories three types of reasons could motivate municipal governments to comply with the Guatemalan participatory governance law. They are summarized in the first research hypothesis (H1).

H1: *The following three conditions contribute to municipal government compliance (COMPLIANCE) with the mandate to establish a functioning Municipal Development Council (MDC)...*

- 1) *...a mayor's interest in establishing a functioning MDC (INTEREST)*
- 2) *...civil society enforcement with expressions of (dis)approval (SOCIETYENF)*
- 3) *...mayoral self-enforcement with feelings, such as guilt and pride (SELFENF)*

⁶ In this view institutions are seen as sources of observed regularities in human behavior. Following Ostrom they are defined in this study as “(...) prescriptions that humans use to organize all forms of repetitive and structured interactions” (Ostrom 2005: 3).

The theoretical arguments from which H1 is derived are the following: imperative and behavioral theories of law show that besides formal state enforcement⁷ there are three main incentives for actors to adhere to an institution: 1) it is in the interest of an actor to comply with the institution (strategy), 2) the institution is enforced by societal disapproval (social norm), 3) the institution is enforced by personal feelings (personal norm) (Grasmick and Bursik 1990; Parisi and von Wagenheim 2006). The impact of an institution on human behavior can thus originate from three different sources: first, it can affect behavior by transmitting information on how other actors are going to behave. Strategies are repeated patterns of behavior to which actors adhere because deviation entails a lower payoff for them (Bromley 1989; Posner and Rasmusen 1999). According to this imperative theory of law argument, municipal government compliance will take place when the personal or political benefits outweigh the cost of calling MDC meetings (condition 1).

Second, behavioral theories of law stress that compliance with an institution can be achieved through informal monitoring and sanctioning with public disapproval by other members of a society or by feelings of guilt (Cooter 1998; Elster 1989; Hodgson 2006; Posner and Rasmusen 1999). Social monitoring and sanctioning could be exercised in Guatemala by local civil society members and thus motivate the municipal government to set up a MDC (condition 2). Finally, Guatemalan mayors could be induced to coordinate a functioning MDC by self-monitoring and self-sanctioning, e.g., with feelings of guilt when breaking a law or the feeling of a warm glow when complying with it (condition 3).

5.3.2 *Socio-Economic Conditions for Civil Society Enforcement*

The second outcome that is examined is the ability of civil society actors to exert public pressure on the mayor and to participate actively in MDC meetings, which is conceptualized as the collective social enforcement of the participatory governance law. The second research hypothesis (H2) summarizes what conditions explain the differences in civil society enforcement in Guatemalan municipalities according to distributive bargaining theory (Knight 1992) and collective action theory (Ostrom 2007).

⁷ This type of enforcement does not take place in Guatemala and is hence not included in the hypothesis.

H2: *The following four conditions contribute to civil society enforcement (SOCIETYENF) ...*

- 1) *...high discourse capability of civil society actors (DISCOURSECAP)*
- 2) *...low poverty of civil society actors (LOWPOV)*
- 3) *...large number of civil society organizations (LARGEGROUP)*
- 4) *...high frequency of personal communication between civil society actors (COMMUNICATE)*

The first two conditions of the hypothesis are derived from the distributive bargaining theory argument that the resources that actors command influence their ability to enforce institutions against other actors (Knight 1992). According to this argument, the resources that enable civil society actors to carry out public lobbying activities and to engage in meaningful debates about public policy decisions affect the strength of civil society enforcement. The following two resources have been found to be particularly relevant for civil society to be able to fulfill these functions: first, civil society actors need to have sufficient discourse capability (Besley et al. 2005; Gibson and Woolcock 2008; Wampler 2008b) (condition 1). Discourse capability is defined in this study as an actor's ability to understand the law and to use effective social and linguistic practices to criticize municipal government behavior in public and to discuss and contest municipal government decisions in participatory governance meetings (Holzscheiter 2005). Second, civil society actors need to have the financial resources to be able to afford the cost of participation and to be independent from government welfare programs and benefits (Wampler 2008b; Wiebe 2000) (condition 2).

Besides intellectual and financial resources civil society enforcement needs to involve a number of actors to be effective. Hence, it can be framed as the provision of a public good, which needs to be organized collectively. Collective action theory establishes eight structural factors that influence the success of collective action to provide a public good (Ostrom 2007).⁸ Only two of these eight factors are relevant for explaining the ability of civil society to push collectively for the enforcement of the law because the other six factors do not vary across Guatemalan municipalities.

⁸ The eight factors are: 1) the size of the group, 2) whether benefits are subtractive or fully shared, 3) the heterogeneity of participants, 4) face-to-face communication, 5) the shape of the production function, 6) information about past actions, 7) how individuals are linked, and 8) whether individuals can enter and exit freely (Ostrom 2007: 188).

The first of the two factors that are hypothesized to affect collective action in Guatemalan municipalities is group size. A larger group of civil society organizations makes it more likely that there will be a critical number of interested and resourceful actors for civil society enforcement; also a larger group of civil society actors makes it more difficult for the municipal government to co-opt all interest groups (Oliver and Marwell 1988; Wampler 2008a) (condition 3). The second factor that could theoretically influence civil society enforcement is how often citizens have the opportunity for face-to-face communication. The reason for this is that this type of communication can be used for persuading other actors to act in the interest of the group and for discussing deviations from cooperation (Ostrom et al. 1994; Frohlich and Oppenheimer 1998) (condition 4).

To sum up the theoretical arguments on municipal government compliance and civil society enforcement in this and the previous section, Figure 1 illustrates both research hypotheses and their relationship.

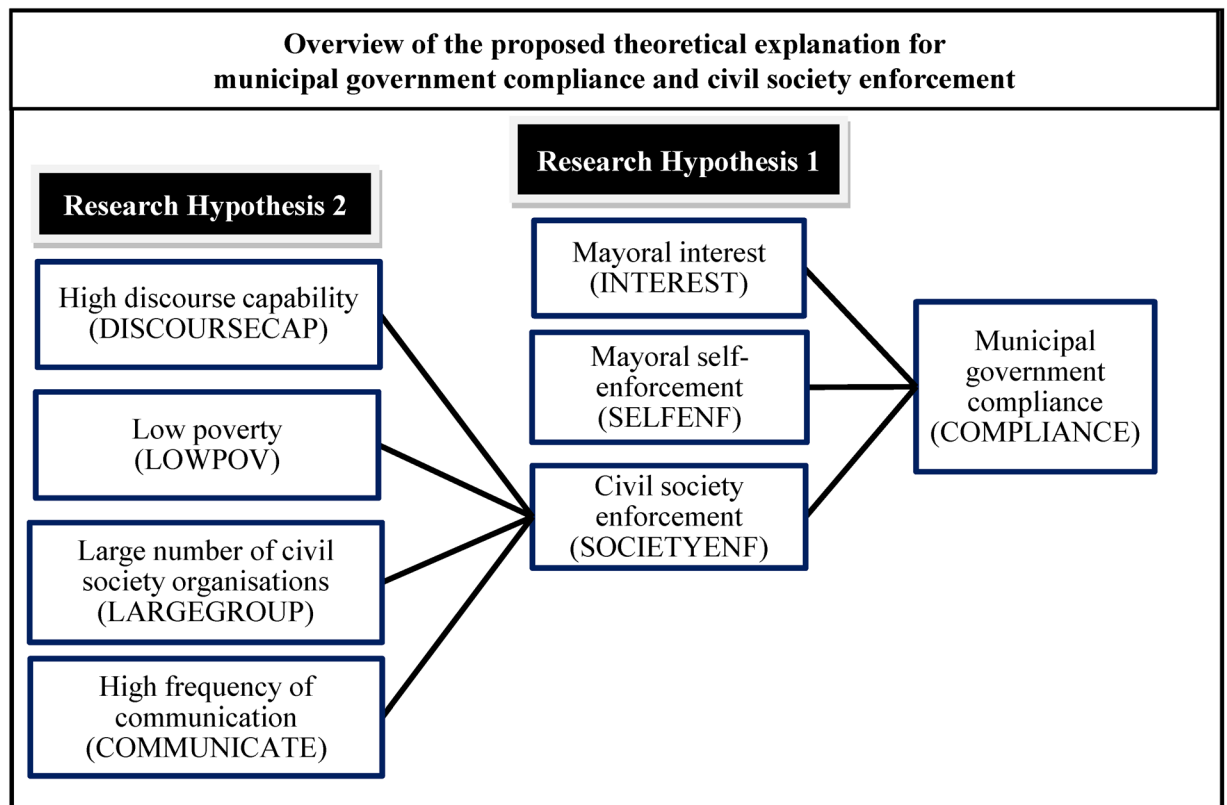


Figure 1: Graphic illustration of the research hypotheses

5.4 Methods

The empirical analysis consists in a fuzzy-set Qualitative Comparative Analysis (fsQCA)⁹ of ten municipalities that is based on qualitative and quantitative raw data. By comparing the experiences of ten cases from different regions the study accounts for Guatemala's cultural and socio-economic diversity; at the same time the collection of detailed qualitative data allows for the measurement of complex concepts, such as informal enforcement mechanisms, which are difficult to capture in large n surveys. FsQCA offers a systematic and transparent technique for comparing these data. Another advantage of fsQCA is that it can detect patterns of multiple conjunctural causation where different combinations of causal conditions lead to an outcome (Berg-Schlusser et al. 2009).

5.4.1 Case Selection

The selection of the ten municipalities for the fuzzy-set Qualitative Comparative Analysis (fsQCA) is carried out according to the Most Similar Systems Design (MSSD) (Przeworski and Teune 1970). The MSSD is chosen to identify conditions that explain the differences in outcomes across the cases in spite of their similarity. For this case selection design, cases that share several characteristics but vary in the explanatory conditions under study and in outcomes are selected purposefully.

The population of cases comprises the 155 Guatemalan municipalities in which more than 70% of the population lives in rural areas. The study focuses on rural municipalities because they are most affected by poverty and a lack of basic social services and therefore in dire need of a governance mechanism that fosters social inclusion (INE 2006; World Bank 2003). From the 155 rural municipalities, ten cases with positive and negative outcomes measured by their share of municipal spending on social services were selected¹⁰.

⁹ FsQCA is a case-oriented method that uses fuzzy-logic to identify the necessary and sufficient combinations of conditions that lead to an outcome. Fuzzy logic is a superset of traditional Boolean logic, i.e., a form of multi-valued logic that is derived from fuzz-set theory. For a detailed treatment of fsQCA see Ragin (2000, 2008).

¹⁰ The share of social spending is the most accurate and timely measure of a municipality with municipal government compliance and civil society enforcement that is available for all 155 rural municipalities.

The data collected in the course of the study confirm that the ten selected cases differ in the degree to which the civil society condition and the political economy condition are met and in the functioning of their MDCs.¹¹ Hence, the cases vary in the outcome. They also vary in the conditions that are hypothesized to contribute to civil society enforcement. They differ in the level of education and poverty, the number of civil society organizations and population density. At the same time the cases are similar in the following characteristics: financial capacity (budgets per head and funds to implement development council projects), population size, number of villages, and ethnic and language heterogeneity. Finally, the case selection accounts for the ethnic, geographic and economic diversity between different regions in Guatemala as it includes indigenous and non-indigenous municipalities from all major regions of the country.

5.4.2 *Data Collection*

The fsQCA draws on both qualitative and quantitative raw data. We conducted eight to ten semi-structured interviews with the mayor, village representatives, local civil society actors, key informants, and local journalists in each of the ten municipalities, which resulted in 88 stakeholder interviews in total. Moreover, we carried out 22 open-ended interviews with experts on participation, capacity building, and development planning in Guatemala City.¹² In addition, complementary secondary data, e.g., minutes of MDC meetings, capacity building schedules, as well as economic and social quantitative data were collected for all ten municipalities.

5.4.3 *Measurement and Calibration of Fuzzy Sets*

Several measures, such as the literacy rate which is one measure for discourse capability, are quantitative data from the national census and the national planning office. Others, such as the measures of municipal government compliance (*COMPLIANCE*) and civil society enforcement (*SOCIETYENF*), are qualitative interview data. Moreover, the concepts of *COMPLIANCE*, *SOCIETYENF*, and mayoral self-enforcement (*SELFENF*) consist of several dimensions and are therefore captured by composite measures.

¹¹ The ten studied participatory governance forums displayed large differences in the frequency of meetings, the topics that were addressed in the MDC, and the influence that citizens had over planning decisions. Whether this variation is representative for the variation across all Guatemalan municipalities cannot be evaluated, because there are no data on the functioning of participatory governance in Guatemala.

¹² The professional support of my two Guatemalan fieldwork assistants is gratefully acknowledged.

The measures of *COMPLIANCE*, *SOCIETYENF*, *SELFENF* and mayoral interest (*INTEREST*) merit further explanation. *COMPLIANCE* is captured by a composite measure that combines measures of a MDCs physical establishment with measures of its functioning as a forum where the mayor cedes decision-making power in the planning of resources and the evaluation of past policies to citizens. The composite measure of *SOCIETYENF* reflects the content and scope of the pressure that is exercised by civil society actors. *SELFENF* is measured as the combination of a mayor's perception of the strength of the obligation to run the MDC and the legitimacy of the central government as a lawmaker. The rationale for the first measure is that a mayor who does not interpret the law as mandating him to establish the MDC is unlikely to feel guilty for not establishing it (Schlüter and Theesfeld 2010). The second measure is used because it is more likely that a mayor who acknowledges the authority of the central government will feel guilty or ashamed for breaking a central government law (DeBell 2006). Finally, *INTEREST* is measured as the balance of cost and benefits¹³ of coordinating a functioning MDC as perceived by the mayor. The details of all measures that are used in the study are contained in Appendix A.

For the fsQCA all raw data have to be calibrated as fuzzy sets. Fuzzy sets can take on values between zero (full exclusion from the set) and one (full inclusion in the set). For the qualitative measures four verbal classifications corresponding to the fuzzy-set values “fully out” (0), “more out than in” (0.33), “more in than out” (0.67), and “fully in” (1) were defined. Following Ragin (2000; 2008) the definitions of these fuzzy-set values are based on theoretical considerations and the case and context knowledge of the analyst. To assign each case one of these four values the interview data were coded with Atlas.ti and the quotations on each measure were then summarized. Finally, each case was assigned one of the four fuzzy-set values. For this assignment the summary of the quotations of each case was compared to the verbal definitions of the fuzzy-set values to choose the most appropriate value for each case and each measure.¹⁴

¹³ Potential costs of participatory governance for the municipal government include, loss of decision-making power, distributional conflicts, and more room for criticism from the opposition; benefits include claiming credit for popular outcomes, promoting party interests and getting information on the preferences of the electorate (Andersson and van Laerhoven 2007; Wampler 2008a).

¹⁴ The details of the calibration procedure that was applied to the qualitative data are described in Basurto and Speer (2011).

The quantitative measures were calibrated following the direct calibration technique described in Ragin (2008: 85-94). As for the qualitative fuzzy-set value definitions, the anchor points for the direct calibration are determined based on the theoretical concept that a measure captures and case and context knowledge. Based on these anchor points the fsQCA software transforms the original quantitative data through a log of odds metric into fuzzy-set values between 0 and 1. All fuzzy-set value definitions and anchor points are listed in Appendix B; the fuzzy-set values of the conditions and the outcome are shown in Appendix C.

5.5 Results

The following sections presents the results of the fsQCA on municipal government compliance and civil society enforcement. The results are interpreted in light of the case-level evidence and compared with the research hypotheses in Section 5.5.2.

5.5.1 *FsQCA Results*

Results on Municipal Government Compliance

The first round of the fsQCA examines the conditions for municipal government compliance (*COMPLIANCEI*). It analyzes the necessity and the sufficiency of the following three conditions: civil society enforcement (*SOCIETYENFI*), mayoral self-enforcement (*SELFENFI*), and mayoral interest (*INTEREST*).

The analysis of necessity is performed first. For this analysis, for each condition the fsQCA software is used to calculate whether instances of the outcome are a subset of instances of the condition. The threshold for the consistency with which this subset relation needs to hold is set at 0.9. In this analysis none of the hypothesized conditions is found to be individually necessary for municipal government compliance. The consistency values for all subset relations can be looked up in Appendix F.

The next step in the analysis is the evaluation of the sufficiency of the three conditions using the fsQCA truth table algorithm. The starting point of this analysis is the truth table which is displayed in Appendix D. For the analysis of sufficiency a consistency threshold of 0.99 is chosen based on the distribution of the consistency values in the truth table. Then, the truth table is reduced with the truth table algorithm of the fsQCA software and the intermediate solution is derived.

The intermediate solution strikes a balance between parsimony and complexity because the truth table algorithm is allowed to use unobserved counterfactual cases that can be expected to display the outcome based on theoretical considerations and substantive knowledge of the analyst. Table 1 shows the result of the analysis of sufficiency.

Table 1: Result of the analysis of sufficiency for *COMPLIANCE1*

Model: COMPLIANCE1 = f(SOCIETYENF1, SELFENF1, INTEREST)			
Intermediate solution	Raw coverage	Unique coverage	Consistency
SOCIETYENF1*SELFENF1*INTEREST	0.47	0.47	1.00
Solution coverage: 0.47 Solution consistency: 1.00 Cases that are covered by the solution formula: Buenas Hermanas, La Selva			

Source: author's calculation using the fsQCA software (Ragin et al. 2006).

Note: Raw coverage refers to the proportion of cases with a positive outcome that are covered by a combination of conditions. Unique coverage refers to the proportion of cases with a positive outcome that are covered only by the same combination of conditions. Consistency refers to the degree to which the cases that share a combination of conditions agree in displaying the outcome (Ragin 2006).

The intermediate solution formula is hence:

$$SOCIETYENF1*SELFENF1*INTEREST \rightarrow COMPLIANCE1^{15}.$$

It implies that the combined presence of all three enforcement mechanisms is sufficient for municipal government compliance. The solution coverage is 0.47, which indicates that it accounts for 47 % of the explained positive outcomes. The solution consistency is 1.00, i.e., the consistency of the subset relation between the configuration of conditions and the outcome is 1. Hence, the solution is highly precise, but it covers only two cases, La Selva¹⁶ and Buenas Hermanas, which display this favorable configuration of conditions.

Results on Civil Society Enforcement

To examine what conditions contribute to civil society enforcement (*SOCIETYENF1*) in the ten cases the second fsQCA evaluates the necessity and sufficiency of the following four conditions: large number of civil society organizations (*LARGEGROUP*), opportunity for frequent communication (*COMMUNICATE*), high discourse capability (*DISCOURSECAP1*), and low level of poverty (*LOWPOVI*).

¹⁵ Upper case letters denote the presence and lower case letters the absence of a condition. The plus sign indicates a logical "OR", a star denotes a logical "AND", and the connecting arrow means that the formula on the left leads to the outcome on the right.

¹⁶ The municipalities are assigned fictitious names to protect the privacy of interviewees.

The consistency threshold for the analysis of necessity is again set at 0.9. The analysis shows that the discourse capability of civil society actors is a necessary condition for civil society enforcement when it is measured by the intensity of capacity building by non-governmental organizations (NGOs) (*DISCOURSECAP1*). The consistency of this subset relation is 0.92. None of the remaining conditions is found to be necessary as can be seen by inspecting the consistency values in the lower part of the table in Appendix F.

Subsequently the sufficiency of the four conditions for civil society enforcement is assessed.¹⁷ The truth table for this analysis is displayed in Appendix E. As in the first fsQCA the consistency threshold for the analysis of sufficiency is determined by looking for a break in the consistency values in the truth table. In this case it is set at 0.80. The presented solution is again the intermediate solution. The result of the fsQCA truth table algorithm is shown in Table 2.

Table 2: Result of the analysis of sufficiency for *SOCIETYENF1*

Model: SOCIETYENF1 = f (LARGEGROUP, COMMUNICATE, DISCOURSECAP1, LOWPOV1)			
Intermediate solution	Raw coverage	Unique coverage	Consistency
COMMUNICATE*DISCOURSECAP1*lowpov1	0.59	0.59	0.89
Solution coverage: 0.59 Solution consistency: 0.89 Cases that are covered by the solution formula: Buenas Hermanas, La Selva, Mayan			

Source: author's calculation using the fsQCA software (Ragin et al. 2006).

Note: Raw coverage refers to the proportion of cases with a positive outcome that are covered by a combination of conditions. Unique coverage refers to the proportion of cases with a positive outcome that are covered only by the same combination of conditions. Consistency refers to the degree to which the cases that share a combination of conditions agree in displaying the outcome (Ragin 2006).

The intermediate solution formula is:

$$COMMUNICATE*DISCOURSECAP1*lowpov1 \rightarrow SOCIETYENF1.$$

¹⁷ To check whether including four conditions in the fsQCA leads to random results the necessary condition *DISCOURSECAP1* was excluded and the truth table algorithm was applied to the model with the remaining three conditions. This alternative specification yielded the same result for the three included conditions as the base model with all four conditions.

Frequent opportunities for face-to-face communication (*COMMUNICATE*), a high discourse capability due to capacity building (*DISCOURSECAP1*), and high poverty (low-pov1) are thus found to be jointly sufficient conditions for civil society enforcement (*SOCIETYENFI*). The solution coverage is 0.59, which indicates that the solution accounts for 59 % of the explained variation in outcome. The solution consistency, i.e., the consistency of the combination of conditions being a subset of the outcome is 0.89. Overall, the main result is thus very precise and it covers three of the ten cases.

Robustness Checks

The robustness of the fsQCA results is assessed in two ways. First, the analysis of necessity and the analysis of sufficiency for both outcomes are repeated with alternative measures of several conditions and an alternative measure of the outcome. The results of this exercise can be looked up in Appendix F and G. Overall, the analyses with alternative measures confirm the main results that have been described in the previous two sections. Divergences from the main results which are of conceptual interest are commented upon in the interpretation of the results in section 5.2.

Second, both the analysis of necessity and sufficiency are repeated for all measures for the absence of the outcome. This needs to be done because fsQCA does not rely on the assumption of causal symmetry. Hence, the absence of an outcome cannot be assumed to be caused by the absence of the combination of conditions that have been found to cause the presence of the outcome. The results of the analyses for the absence of the two outcomes are displayed in the right column in Appendix F and G respectively. They show that the absence of the conditions which are found to contribute to the presence of the outcomes leads to the absence of the outcomes, i.e., the analysis does not yield a pattern of asymmetric causation.

5.5.2 Interpretation of the FsQCA Results

What do the fsQCA results tell us about the cases and how do they compare to the research hypotheses? Table 3 provides an overview of the research hypotheses and the main results of the two fsQCAs which are discussed and interpreted in the following two sections.

Table 3: Research hypotheses and main fsQCA results

Overview of the Research Hypothesis and the Main Result of the FsQCAs		
Outcome	Research Hypothesis	Main Result
Municipal Government Compliance	INTEREST SELFENF1 SOCIETYENF1 contribute to COMPLIANCE1	<u>Necessary conditions:</u> None
		<u>Sufficient conditions:</u> SOCIETYENF1*SELFENF1*INTEREST
Civil Society Enforcement	DISCOURSECAP1 LOWPOV1 LARGEGROUP COMMUNICATE contribute to SOCIETYENF1	<u>Necessary conditions:</u> DISCOURSECAP1
		<u>Sufficient conditions:</u> COMMUNICATE*DISCOURSECAP1* lowpov1

Incentives for Municipal Government Compliance

The main finding of the fsQCA on municipal government compliance is that the three conditions that have been hypothesized to contribute to this outcome need to be combined to bring about the outcome. None of these conditions is found to be necessary or sufficient for this outcome, but all conditions are found to be necessary parts of a combination of conditions that is then sufficient for the outcome. These findings lend support to arguments of both imperative and behavioral theories of law and thus support research hypothesis 1. Moreover, they indicate that the three examined enforcement mechanisms complement each other in achieving municipal government compliance. But why is none of the conditions found to be individually sufficient and how do the conditions interact? To answer these questions, we now take a closer look at the case level evidence.

Mayoral interest (*INTEREST*): first, according to imperative theories of law, a municipal government complies with the mandate to establish a participatory governance forum when it is in its interest. Yet, in the ten Guatemalan municipalities *INTEREST* is not found to be sufficient for municipal government compliance. This finding can be explained by examining the evidence from two municipalities where only mayoral interest is present (row 7 in Appendix D). In Aurora and La Villa the MDCs meet and everyone who is interested in participating is invited, but the mayors in these two municipalities only use the MDC meetings to increase the visibility of their achievements or to justify delays in works or spending cuts. Moreover, the mayor of La Villa uses the MDC to direct projects to large villages to gain political support for the next elections.

For both mayors the benefits of holding such superficial MDC meetings, such as claiming credit for popular outcomes and strengthening their electoral base outweigh the costs they carry, such as the opportunity cost of meeting times and writing the minutes. These benefits are however not large enough for motivating them to run functioning MDCs that go beyond providing selected pieces of information to citizens. The higher cost for a mayor of involving citizens in decision-making and allowing them to critically evaluate municipal government performance in the MDC would need to be outweighed by much higher political benefits.

As studies from Brazil show, increased re-election chances for politicians whose party represents an inclusive, pro-participation ideology, such as the Workers Party, constitute such a high benefit (Goldfrank 2007, Wampler 2008b). Yet, the personality-based electoral system, frequent party switching by candidates and a short lifecycle of political parties imply that this benefit does not incentivize mayors in the case municipalities to run functioning MDCs (Miños Chavez 2001; Prensa Libre 2011).

Mayoral self-enforcement (*SELFENF*): turning to the internalization argument of behavioral theories of law (Cooter 1998), the fsQCA also shows that self-enforcement of the law is not sufficient to convince a mayor to involve citizens in decision-making. Even if a mayor feels obliged to call the MDC and perceives the law as legitimate, compliance beyond the physical establishment of a MDC does not take place. This is illustrated by the cases of Bequita and Valle de Oro (row 4 and 6 in Appendix D). The mayors of these municipalities also call MDC meetings, but in the meetings they proceed as the mayors of Aurora and La Villa, i.e., they do not go beyond information and consultation.

In these municipalities the absence of a well-organized demand from civil society actors for being included in decision-making prevents the emergence of a functioning MDC. The law does not indicate in detail how civil society actors should be involved and, hence, when there is no demand for participatory planning and evaluation of the projects from civil society, it does not take place. This result is in line with previous research on participatory governance bodies that were not established as a consequence of pressure from citizens, but initiated and implemented top-down by government officials (García-López and Arizpe 2010; Schönleitner 2004).

Civil society enforcement (*SOCIETYENF*): finally, the fsQCA shows that social enforcement by civil society actors is necessary but not sufficient for municipal government compliance. This finding can be explained by examining the three cases with high values of municipal government compliance Buenas Hermanas, La Selva, and Mayan which all have civil society enforcement (see rows 1 and 5 in Appendix D). The difference between these cases is that Buenas Hermanas and La Selva also have a mayor who has an interest in the MDC and who feels obliged to run it. Hence, the MDC meetings in these two municipalities are more cooperative and productive than the meetings in Mayan where several projects were stuck in the planning process due to conflicts between the mayor and village representatives; also, the mayor and the MDC members spent long hours in angry disputes in MDC meetings. Due to these conflicts, the mayor excluded several groups from the meetings whom he accused of using the MDC for promoting opposition party interests. This shows that the most successful cases of municipal government compliance are municipalities with both, motivated authorities and well organized and active civil society actors.

Conditions for Civil Society Enforcement

The results of the fsQCA show that it is the combination of a high discourse capacity, the opportunity to communicate and the presence of poverty that brings about civil society enforcement. In addition, the robustness checks show that when discourse capability is measured by the level of literacy and the level of primary education it is not part of the solution formula but in these specifications the presence of a large number of civil society organizations is found to be a necessary, but not sufficient condition for the outcome. These results broadly support research hypotheses 2 and they suggest that it is the combination of several individual level and structural factors that brings about a vocal and active civil society. But the results also indicate that some qualifications to the theoretical predictions need to be made. These are discussed for each condition in turn.

High discourse capability (*DISCOURSECAP*): a high discourse capability is found to be necessary for civil society enforcement of the law because village representatives who do not know what documents, e.g., the treasurer is supposed to present in the MDC are unable to ask for these documents. Hence, the distributive bargaining argument by Knight (1992) is strongly supported by the data. A high discourse capability is however not found to be sufficient for civil society enforcement of a functioning MDC.

This can be explained by cases, such as La Villa and Bequita where citizens have a high discourse capability but no civil society enforcement takes place (rows 11 and 14 in Appendix E). In both places the distances from the villages to the capital are large. Therefore, village representatives rarely interact and they are played off against each other by the mayor. Also, both municipalities lack civil society organizations that represent broader interests and ask for accounts in the MDC.

A second finding is that high discourse capability is found to be necessary for civil society enforcement in the case municipalities when it is measured by the intensity of capacity building, but not when it is measured with the level of education or literacy. The reason for this could be that the capacity building workshops that take place in the case municipalities inform citizens about their rights and duties and offer them practical tools for participation, such as manuals on how to evaluate a municipal budget and how to solicit a project for their community. A higher level of education and literacy facilitate the acquisition and application of this practical knowledge, but by themselves they do not seem to enable people to participate in the MDC. Last but not least, higher levels of education do not lead to higher civil society enforcement because young, better educated village members participate less in the MDC; in most of the case municipalities the community representatives are retired men who have already secured their income or are supported by their families.

Large number of civil society organizations (*LARGE*GROUP): the presence of a large number of civil society organizations is found to be necessary, but not sufficient for civil society enforcement in two of the alternative fsQCA specifications. Case-level evidence suggests that one mechanism behind this finding is that in municipalities, such as Buenas Hermanas and Mayan where numerous organizations are active, the mayors are unable to co-opt all organizations because they do not have enough funds to finance projects for all of them. This supports the theoretical arguments on the advantages of large groups for achieving collective action by Oliver and Marwell (1988). In addition, the case level evidence points to another beneficial effect of a dense civil society: civil society organizations attract capacity building measures because international donors often look for local organizations they can support.

Finally, the case of Villa Beni shows why the presence of a large number of civil society organizations alone is not sufficient for bringing about civil society enforcement (row 12 in Appendix E). In this large municipality, civil society is mainly organized around economic interests, but their representatives know very little about their rights to participate in the MDC and hence do not exert pressure on the mayor to establish it.

Low level of poverty (*LOWPOV*) and high frequency of communication (*COMMUNICATE*): the fsQCA result that the presence of poverty is found to be necessary, but not sufficient for civil society enforcement seems to contradict the distributive bargaining theory argument that actors need resources to enforce an institution. Yet, case level evidence from Buenas Hermanas, Mayan and La Selva shows that civil society enforcement can take place in spite of high poverty in municipalities that also have a high population density, which was used as a measure for the frequency of communication (see rows 2 and 9 in Appendix E). In these municipalities even the poorest can afford the cost of travelling to the capital for meetings because they can walk or take a bicycle. Moreover, the citizens of these two municipalities alleviate the cost of transport and foregone employment for their village representatives, e.g., by collecting money for travel expenses.

In municipalities with low population density, high poverty rates indeed hinder civil society enforcement due to the high cost of travelling to the capital, as the interviews with community representatives in Villa Beni and Bequita reveal (rows 12 and 14 in Appendix E). Hence, the case level analysis shows a lack of economic resources can be overcome under certain circumstances and thus does not necessarily constrain civil society enforcement.

Finally, the case level evidence brings to light another benefit of a high population density for collective action. Short distances between actors do not only foster collective action by facilitating frequent personal communication between village representatives as predicted by collective action theory, but also by lowering the cost of participation for citizens.

5.6 Conclusion

The first key result of the study is that civil society enforcement, mayoral self-enforcement and mayoral interest are jointly sufficient for municipal government compliance in the examined cases. This finding supports both, behavioral and imperative theories of law. Behavioral theories of law are supported by the finding that social enforcement and self-enforcement are necessary parts of the combination that brings about compliance with the law. From this we cannot conclude however that these informal enforcement mechanisms are more effective than official state sanctioning because such enforcement does not take place in Guatemala. Moreover, the finding that mayoral interest is part of the recipe for compliance in the case municipalities also lends support to imperative theories of law. Most importantly however, the empirical analysis suggests that it may be the combination of several incentives that leads to the best compliance results.

The second key result of the study is a high discourse capability of citizens can bring about strong civil society enforcement in municipalities with a large number of civil society organizations and a high population density in spite of high poverty. This result lends support to the distributive bargaining theory argument that the implementation of formal institutions in practice depends on the power of the involved actors to impose their will on others. They also support the predictions by collective action theory that the size of a group and the opportunity to communicate personally affect the success of collective action. At the same time, the study shows that successful collective social enforcement can only be achieved in the examined municipalities with a favorable combination of resource endowments and group characteristics.

These results are not only relevant for the case municipalities, but also for similar municipalities in other countries where participatory governance laws are neither enforced by a national government, nor the result of a strong bottom-up social movement (e.g., Uganda, Bolivia). They suggest that strengthening social and internal enforcement mechanisms as well as pointing out the benefits of participatory governance for politicians through awareness raising campaigns and capacity building measures for civil society actors, could be promising strategies to foster compliance with participatory governance legislation.

Moreover, the results on civil society participation imply that even illiterate citizens can participate actively when they are informed about their rights in capacity building workshops. The findings also indicate that compensating participants for travel costs could contribute to increasing participation in similar contexts. Finally, fostering the formation of civil society organizations could be a fruitful measure for supporting the implementation of participatory governance because places with a larger number of civil society organizations are more likely to have more capable and active civil society actors to organize collective enforcement of participation laws.

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Appendix A: Measurement of Conditions and Outcome

Qualitative Measures				
Condition	Measures	Justification for the Measures	Aggregation Function	Data Sources
Civil Society Enforcement (SOCIETYENF)	Content of civil society public enforcement (cscont)	The more comprehensive the demand for the implementation of the Development Council Law, the more difficult it is for the mayor to reject it.	SOCIETYENF1: Average of cscont and csscope	Semi-structured interviews with village representatives, local civil society organizations, the mayor, key informants, focus group interviews.
	Scope of civil society public enforcement (csscope)	The more actors participate in the public enforcement of the Development Council Law, the higher the pressure on the mayor to comply with it.	SOCIETYENF2: Minimum cscont and csscope	
Mayoral Self-Enforcement (SELFENF)	Mayor's interpretation of how strongly the law mandates him to hold MDC meetings (mim)	The stronger the mayor perceives the law's mandate, the more likely he is to feel guilty for not holding MDC meetings.	SELFENF 1: Minimum of mim and mpl	Semi-structured interview with the mayor.
	Mayor's opinion about the legitimacy of the central government as the lawmaking authority (mpl)	The more favorable the opinion of the mayor about the central government and its legitimacy to make laws on municipal governance is, the worse will he feel when he is breaking a national law.	SELFENF2: Average of mim and mpl	
Mayoral Interest (INTEREST)	Perceived costs (loss of decision-making power, distributional conflicts, staff time) and benefits (claim credit for popular outcomes, serve constituency better, promote party interests) of holding the MDC for the mayor (interest).	The balance of costs and benefits of running the MDC that each mayor perceives depending on his/her personal party background, electoral base and characteristics of the municipality results in a political incentive or disincentive for the mayor to run the MDC.	Not aggregated.	Semi-structured interview with the mayor; party affiliation of the mayor; other interviews, e.g. with key informants and civil society organizations.
High Discourse Capability (DISCOURSECAP)	Presence of an international or national NGO that provides capacity building measures to the village representatives and local civil society organizations (discoursecap1).	Capacity building measures that inform about the law and its regulation and train village representatives and civil society organization representatives in planning and evaluation of municipal government spending enable these actors to demand MDC meetings and that existing MDCs function properly.	Not aggregated.	Semi-structured interviews with village representatives, local civil society organizations, the mayor, key informants and focus group interviews.

Outcome	Measures	Justification for the Measures	Aggregation Function	Data Sources
Municipal Government Compliance (COMPLIANCE)	Frequency of MDC meetings (fqmdc)	Fqmdc and partmdc measure whether the mayor coordinates the MDC as foreseen, i.e. whether all interested actor groups in the municipality are invited and whether regular meetings are held.	COMPLIANCE1: the minimum of the physical establishment (phmdc) and the functioning (functmdc); phmdc is the average of fqmdc and partmdc, functmdc is the average of planmdc and evalmdc. COMPLIANCE2: the average of phmdc and functmdc.	Interviews with members of the MDC and the municipal government; focus group interviews in the villages; minutes of MDC meetings; local media coverage.
	Scope of participation (partmdc)			
	Concession of power to MDC members in the planning of the list of development council projects and in the municipal budget (planmdc)	Planmdc measures how much power the mayor concedes to MDC members in setting spending priorities for the municipal and development council projects.		
	Concession of power to MDC members in the monitoring and evaluation of the list of development council projects and in the municipal budget (evalmdc)	Evalmdc measures the effectiveness of the MDC as an accountability mechanism, i.e., it measures how much information the mayor provides in the MDC about the implementation of municipal and development council projects and whether the municipal government justifies its actions and correct its behavior in case of MDC critique.		

Quantitative Measures			
Condition Outcome	Main and Alternative Measures	Justification for the Measures	Data Sources
Large Civil Society (LARGEGROUP)	Number of civil society organizations (largegroup)	The larger the number of civil society organizations in a municipality, the larger is the number of potential actors for civil society enforcement.	Data collection sheet, interviews with civil society representatives and homepages of the municipal administrations.
High Frequency of Communication (COMMUNICATE)	Population density of the municipality in inhabitants per square km (communicate)	The more densely populated a municipality is, the lower the cost of meeting and communicating personally for village representatives and civil society organization members.	INE 2002 and 2002: data on the area from the Census and projections from the Census.
High Discourse Capability (DISCOURSECAP)	Literacy rate (discoursecap2)	Literacy reflects the ability to understand printed information on government performance.	INE 2002: data at the municipal level from the Census.
	Share of population with at least primary education (discoursecap3)	A higher level of education raises the ability to understand any information on government performance. Completing six years of schooling or more provides people with an advantage in publicly communicating their arguments	
Low Poverty (LOWPOV)	Share of the population above the poverty line in the municipality (lowpov1)	The higher the proportion of the population that has the means to satisfy basic food and non-food needs, the higher is the proportion of people who are able to afford transport cost and devote time to political participation.	INE and Secretaría de Planificación y Programación de la Presidencia (SEGEPLAN) 2006. Poverty maps.
	Share of the population above the extreme poverty line in the municipality (lowpov2)	The higher the proportion of the population that has the means to satisfy basic food needs, the higher is the proportion of people who are able to afford transport cost and devote time to political participation.	

Appendix B: Calibration of Fuzzy-Set Values

Qualitative Measures		
Condition	Measures	Definitions of Fuzzy-Set Values
Civil Society Enforcement (SOCIETYENF)	Content of civil society public enforcement (cscont)	0: Civil society actors do not demand anything or do not even know the rules 0,33: Civil society actors (would) only demand MDC meetings 0,67: Civil society actors (would) demand MDC meetings and participation in planning or accounts 1: Civil society actors (would) demand MDC meetings and participation in planning and accounts
	Scope of civil society public enforcement (csscope)	0: No civil society actor would join a public demand 0,33: A minority of civil society actors would join a public demand 0,67: A majority of civil society actors would join a public demand 1: All civil society actors (would) join a public demand
Mayoral Self-enforcement (SELFENF)	Mayor's interpretation of how strongly the law mandates him to hold MDC meetings (mim)	0: The law does not contain binding provisions on how to run the MDC 0,33: The law recommends that MDC meetings are held regularly 0,67: The law states that mayors should hold MDC meetings regularly 1: The law states that mayors must hold MDC
	Mayor's opinion about the legitimacy of the central government as the lawmaking authority (mpl)	1: Mayor has a positive attitude towards the central government and considers it as the legitimate law-making authority 0,67: Mayor has a positive attitude towards the central government but does not consider it as the legitimate law-making authority 0,33: Mayor has a negative attitude towards the central government but considers it as the legitimate law-making authority 0: Mayor has a negative attitude towards the central government and does not consider it as the legitimate law-making authority
Mayoral Interest (INTEREST)	Perceived costs (e.g., loss of decision-making power, distributional conflicts, staff time) and benefits (e.g., claim credit for popular outcomes, serve constituency better, promote party interests) of holding the MDC for the mayor (cbmdc).	0: The perceived cost of holding the MDC outweigh the benefits by far 0,33: The perceived cost holding the MDC outweigh the benefits somewhat 0,67: The perceived benefits holding the MDC outweigh the cost somewhat 1: The perceived benefits holding the MDC outweigh the cost by far

Condition	Measures	Definitions of Fuzzy-Set Values
High Discourse Capability (DISCOURSECAP)	Presence of an international or national NGO that provides capacity building measures to the village representatives and local civil society organizations (discourscap1).	0: No NGO offers workshops to CDCs and/or CSOs 0,33: NGO(s) rarely offer workshops to CDCs and/or CSOs 0,67: NGO(s) offer occasional workshops to CDCs and/or CSOs 1: NGO(s) offer frequent workshops to CDCs and/or CSOs
Outcome	Measures	Definitions of Fuzzy-Set Values
Municipal government compliance (COMPLIANCE)	Frequency of MDC meetings (fqmdc)	0: MDC has not met in the last 12 months 0,5: MDC has met four times in the last 12 months 1: MDC has met 12 times or more often in the last 12 months
	Scope of participation (partmdc)	0: More than five of all interested organizations in the municipality are not invited to participate in the MDC 0,33: Three to five of all interested organizations in the municipality are not invited to participate in the MDC 0,67: One or two of all interested organizations in the municipality are not invited to participate in the MDC 1: All interested organizations in the municipality are invited to participate in the MDC
	Concession of power to MDC members in the planning of the list of development council projects and in the municipal budget (planmdc)	0: Authorities at most inform MDC about planned policy, MDC receives information 0,33: Authorities inform MDC about planned policy and listen to MDC opinions (consultation) 0,67: Authorities inform MDC, MDC proposes changes, authorities justify but decide on the final policy 1: Authorities inform, MDC judges the proposal, can make change, and decide on the final policy
	Concession of power to MDC members in the monitoring and evaluation of the list of development council projects and in the municipal budget (evalmdc)	0: Authorities at most inform MDC about past actions, MDC receives information 0,33: Authorities inform MDC about past actions and listen to MDC opinions (consultation) 0,67: Authorities inform MDC, MDC demands sanctions for corruption or remedies for poorly implemented projects, authorities justify their decisions 1: Authorities inform, MDC judges past actions, demands sanctions for corruption or remedies for poorly implemented projects, authorities accept sanctions or improve projects

Quantitative Measures		
Condition / Outcome	Measure(s)	Anchor Points for Direct Calibration of Fuzzy-Sets
Large Civil Society (LARGEGROUP)	Number of civil society organizations (largegroup)	0: 0 civil society organizations are active in the municipality 0,5: 5 civil society organizations are active in the municipality 1: 10 civil society organizations are active in the municipality
High Discourse Capability (DISCOURSECAP)	Literacy rate (discoursecap2)	0: Less than 50% of the population can read and write 0,5: 65% of the population can read and write 1: More than 80% of the population can read and write
	Share of population with at least primary education (discoursecap3)	0: No one has completed primary education 0,5: 25% of the population have completed primary education 1: More than 50% of the population have completed primary education
High Frequency of Communication (COMMUNICATE)	Population density of the municipality in inhabitants per square km (communicate)	0: 50 inhabitants/square km 0,5: 100 inhabitants/square km 1: 300 inhabitants/square km
Low Poverty (LOWPOV)	Share of the population above the poverty line in the municipality (lowpov1)	0: 0% of the population are above the poverty line 0,5: 33% of the population are above the poverty line 1: 67% of the population are above the poverty line
	Share of the population above the extreme poverty line in the municipality (lowpov2)	0: 67% of the population are above the extreme poverty line 0,5: 83% of the population are above the extreme poverty line 1: 100% of the population are above the extreme poverty line

Appendix C: Fuzzy-Set Values of All Conditions and Outcomes

Municipality	COMPLIANCE1	COMPLIANCE2	SELF-ENF1	SELF-ENF2	INTEREST	SOCIETY-ENF1	SOCIETY-ENF2	LARGE GROUP	COMMUNICATE	DISCOURSE-CAP1	DISCOURSE-CAP2	DISCOURSE-CAP3	LOW-POV1	LOW-POV2
Victoria	0,17	0,28	0,17	0	0	0	0	0,08	0,88	0	0,03	0,33	0,12	0,03
La Villa	0,33	0,6	0,17	0	1	0,33	0,33	0,35	0,14	0,67	0,77	0,87	0,67	0,8
Mar Azul	0,33	0,35	0	0	0,33	0	0	0,08	0,93	0	0,75	0,76	0,84	0,87
Villa Beni	0	0,03	0,34	0	0	0,33	0,33	0,92	0,02	0,33	0,54	0,64	0,24	0,26
Aurora	0,33	0,64	0,17	0	1	0,33	0,33	0,05	0,96	0	0,8	0,78	0,28	0,15
La Selva	0,83	0,9	0,67	0,33	1	0,67	0,67	0,23	1	0,67	0,24	0,68	0,29	0,05
Valle de Oro	0,33	0,59	0,67	0,33	0,67	0	0,165	0,35	1	1	0,88	0,83	0,71	0,81
Buenas Hermanas	0,98	0,99	0,67	0,33	0,67	1	1	0,99	0,65	1	0,18	0,45	0,19	0,11
Mayan	0,67	0,83	0,33	0,33	0	1	1	0,77	0,99	1	0,81	0,82	0,43	0,43
Bequita	0,33	0,63	0,84	0,67	0,33	0,33	0,33	0,08	0,3	0,67	0,69	0,79	0,23	0,06

Source: author's calculation based on interview data and quantitative data from INE (2002; 2006), and INE and (SEGEPLAN) (2006).

Appendix D: Truth Table for the Analysis of Sufficiency for Municipal Government Compliance

Row	SOCIETYENF1	SELFENF1	INTEREST	Number	COMPLIANCE1	Consistency	Cases
1	1	1	1	2	1	1.00	Buenas Hermanas, La Selva
2	1	1	0	0	0	0.75	-
3	1	0	1	0	1	1.00	-
4	0	1	1	1	0	0.80	Valle de Oro
5	1	0	0	1	0	0.78	Mayan
6	0	1	0	1	0	0.55	Bequita
7	0	0	1	2	0	0.73	Aurora, La Villa
8	0	0	0	3	0	0.37	Victoria, Mar Azul, Villa Beni

Source: author's calculation using the fsQCA software.

Appendix E: Truth Table for Analysis of Sufficiency for Civil Society Enforcement

Row	LARGEGROUP	COMMUNICATE	DISCOURSECAP1	LOWPOV1	Number	SOCIETYENF1	Consistency	Cases
1	1	1	1	1	0	0	0.76	-
2	1	1	1	0	2	1	0.85	Buenas Hermanas, Mayan
3	1	1	0	1	0	0	0.76	-
4	1	0	1	1	0	1	0.98	-
5	0	1	1	1	1	0	0.59	Valle de Oro
6	1	1	0	0	0	0	0.76	-
7	1	0	1	0	0	1	1.00	-
8	1	0	0	1	0	1	0.82	-
9	0	1	1	0	1	1	0.83	La Selva
10	0	1	0	1	1	0	0.50	Mar Azul
11	0	0	1	1	1	0	0.67	La Villa
12	1	0	0	0	1	0	0.61	Villa Beni
13	0	1	0	0	2	0	0.44	Victoria, Aurora
14	0	0	1	0	1	0	0.69	Bequita
15	0	0	0	1	0	0	0.78	-
16	0	0	0	0	0	1	0.80	-

Source: author's calculation using the fsQCA software.

Appendix F: Base Results and Robustness Checks for the Analysis of Necessity

Type of Specification	Consistency Values for the Necessity of a Condition for the Presence of the Outcome	Consistency Values for the Necessity of a Condition for the Absence of the Outcome
1st Round of fsQCA: Determinants of COMPLIANCE	Consistency Cut-Off 0.90	Consistency Cut-Off 0.90
Base specification (Outcome: COMPLIANCE1)	INTEREST: 0,73 SOCIETYENF1: 0,77 SELFENF1: 0,66	INTEREST: 0.50 SOCIETYENF1: 0.32 SELFENF1: 0,48
Softer aggregation function (average instead of minimum) for the measures of COMPLIANCE (Outcome: COMPLIANCE2)	INTEREST: 0,69 SOCIETYENF1: 0,60 SELFENF1: 0,59	INTEREST: 0,47 SOCIETYENF1: 0,38 SELFENF1: 0,46
Softer aggregation function (average instead of minimum) for the measures of SOCIETYENF (SOCIETYENF2 instead of SOCIETYENF1) (Outcome: COMPLIANCE1)	SOCIETYENF2: 0,81	SOCIETYENF2: 0,35
Stricter aggregation function (minimum instead of average) for the measures of SELFENF (SELFENF2 instead of SELFENF1) (Outcome: COMPLIANCE1)	SELFENF2: 0,38	SELFENF2: 0,27
2nd Round of fsQCA: Determinants of SOCIETYENF	Consistency Cut-Off 0.90	Consistency Cut-Off 0.90
Base specification (Outcome: SOCIETYENF1)	LARGEGROUP: 0.70 COMMUNICATE: 0.78 DISCOURSECAP1: 0.92 LOWPOV1: 0.50	LARGEGROUP: 0.31 COMMUNICATE: 0.71 DISCOURSECAP1: 0.50 LOWPOV1: 0.56
Softer aggregation function (average instead of minimum) for the measures of SOCIETYENF (Outcome SOCIETYENF2)	LARGEGROUP: 0.68 COMMUNICATE: 0.79 DISCOURSECAP1: 0.89 LOWPOV1: 0.50	LARGEGROUP: 0.32 COMMUNICATE: 0.70 DISCOURSECAP1: 0.48 LOWPOV1: 0.58
Literacy rate (DISCOURSECAP2) instead of NGO capacity building for civil society actors (DISCOURSECAP1) (Outcome: SOCIETYENF1)	DISCOURSECAP2: 0.64	DISCOURSECAP2: 0.74
Share of population with primary education (DISCOURSECAP3) instead of NGO capacity building for civil society actors (DISCOURSECAP1) (Outcome: SOCIETYENF1)	DISCOURSECAP3: 0.82	DISCOURSECAP3: 0.82
Share of the population above the extreme poverty line (LOWPOV2) instead of share of the population above the poverty line (LOWPOV1) (Outcome: SOCIETYENF1)	LOWPOV2: 0.35	LOWPOV2: 0.48

Source: author's calculation using the fsQCA software. The values of the alternative measures can be obtained from the author on request.

Appendix G: Base Results and Robustness Checks for the Analysis of Sufficiency

Type of Specification	Solutions for the Presence of the Outcome	Solutions for the Absence of the Outcome
1st Round of fsQCA: Determinants of COMPLIANCE	Consistency Cut-Off 0.99	Consistency Cut-Off 0.90
Base specification (Outcome: COMPLIANCE1)	INTEREST * SOCIETYENF1 * SELFENF1 → COMPLIANCE1	societyenf1 → compliance1
Softer aggregation function (average instead of minimum) for the measures of COMPLIANCE (Outcome: COMPLIANCE2)	INTEREST * SOCIETYENF1 * SELFENF1 → COMPLIANCE2	interest * societyenf1 * selfenf1 → compliance2
Softer aggregation function (average instead of minimum) for the measures of SOCIETYENF (SOCIETYENF2 instead of SOCIETYENF1) (Outcome: COMPLIANCE1)	INTEREST * SOCIETYENF2 * SELFENF1 → COMPLIANCE1	societyenf2 → compliance1
Stricter aggregation function (minimum instead of average) for the measures of SELFENF (SELFENF2 instead of SELFENF1) (Outcome: COMPLIANCE1)	INTEREST * SOCIETYENF1 → COMPLIANCE1	societyenf1 * (interest + selfenf2) → compliance1
2nd Round of fsQCA: Determinants of SOCIETYENF	Consistency Cut-Off 0.80	Consistency Cut-Off 0.90
Base specification (Outcome: SOCIETYENF1)	COMMUNICATE * DISCOURSECAP1 * lowpov1 → SOCIETYENF1	communicate * (discoursecap1 * lowpov1 + largegroup) + discousecap1 * largegroup → societyenf1
Softer aggregation function (average instead of minimum) for the measures of SOCIETYENF (Outcome SOCIETYENF2)	COMMUNICATE * DISCOURSECAP1 * lowpov1 → SOCIETYENF2	communicate * (discoursecap1 * lowpov1 + largegroup) + discousecap1 * largegroup → societyenf1
Literacy rate (DISCOURSECAP2) instead of NGO capacity building for civil society actors (DISCOURSECAP1) (Outcome: SOCIETYENF1)	COMMUNICATE * LARGEGROUP * discousecap2 → SOCIETYENF1	largegroup * (communicate + LOWPOV1) → societyenf1
Share of population with primary education (DISCOURSECAP3) instead of NGO capacity building for civil society actors (DISCOURSECAP1) (Outcome: SOCIETYENF1) (In this specification the consistency cut-off had to be lowered from 0.80 to 0.75 to obtain a result of the truth table algorithm)	COMMUNICATE * LARGEGROUP → SOCIETYENF1	largegroup * (communicate + discousecap3 + LOWPOV1) → societyenf1
Share of the population above the extreme poverty line (LOWPOV2) instead of share of the population above the poverty line (LOWPOV1) (Outcome: SOCIETYENF1)	COMMUNICATE * DISCOURSECAP1 * lowpov2 → SOCIETYENF1	communicate * (discoursecap1 * lowpov2 + largegroup) + discousecap1 * largegroup → societyenf1

Source: author's calculation using the fsQCA software. The values of the alternative measures can be obtained from the author on request.

**6. Case study (Paper 5):
“The Role of Participatory Governance for Overcoming Information Asymmetries in Rural Political Markets”**

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Abstract: Increasing voter knowledge about government performance has been shown in previous research to be a key condition for making elections work as an effective accountability mechanism in developing countries. Yet, how this can be achieved best remains unclear. In a case study of two Guatemalan Municipal Development Councils we examine the potential of participatory governance forums to transmit information about government decisions to poor voters in rural areas. The case study results show that participatory governance forums can provide information effectively and thus contribute to local government responsiveness. They do not function in this way however when village representatives are unfamiliar with the procedural rules of participatory governance, when they are not supported by civil society organizations and when the cost of attending meetings is high for them.

Keywords: Imperfect information, accountability, elections, participatory governance, Guatemala

6.1 Introduction

“The profound role that political market imperfections play in development is just beginning to be understood. More research and practical experiments are needed to discover how best to alleviate these imperfections.” (Keefer & Khemani, 2005, p. 23)

Previous research on the implementation of decentralization in Africa, Asia, and Latin America provides ample evidence on the persistence of elite capture, clientelistic practices and corruption in spite of the introduction of free local elections (Crook & Manor, 1998; Crook, 2003; Shah, Thompson, & Zou, 2004). This suggests that competitive elections alone often fail to provide sufficient incentives for local politicians to respond to the preferences of their mainly poor electorate. At first sight, this finding seems to be at odds with the finding from the US that re-election incentives are a powerful way to induce politicians to respond to the preferences of the electorate (Besley & Case, 1995; Griffin, 2006; List & Sturm, 2006). The two findings can be reconciled however by the insight that re-election incentives are impaired by the presence of political market imperfections, such as ethnicity based voting, lack of credibility of political promises, and imperfect information in developing countries (Bardhan, 2002; Keefer & Khemani, 2005). Remedying these imperfections is therefore a promising strategy for improving government performance in developing countries.

In this study we address the question how information asymmetries can be overcome in rural political markets. An emerging body of literature shows that increasing voter information leads to better government performance and less corruption in developing countries (Ferraz & Finan, 2009; Pereira, Melo, & Figueiredo, 2009). Also, there are some insights from India about possible mechanisms for achieving this task. For instance, Besley and Burgess (2002) find that Indian states with a higher circulation of local newspapers and more competitive elections have more responsive governments. Moreover, information campaigns and public hearings in villages in which citizens learn about the quality of services and project implementation details have been shown to reduce the diversion of public funds and improve local public services in Indian villages (Jenkins & Goetz, 1999; Khemani, 2006). But what mechanisms could work in countries in which local media are hardly developed and public hearings in villages are not organized by a social movement?

The case study we conduct provides an answer to this question by assessing the potential of participatory governance forums to contribute to better government performance by improving access to information for voters.¹ The suitability of participatory governance as an information provision mechanism has not been examined so far. Hence, we complement previous research on the interaction between elections and other information provision mechanisms, such as the media, central government audit reports and information campaigns. At the same time, we add to the literature on the effects of participatory governance reforms by exploring a new mechanism through which these reforms can improve local government performance.

The empirical analysis of the study consists of a comparative case study of two Guatemalan participatory governance forums, the so-called Municipal Development Councils (MDCs). These two cases were selected from a pool of cases we have studied because they represent the two extremes of a highly effective and an ineffective participatory governance forum. We contrast the experience of the effective MDC with the experience of the ineffective MDC. In both cases we study what type of information these forums provide, how they convey this information and what audience they reach. Then, we examine the performance of the local governments in these two municipalities to find out whether the municipality with the more effective information provision mechanism benefits from a more responsive local government. Finally, we analyze what conditions explain the difference in the effectiveness of the two MDCs in providing information about policy decisions to rural voters.

The case study shows that a participatory governance forum can indeed overcome information asymmetries and reach illiterate and immobile citizens in remote areas of a municipality and thus contribute to local government responsiveness. It also indicates, however, that this does not happen when village representatives do not have sufficient knowledge of their rights and duties to enforce the functioning of the participatory governance forum and when they are not supported by civil society organizations.

¹ The study focuses on information provision in rural areas because these areas are usually affected most by poverty, illiteracy, and low media coverage (World Bank, 2003a). Hence, the problem of information asymmetries is particularly pronounced in rural areas.

Moreover, the case study shows that village representatives need to be able to afford traveling to the venue of participation, which is more likely when distances in a municipality are small.

By examining information provision through participatory governance we do not intend to discard alternatives, such as mass media or information campaigns, as less effective. Instead, we aim to point out the advantages and disadvantages of drawing on participatory governance forums for increasing voter information and the conditions that need to be in place to make them work.

In the following we first describe the theoretical arguments that guide our study and the criteria we use to evaluate them (Section 6.2). Then, we briefly describe the study methods (Section 6.3). Subsequently, we present the results of the analysis (Section 6.4) and discuss their policy implications (Section 6.5). In the final section we summarize our results and conclude (Section 6.6).

6.2 Research Proposition and Evaluation Criteria

Competitive elections have been shown to be a powerful incentive for politicians to respond to the preferences of the electorate (Besley & Case, 1995; Griffin, 2006). Political economy models of electoral competition predict that elections are most effective in this task when voters are informed about the effort that a politician has made to satisfy their preferences and make their choice based on this information (Barro, 1973; Ferejohn, 1986). In developing countries however supply-side constraints, such as government reluctance to disclose official documents and weak media, as well as demand-side constraints, such as illiteracy and low levels of education often imply that citizens have little or no information about government performance.

So what happens in such cases? Models of electoral competition with informed and uninformed voters predict that opportunistic politicians can play off voters against each other by treating informed voters better and by using their campaign contributions to persuade uninformed voters (Baron, 1994; Grossman & Helpman, 1996; Strömberg, 2001).

They also suggest that incumbents can provide targeted public goods to part of the electorate and divert the remaining resources to their own pockets when information about policy decisions is not available to voters (Besley, 2007, pp. 144–146}). Such clientelistic practices tend to be more pronounced in young democracies where politicians struggle to make credible policy promises on programmatic change because parties are not yet institutionalized (Bardhan, 2002; Bardhan & Mookherjee, 2006; Jenkins, 2007). Overall, political economy models thus suggest that a municipality with more informed voters will have a more responsive government than a municipality with less informed voters even if the two municipalities have equally competitive elections.

But what does it take to inform voters in rural areas in developing countries? Previous research and theoretical insights from communication psychology suggest that an information provision mechanism must meet at least three requirements to be effective in increasing voter knowledge about government performance. First, the most basic requirement is that an information provision mechanism needs to convey relevant and interesting information on key policy outcomes to voters (Keefer & Khemani, 2005). Previous research has shown that for making electoral accountability work voters do not need to and cannot be informed about the details of all policy decisions (Ferejohn & Kuklinski, 1990). Nevertheless, voters need to know whether the incumbent has broadly acted in their interest.

The second requirement is that information needs to be presented to citizens in an accessible way that captures their attention and facilitates remembering it. As Lupia (2003) points out, increasing civic competence to judge government performance requires capturing citizens' attention and achieving that they retain the provided information in their long-term memory. Otherwise the provided information is unlikely to affect voting decisions (Banerjee, Banerji, Duflo, Glennerster, & Khemani, 2006).

The third requirement is that the information about the performance of the local government needs to reach a large number of voters and overthrow previously held beliefs about the local government if it is to translate into a threat for its re-election (Lupia, 2003). The provided information will only elicit a coordinated response in the next elections if it reaches more than half of the voters and if this majority interprets it in a similar manner (Keefer & Khemani, 2005).

In our case study we examine the proposition that a participatory governance arrangement which fulfills the three requirements can contribute to local government responsiveness. For evaluating this proposition, we need to assess two aspects in the case municipalities: on the one hand we need to judge whether the participatory governance forums, i.e., the Municipal Development Councils (MDCs), fulfill the three requirements for effective information provision. On the other hand, we need to be able to judge whether the municipal governments in the two cases are responsive to voters' preferences. Hence, we need to operationalize these concepts for the empirical analysis.

We evaluate the first requirement for effective information provision by assessing whether the local government provides information on last year's public spending, on its spending plans, as well as on the criteria it has applied for allocating public funds. We also take into account whether the MDC has received information on the state of implementation and the quality of publicly funded projects. This information allows the MDC members to judge broadly whether the local government responds to their village's needs and whether it distributes public funds efficiently and equitably.

For evaluating the second criterion we assess whether the information is provided in the MDC verbally or graphically and whether it is translated in local languages. These aspects are important for making the information accessible to the population because almost 40% of the rural population is illiterate and more than 30% of the population was raised in an indigenous language (Instituto Nacional de Estadística (INE), 2002). Also, we check whether information is provided in regular intervals because this increases the probability that people will retain it and it enables them to reach a judgment about the overall performance of local government in the four years it is in office.

Finally, the third criterion is evaluated based on whether information that is provided in the MDC is passed on in most of the villages in village assemblies by the village representatives. Previously held beliefs about the local government are more likely to be revised in Guatemala if the new information is transmitted by a familiar person because Guatemalans tend to turn to people they know for obtaining credible information on politics.

According to a recent survey, only 7% of the Guatemalan population use the internet to obtain information about politics, whereas 29% ask their friends and 42% consult their families (Corporación Latinobarómetro, 2010). Therefore, we also examine the relationship between village representatives and their communities.

After evaluating whether a participatory governance forum is an effective information provision mechanism, we turn to assessing the responsiveness of the two local governments. This assessment is made based on the notion that a responsive government is one that achieves congruence between the preferences of the majority of voters and public policies, such that it is valued by the public (Crook, 2003; Fried & Rabinovitz, 1980). We try to capture this by a mixture of objective and subjective performance criteria that are adapted to the context of a rural Guatemalan municipality in which more than half of the population lives below the poverty line.

The first criterion we use is the share of the budget that a local government has spent on its staff and buildings in the first two years of being in office. The higher this share, the lower the share of the budget that can be spent on much needed public services. The second criterion we use to evaluate local government performance is the rationale based on which the local government distributes the remaining public funds between different villages. We assess based on interview data and the budget allocation of the first two years of the current administration whether social infrastructure projects are distributed according to the stated preferences of the village representatives and equity and efficiency concerns or whether they are used to reward campaign supporters and win over villages that carry many votes. Finally, we take into account the subjective perception of our interview partners about the corruption of their local government for assessing local government responsiveness.

Table 1 provides an overview of the proposition that guides our comparative case study and the evaluation criteria that we employ to evaluate it.

Table 1: Overview of the proposition and evaluation criteria for the case study

Proposition and Evaluation Criteria for the Case Study	
Proposition: A participatory governance forum which functions as an effective information provision mechanism can contribute to local government responsiveness.	
<u>Evaluation criteria for effective information provision:</u> <i>Content relevance:</i> Relevant information on key government decisions is conveyed <i>Form and frequency of presentation:</i> Information presented in an accessible way and provided regularly <i>Outreach and trustworthiness:</i> Information reaches a majority of the population and is transmitted by a trusted person	<u>Evaluation criteria for local government responsiveness</u> <i>Administrative efficiency:</i> The government spends a low share on its administrative functioning <i>Responsiveness in allocation of funds:</i> Public funds are distributed between villages based on the preferences of village representatives, equity, and efficiency criteria <i>Perceived level of corruption:</i> The population perceives the level of local government corruption to be low.

Source: authors' own elaboration.

6.3 Methods

We examine our proposition by drawing on qualitative evidence from two extreme cases of participatory governance in Guatemala. The municipalities of Buenas Hermanas² and La Villa are part of a pool of ten cases that we studied in a broader research project on public service provision in rural areas. The ten municipalities were chosen to reflect Guatemala's geographic, ethnic and socio-economic composition. For the comparative case study we selected two cases from the ten studied municipalities, one with a highly effective and one with an ineffective participatory governance forum. At the same time the cases are similar in other characteristics that have been shown to lead to differences in local government responsiveness. Hence, they constitute an ideal pair of cases to examine whether the difference in the functioning of the participatory governance forum leads to differences in local government performance.

² We renamed both municipalities to protect the privacy of our interview partners.

We carried out five months of fieldwork for studying the ten cases in Guatemala. In the two case study municipalities, we conducted 18 semi-structured interviews with the mayor, village representatives, civil society organizations, key informants, and local journalists. These interviews were implemented in the municipal capital and in several rural communities. The interviewed stakeholders were selected from all actor groups that are involved in the participatory governance forum to obtain a complete picture of the situation in a municipality and to capture different opinions. Moreover, we conducted 11 expert interviews in Guatemala City to increase our understanding of the socio-political context for implementing participatory governance in Guatemala. To complement and triangulate the interview data we also analyzed the minutes of the Municipal Development Council meetings of the last twelve months, the municipal budgets of the first two years of the current administration (2008 and 2009), as well as demographic and socio-economic secondary data from the National Statistics Institute.

6.4 Case Study Results

In the following sections we first introduce the reader to the context of the case study (Section 1.4.1). Then, we compare the effectiveness of the two participatory governance forums as information provision mechanisms (Section 1.4.2). Next, we describe the local government performance in the two municipalities (Section 1.4.3). Finally, we evaluate our research proposition and suggest potential explanations for the different outcomes of the two municipalities (Section 1.4.4).

6.4.1 *The Context of the Case Study*

In rural areas of Guatemala almost three quarters of the population live below the national poverty line and one quarter of the population is estimated to be extremely poor (INE, 2006a). Some progress has been made in recent years to improve access to infrastructure, education, health and other services for the poor, but there are still substantial gaps in public service coverage and quality (World Bank, 2003b). Given this situation, it is not surprising that many Guatemalans are not satisfied with their government.

According to a recent survey, more than half of the Guatemalan population (53%) believes that government decisions favor a few influential actors and only little more than a quarter of the population (27%) thinks that the country is governed to the benefit of the whole population. The same survey suggests however that many Guatemalans do not have access to comprehensible information that allows them to judge the performance of their politicians: 55% of the surveyed respondents indicate that they do not understand political decisions because they are too complicated (Corporación Latino-barómetro, 2010).

One mechanism that could improve access to information about government performance and the quality of public services in Guatemala are the Development Councils. These participatory governance forums were reformed substantially in 2002. They aim at involving citizens in the planning and evaluation of public policy. Our case study focuses on the local level where the representatives of Communal Development Councils³ (CDC) and civil society groups meet with representatives of the municipal and the central government once a month in the Municipal Development Council (MDC).⁴

The MDC is a consultative forum for decision-making over municipal development projects. Its decisions are not binding for the municipal government (Art. 44, Presidencia de la República de Guatemala, 2002). Yet, according to the law the local government should provide information on various aspects of its performance in these meetings. For example, public officials should announce the amount of and the distribution of investment spending, they should outline the revenues and expenditures of the municipal government and they should inform citizens about the state of implementation of social infrastructure projects (Congreso de la República de Guatemala, 2002a-b).

³ The Communal Development Council consists of a board of twelve community representatives. This board should hold monthly community assemblies in which the needs of the community for public services are discussed and prioritized.

⁴ We focus on the local level in our analysis because municipal governments are elected by popular vote, whereas departmental and regional officials are determined by the central government. Therefore, the municipal level is most suitable for investigating whether participatory governance forums can overcome imperfect information among voters.

6.4.2 *The Effectiveness of the two MDCs as Information Providers*

So how are the MDCs in the two case municipalities implemented? Do they function as a mechanism for information provision to voters as foreseen by the law? To answer these questions we go through the three evaluation criteria step by step:

Content Relevance

The MDC in **Buenas Hermanas** discusses current problems in the municipality and searches for ways to solve them. Topics in the MDC include for example the organization of health services, how to deal with environmental damages and how to tax local transport companies. Moreover, once a year the MDC approves last year's municipal budget and plans how to spend the municipal resources next year. At this opportunity the treasurer reports on the annual municipal revenues and expenses and the CDC presidents and NGOs present projects that they would like to implement with municipal funds in the next year. In addition, the mayor reports every three months about the degree of implementation of projects that are financed by central government transfers for infrastructure projects.

Besides these regular exchanges of information the MDC in Buenas Hermanas has a social audit commission. The three retired CDC presidents who form this commission have been trained by a non-governmental organization (NGO) in monitoring and evaluating the physical and financial implementation of social infrastructure projects. They cannot cover all ongoing projects but they select around ten projects a year and report in the MDC about the results of their audits.

In MDC meetings in **La Villa** the mayor does not involve the civil society actors in the planning and evaluation of public services. The village representatives inform him once a year on the projects they would like to have implemented in their villages. These projects are then discussed and agreed upon in the Municipal Council (the municipal legislative body) and the mayor presents the final allocation of funds to the MDC.

Hence, he informs the village representatives about the projects he plans to realize with some of the municipal and central government funds, but he does not share information on the revenues and expenses of the municipality or the overall cost of all development investments. Though he reports biannually on the degree of implementation of municipal and central government financed projects, the MDC members do not obtain any information on how the budget of the municipality is spent, how much of it is invested, how much is financed by new debt and whether the projects have been implemented well.

Moreover, as many of the CDC presidents are employed by the mayor and they do not dare to provide negative information about him to their fellow villagers. Hence, voters can neither obtain a comprehensive picture of an incumbent's overall allocation of funds, nor do they learn anything about the efficiency of spending on the project in their village and elsewhere.

Form and Frequency of Presentation

The MDC in **Buenas Hermanas** meets every month and the information that is presented in the meetings is accessible for all members of the municipal society as all information is given in both the indigenous language *Mam* and Spanish. The CDC presidents and NGO representatives pass the information that is relevant for their villages on in monthly village assemblies. These assemblies are accessible for people who lack funds to travel to the municipal capital and who only speak *Mam*. Moreover, they do not require literacy as the information is passed on verbally.

The MDC in **La Villa** has met only seven times in the last twelve months. The CDC presidents should hold a village assembly once a month by law to channel the information they obtain in the MDC meetings to their village and to discuss current needs of the village that they can communicate in the next MDC meetings. In La Villa however such assemblies are called less than bimonthly. Both the MDC meetings and the village assemblies are held in Spanish. This does however not reduce the accessibility of the information because the share of indigenous people is below 10 % in La Villa and most of the few indigenous people speak Spanish (INE 2002).

Outreach and Trustworthiness

In **Buenas Hermanas** the village assemblies are well attended and most CDC presidents enjoy a good reputation in their villages. Hence, it can be expected that the majority of the rural population has access to the information that is provided in the MDC and trusts the providers of this information. Moreover, the CDC presidents coordinate their evaluation of the incumbent in regular meetings and inform their villages subsequently about the perception of other villages on whether the mayor should be re-elected. The good information flow from CDC presidents to their villages ensures that the mayor is constantly monitored in his decisions and not likely to be re-elected if he fails to invest municipal funds in an equitable and efficient way.

In **La Villa** information on the municipal government's budget, its decisions on investment spending and the share of the budget that it allocates to its administration does not reach any significant number of citizens because the few village assemblies that are held are not well attended. As many CDC presidents are co-opted by the mayor they are not considered trustworthy sources of information. Therefore, voters can be influenced by electoral campaigns and the targeted gifts that the mayor hands out to some villages. The village representatives do not meet outside of the MDC and they do not obtain information on uniting issues, such as spending efficiency and the level of diversion of funds. Hence, they are unlikely to be able to coordinate to prevent the re-election of the mayor.

Table 2 sums up how the MDCs in the two municipalities compare to the requirements for an effective information provision mechanism. It illustrates that the two MDCs differ strongly with the MDC in Buenas Hermanas functioning as a much more effective information provision mechanism than the MDC in La Villa.

Table 2: Summary of the differences in the effectiveness of the two MDCs

Case	Buenas Hermanas	La Villa
Criterion		
Content relevance	Local government provides information on allocation of all funds and spending efficiency to village representatives.	Local government uses MDC mainly to claim credit for popular outcomes; the only relevant information that CDCs obtain is where publicly funded projects are implemented.
Form and frequency of presentation	In the MDC: monthly meetings; verbally and in written form; translated in local language In village assemblies: monthly village assemblies; verbally in local language	In the MDC: bimonthly meetings, verbally in Spanish which is spoken by all members In village assemblies: trimestral or less frequent village assemblies; verbally in Spanish
Outreach and trustworthiness	High attendance at village meetings and quality of government performance at municipal level known; village representatives are legitimized by village elections.	Low attendance at village meetings and quality of government performance at municipal level unknown; most village representatives captured by incumbent.

Sources: interview data and minutes of the MDC meetings from 12/08-11/09.

6.4.3 *The Performance of the Two Local Governments*

To explore whether the differences in access to information through the MDC are associated with different local government performances we now analyze how the local governments in the two case municipalities spend their municipal budgets, how they allocate development projects and how interviewees perceive the level of corruption in the two cases.

Administrative Efficiency

According to the analysis of the 2008 and 2009 budgets and the interviewee opinions the government of **Buenas Hermanas** runs an efficient and effective administration. It spent on average less than 20% of its budget on administrative expenses and it has kept its electoral promises with respect to supporting women's participation and improving municipal health and education services (Gobierno de Guatemala, 2010). Moreover, the projects it had planned for the four years in office have been realized in two.

In **La Villa** the office of the mayor is cramped every day with people soliciting help in personal affairs, such as a funeral or a business start-up credit. Hence, it is not surprising that the municipal government spent on average more than 45% of its budget in 2008 and 2009 on its administration (Gobierno de Guatemala, 2010). This is way above the central government guideline for spending on municipal administration of 30% and a clear sign of administrative inefficiency and wasteful spending. According to several interviewees the administrative expenses in La Villa were inflated by the high salaries of personal advisers who have supported the campaign of the mayor financially and the numerous small favors that the mayor hands out every day to citizens.

Responsiveness in Allocation of Funds

The allocation of the municipal budget of **Buenas Hermanas** is discussed in the MDC and takes into account the recommendations of sectoral commissions, e.g., on health and education for prioritizing municipal investments. At the same time the mayor tries to serve all communities during his term but does not give projects to villages who do not participate in the MDC. For large projects he is said though to favor communities who contribute financially to the projects they solicit. This discriminates against the poorest communities, but at the same time it supports projects with higher village ownership and it allows him to attract funds to the municipality that require co-financing.

In the distribution of municipal funds for infrastructure projects in **La Villa** political criteria prevail in the allocation of public resources over equity and efficiency concerns. Public resources are given to the villages of Municipal Council members and to populous villages that are led by CDC presidents who support the mayor's party.

Perceived Level of Corruption

The social audit commission in **Buenas Hermanas** regularly evaluates the implementation of municipal investment projects. During the current mayor's term it has not found any major irregularity in spending. Also, interview partners did not report on political connections between the mayor and the CDC presidents. Finally, the municipal government was ranked first among the 23 municipalities in the department and among the top fifteen among the 333 municipalities in the country in a transparency ranking by the national association of municipalities and the Ministry of Finance.

In **La Villa**, actual spending on investment is not monitored. This implies that inflated project budgets and badly implemented projects are a potential source of rents for the local government and construction companies, as several interviewees have pointed out. In addition, interviewees claimed that the local government of La Villa pursues a spending pattern that maximizes votes by targeting municipal funds to populous villages and diverts the rest of the funds for buying political support.

Table 3 summarizes the differences in local government performance between the two municipalities. It shows that the government of Buenas Hermanas outperforms the government of La Villa in all three criteria.

Table 3: Summary of differences in local government performance

Case	Buenas Hermanas	La Villa
Criterion		
Administrative efficiency	Average share of spending on administration in 2008/2009: 18 %	Average share of spending on administration in 2008/2009: 48 %
Responsiveness in allocation of public funds	<p>Allocation of a large part of the budget based on participatory budgeting with CDC presidents</p> <p>Criteria for deciding which village receives a project</p> <ul style="list-style-type: none"> ▪ Equity: satisfy some of the needs of all communities during one term ▪ Reward for participation: only villages who participate in the MDC can obtain projects ▪ Co-financing: villages who contribute financially to their project are more likely to obtain one 	<p>Decision on allocation of municipal budget is taken without CDC president involvement in the Municipal Council</p> <p>Criteria for deciding which village receives a project</p> <ul style="list-style-type: none"> ▪ Favoritism: villages of Municipal Council members and co-opted CDC presidents are more likely to obtain projects ▪ Vote-buying: more populous villages who carry more votes are more likely to obtain projects
Perceived level of corruption	<p>Social audit commission reviews municipal expenses and project implementation regularly and has not found major irregularity</p> <p>Ranked high on national transparency ranking</p> <p>Interview partners perceive the level of corruption as very low</p>	<p>No review of municipal expenses and project implementation</p> <p>CDC presidents must support electoral campaign of the mayor otherwise they lose their jobs in the municipal administration</p> <p>Interview partners indicate that campaign contributions are repaid by putting advisors and CDC presidents on the municipal payroll or by handing out personal favors</p>

Sources: interview data, municipal budgets (Gobierno de Guatemala, 2010) and reports of the social audit commission (Buenas Hermanas only).

6.4.4 *Explaining the Differences in Outcomes*

The case study evidence presented so far shows that there are differences in the effectiveness of the participatory governance forums and the performance of the local governments in the two municipalities. To evaluate our proposition we still need to examine however whether the more effective MDC in Buenas Hermanas contributes to the good performance of its local government. A number factors support this argument: first, differences in the competitiveness of the elections in the two municipalities can be ruled out as explanations for the different local government performances in the two municipalities. Both municipalities had similar voter turnouts in the last municipal elections, the winning party won with almost the same margin and a similar number of candidates competed for the position of the mayor. Second, other information provision mechanisms are also unlikely to cause the differences in local government responsiveness. Neither do large parts of its population have access to critical and independent media coverage in any of the two municipalities, nor did any local or international NGO implement an information campaign in the last two years. Third, La Villa is actually more likely to have a government that satisfies the needs of its population than Buenas Hermanas according to the socio-economic situation of the population and its government: the government of La Villa can spend twice as much per head as the government of Buenas Hermanas, its administration has more staff and its less poor population has fewer unsatisfied needs (Gobierno de Guatemala 2010; INE & Secretaría de Planificación y Programación de la Presidencia (SEGEPLAN), 2006; INE 2006b)

Overall, the case study evidence thus supports the proposition that a participatory governance forum that functions as an effective information provision mechanism can contribute to local government responsiveness. This finding implies that supporting effective participatory governance is a fruitful strategy for promoting good local governance. But what does this strategy entail exactly? For answering this question we need to turn to the two cases once more to explore which factors explain why the MDC in Buenas Hermanas works so much better than the MDC in La Villa.

We begin this exploration with a comparison of the basic socio-economic conditions in the two municipalities. **Buenas Hermanas** is an extremely poor, densely populated municipality in the western highlands. Its mainly indigenous population of around 25 000 people earn their income from a combination of subsistence farming, trade, and seasonal migration to the fertile lowlands for the sugar cane harvest (INE, 2004). Less than 60% of its inhabitants are literate and 82% of them live below the poverty line. The large and relatively prosperous municipality of **La Villa** on the other hand is located at the humid and fertile South Pacific coast. Its predominantly non-indigenous (*Ladino*) population of around 40 000 people is scattered across villages that were set up far away from each other on or between large agricultural landholdings (INE, 2002, 2004). The main source of income of the rural population of which 59% live below the national poverty line is labor in sugar cane farming and processing (INE & SEGEPLAN, 2006). Almost three quarters of the population of La Villa is literate (71%) (INE, 2002).

Hence, at first sight, the MDC seems to be implemented in a less favorable socio-economic context in Buenas Hermanas than in La Villa as the population in this municipality is less educated, less literate, and much poorer. So why does Buenas Hermanas have a highly effective Municipal Development Council and a responsive government? The case study evidence suggests that the explanation for this outcome lies in the beneficial interplay of frequent capacity building, the presence of many civil society organizations, and short distances to meetings.

Being one of the poorest municipalities in the country and pertaining to the area that was most affected by the civil war, **Buenas Hermanas** received a large amount of capacity building by donor agencies and national NGOs. Due to this support it has more than ten municipal level civil society organizations and countless village groups that are organized to solicit donor projects or to preserve indigenous customs and traditions. The large amount of capacity building workshops that national and international NGOs have provided in Buenas Hermanas has strengthened the demand for participation and the familiarity of CDC presidents with their right to information. These interventions have also fostered the formation of local civil society organizations who in turn support the functioning of the social audit commission and provide technical assistance to CDC presidents in the MDC sector commissions e.g., by supporting the elaboration of a proposal on how to prioritize investment in education.

The capacity building for CDCs and the presence of knowledgeable local NGOs who are in frequent contact with the CDCs also imply that villagers do not accept interference of the municipal government in the election of their CDC presidents and their board. Therefore, they are legitimized within their villages and largely seen as representing the interest of their communities. As the CDC presidents have access to relevant and interesting information in the MDC meetings the assemblies they convene are well attended and as a result a large share of the population in the municipality has access the information that is conveyed in the MDC.

Finally, the awareness of CDC presidents about their rights and their close horizontal ties have led to the selection of a mayor who is willing to provide relevant and sensitive information in the MDC that allows the CDC presidents to judge his performance. The CDC presidents promoted the selection of this mayor by coordinating the voting of their villages for a promising candidate. Before the elections many CDC presidents and some NGOs asked candidates to sign an agenda that reflected the demands of their village or group of villages to be able to hold him to account on his promises afterwards. Candidates who did not sign these “contracts” were unlikely to get the votes of these villages or the members of an organization.

Besides the intense capacity building and the presence of a large number of local civil society organizations, the short distances to meetings in Buenas Hermanas support the functioning of the MDC. Though poverty is much more pronounced in Buenas Hermanas than in La Villa, CDC presidents manage to attend the MDC meetings. Their travel expenses are mitigated by the fact that many of them can walk from the villages nearby the capital. In addition, some communities support their CDC presidents with small contributions to their expenses and CDC presidents usually stay in office only two years.

La Villa is hardly ever targeted by donors and national capacity building projects, because it is less poverty-stricken than the municipalities in the highlands and its non-indigenous population is not as badly discriminated against at the national level in economic and social terms. Its population is only weakly organized. Besides some village based school committees and a group of ex-combatants there are no organizations that represent economic or social interests within the municipality.

The absence of capacity building implies that the failure of the mayor to provide information in the MDC is not criticized. Even though most of the village representatives are literate they generally do not know the provisions of the Development Council Law and the obligations of the mayor very well and they do not organize to pressure him to comply with the law. Also, the few civil society organizations in La Villa do not provide organizational or technical support to the CDC presidents and they do not exert any pressure on the mayor to provide information in the MDC.

A further consequence of the low level of capacity building and the weak civil society in La Villa is that a mayor was selected who is not willing to give account in the MDC and that the information from the MDC meetings reaches only a small part of the population. As the CDC presidents and the majority of the population are not aware of their rights to demand information the mayor was re-elected though he did not give account about his performance during the last term. Another reason why the CDC representatives do not exert pressure on the mayor for providing information is that most of them depend financially on him. He employs a large number of the village representatives as administrative staff or as janitors of municipal buildings in the villages. He also attends the elections for the CDC boards and makes clear which candidates would have his support and would thus have access to projects for the village. Again the lack of capacity building and the absence of local NGOs that criticize this interference imply that the villagers accept the political capture of their CDCs. Consequently, the CDC presidents are often not respected and unpopular within their communities and therefore they avoid calling village assemblies. The fact that most of the CDC presidents are not legitimized by a free election at the village level but party members of the mayor also implies that they are perceived as useless in providing unbiased information on the incumbent. In some cases they are also purported to demand projects for their villages that have not been legitimized by a village assembly.

Last but not least, the large distances between the villages and from the villages to the capital imply that the CDC presidents have high travel costs for attending MDC meetings. This hinders the functioning of the MDC and the coordination of actions among the CDC presidents to demand more transparency or to remove the current mayor from office. As a result of these unfavorable conditions, the MDC in La Villa does not convey relevant information to a large share of voters in the municipality.

6.5 Discussion of Policy Implications

The results of our case study suggest that there are several ways to make participatory governance mechanisms more effective in providing information to voters. The design of our study limits the scope of the policy recommendations that we can derive from our results. But they provide new insights for policymakers on what measures for promoting effective participatory governance work where and why. Moreover, the case study findings generate hypotheses for future research.

To begin with, our study suggests that effective information provision through participatory governance can be supported by measures that lead to a higher awareness of village representatives and civil society actors about their rights and duties in the participatory governance arrangement. Furthermore, our results indicate that higher levels of formal education or providing access to the law through the internet or one-off distributions by NGOs do not necessarily bring about these capacities.⁵ At least in the short to medium run, regular workshops that deal specifically with the legal framework and practical tools for analyzing a government budget and formulating projects seem to be more effective in bringing about active participation. These results are consistent with previous research from El Salvador which found that donor-assisted communication and education of citizens about the rules and procedures of participatory budgeting was crucial for the sustained adoption of this form of participatory governance (Bland, 2011). Hence, the first policy implication of our findings is:

Policy implication 1: *village representatives and civil society actors' knowledge of their rights and their technical and organizational capacities to claim them can be increased effectively in the short- to medium-run by capacity building in spite of low levels of education.*

The case study indicates that to be effective capacity building workshops need to be repeated on a regular basis, because the voluntary village representatives that are targeted by these measures rotate frequently.

⁵ The Development Council Law and its regulation can be downloaded from several websites and paper versions of them were distributed by Plan International in La Villa a few years ago. This was not sufficient to make CDC presidents and civil society organizations aware of their rights and duties in the MDC.

In reality however, intense and regular capacity building measures by donors cannot be financed for long periods of time for all municipalities in a country. A more cost-effective and sustainable alternative would be to incorporate lessons on the rights and duties of citizens in local participatory governance in the formal primary and secondary education system and extend access education. Another alternative to extending capacity building initiatives to all municipalities would be the establishment of regional centers for capacity building on participatory governance, which could upscale successful experiences in capacity building from individual municipalities.

The second key finding of our case study is that local civil society organizations can play an important role in making the MDCs work as effective information provision mechanisms. Our results also suggest that the number of civil society organizations can be increased by external interventions. This result is in line with findings from case studies in Bolivia, Brazil, and Peru which show that a high density of civil society organizations fosters the effective implementation of participatory governance mechanisms (Brinkerhoff, Brinkerhoff, & McNulty, 2007; Eguren, 2008; Schönleitner, 2004). The second policy implication of our study is therefore:

Policy implication 2: the formation and the functioning of civil society organizations can be promoted through capacity building and group-based fund allocation.

The case of Buenas Hermanas shows that this can be realized in practice, e.g., by raising awareness among citizens about the benefits of association for pursuing their interests and by providing central government or donor funds for projects to groups of citizens or to entitle them to solicit projects from the local government budget in the MDC. Once such groups are formed, they can be targeted by workshops on participatory governance which increases their capacity to participate and to pass on their knowledge to village representatives.

The third main finding of our case study is that the influence of poverty on the level and the quality of participation can be offset by differences in the cost of participation. Poorer citizens can actually participate more than less poor citizens when the main costs of participation are mitigated.

Moreover, high cost of participation can lead to corruption among village representatives and to an absence of working age individuals in participatory forums. These results do not contradict previous research that shows that high levels of poverty can impede participation, but they show that this is not necessarily the case (Abom, 2004; Wiebe, 2000). Therefore, the third policy implication of our results is:

Policy implication 3: mitigating the cost of participation for village representatives and civil society actors can enable participation in places with high poverty.

There are several ways to achieve this: first, adapting the schedule of meetings to make them compatible with the usual working hours reduces the opportunity cost of attending the meetings employed participants. Second, refunding travel expenses cuts direct costs of participation which are particularly high in municipalities with large distances between villages and the capital. Third, frequent rotation of village representatives reduces the overall cost of participation for them and thus reduces the risk of cooptation by the local government. This is because the incentive for village representatives to accept bribes from the local government increases with the number of years and thus the amount of private resources they spend for travel to the capital, meeting times and administrative work for the community.

6.6 Conclusion

The results of the study of two Guatemalan municipalities show that a local participatory governance forum that functions as effective information provision mechanisms can reduce the information asymmetry between a local government and its electorate and thus contribute to better local government performance. They also indicate that a high familiarity of citizens with the rules and the technical and organizational support of civil society organizations are crucial for making a participatory governance forum an effective information provision mechanism. Finally, the results of our study suggest that a higher level of formal education does not automatically result in a higher capacity to participate, that the formation of civil society groups can be supported by external interventions and that high poverty does not prevent participation when its cost are mitigated.

Overall, our study thus lends support to the argument that differences in the level of information of voters about an incumbent lead to differences in government performance (Bardhan, 2002; Besley, 2007; Keefer & Khemani, 2005). It also provides evidence for the claim that the way in which information is presented matters for its impact on local government performance (Banerjee, Banerji, Duflo, Glennerster, & Khemani, 2006; Lupia, 2003). Finally, our study contributes to the literature on participatory governance by pointing out what combinations of socio-economic factors can contribute to the effective implementation of such mechanisms.

The limited data availability in Guatemala implies that the generalizability of our research proposition can only be tested with data from other countries. Also, we could not compare the effect of participatory governance to the effect of other information mechanisms, such as information campaigns by NGOs and central government agencies that provide information, e.g., on service quality or levels of corruption in different jurisdictions. Hence, further research is needed to evaluate the cost-effectiveness of different information provision mechanisms and the conditions under which they work.

What we can conclude from our case study findings though is that participatory governance forums are one effective option for increasing voter knowledge given certain conditions are fulfilled. This suggests that strengthening electoral accountability through information provision in participatory governance forums may be a more promising strategy to improve local government responsiveness than turning participatory governance mechanisms into vertical accountability mechanisms themselves. This may be particularly fruitful in countries in which existing participatory governance mechanisms have so far failed in holding politicians to account between elections due to a lack of power and legitimacy of these bodies (Bland, 2000; Devas & Grant, 2003; Francis & James, 2003; Jenkins & Goetz, 1999).

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7. Conclusions and Research Outlook

“When looking cross-sectionally at the quality of government with relatively similar electoral institutions, the provision of information could be an important source of heterogeneity in government performance.” (Besley, 2007, pp. 135–136)

The findings of the papers in this thesis support this prediction. They show that differences in information provision through participatory governance can explain differences in government responsiveness in municipalities with the same electoral institutions. Moreover, they indicate that effective participatory governance only leads to government responsiveness when it is combined with competitive elections. These findings suggest that promoting participatory governance would be a promising strategy to improve local government performance in Guatemala. Yet, the findings of the thesis also show that the implementation of participatory governance in the study area faces great challenges. The low density of civil society organizations, the low level of education, and the high level of poverty of the population are the greatest obstacles to such an endeavor. In sum, the results of the thesis show that the combination of effective participatory governance and competitive elections is sufficient for increasing local government responsiveness, but that implementing participatory governance effectively is probably not feasible in the short- to medium run in the study area.

In the following sections, I recapitulate these and other key results in more detail. I also highlight the contribution of each paper and of the thesis as a whole to the empirical literature on participatory governance and theory development for each paper individually (Section 7.1). Then, I discuss what policy recommendations can be derived from the key results of the thesis (Section 7.2). After that, I delineate the limitations of the thesis (Section 7.3). In the last section, I point out fruitful areas for future research on participatory governance (Section 7.4).

7.1 Key Results and Contributions

7.1.1 Paper 1: Literature Review on Participatory Governance

Paper 1 addresses the question: what do we know about the impact of and the conditions for effective participatory governance from previous research in other contexts? To answer this question I carry out a critical review of the different strands of literature that I draw on and extend in my thesis.

The key findings of this review are that first, there is little evidence on the impact of participatory governance on the quality of government and access to high quality public services. In particular, there is a lack of theoretical models and quantitative studies for testing theoretical arguments systematically. Hence, a causal link between participatory governance and these outcomes has not yet been established.

Second, the literature on the conditions for effective participatory governance is comprehensive, but it is also dominated by case studies. Moreover, much of the empirical work on participatory governance focuses on isolated successful experiences with participatory governance in Brazil and India. From this literature a broad consensus has emerged that both civil society and public officials must be both capable and willing to establish a participatory governance mechanism. However, these conditions are not met in many developing country contexts and difficult to establish.

The findings of the literature review imply that future research on participatory governance should aim at conducting studies with medium and large samples in a broader range of locations to test the explanations that have been proposed in case studies and thus to arrive at more general results. Besides, empirical studies on participatory governance should state the theoretical approach of their investigation so that their findings can contribute to theory development. Finally, the literature review shows that more research is needed for establishing a common analytical framework that can be used for comparing and accumulating the findings of research on participatory governance from different disciplines.

The literature review contributes to the empirical literature on participatory governance by summarizing and critically evaluating a large number of case studies and comparative studies. Moreover, it shows how research from several disciplinary backgrounds has contributed to increasing the understanding of the impact of and the conditions for effective participatory governance. It also proposes a new classification for organizing existing research on participatory governance based on the normative perspective of a study. Thus, the literature review brings together and compares the results of several literatures that usually do not interact.

7.1.2 Paper 2: Refinement of the Main Empirical Method

The second paper of the thesis develops the methodological foundation of the fuzzy-set Qualitative Comparative Analyses (fsQCA) in Papers 3 and 4 further. It provides an answer to the question: how can qualitative data be collected systematically and calibrated reliably as fuzzy sets for fsQCA?

In the paper Xavier Basurto and I address this question by proposing a procedure for calibrating qualitative interview data to obtain fuzzy-set values ready to be loaded into a computer program for performing a fsQCA. The procedure we propose leads researchers in six steps from the determination of the conditions and the outcome of a study to the assignment of fuzzy-set values to each of the studied cases.

The contribution of the second paper is that the calibration of qualitative interview data, which is an important analytic step in the application of fsQCA, can be carried out systematically and transparently with the procedure we outline. So far the details of the preparation of qualitative data have not been made explicit in fsQCA applications, which makes it difficult to assess the validity, reliability, and replicability of the results of these studies. Hence, we contribute to best practice in the application of fsQCA by complementing the range of data calibration techniques. Last but not least, we also hope to initiate a debate among fsQCA scholars about the advantages and disadvantages of this procedure. Engaging in this debate will make the application of fsQCA more comprehensible. It would also increase the credibility of the results of fsQCA studies and facilitate the establishment of fsQCA as an accepted method for data analysis.

7.1.3 Paper 3: Comparative Analysis of the Impact of Participatory Governance

The first qualitative comparative paper addresses the research question: what is the impact of participatory governance on local government responsiveness? It provides an empirical evaluation of the effect of participatory governance on local government responsiveness taking into account competitive elections and access to local media.

The first key finding of Paper 3 is that effective participatory governance is sufficient for local government responsiveness when it is combined with competitive elections. Case-level evidence shows that participatory governance forums reduce the information gap between voters and the mayor about the actions and decisions that the mayor has taken in office and, thus, make re-election incentives more effective. The information effect of participatory governance is especially relevant for people in rural areas in developing countries, because they usually have less access to information than people in urban areas.

A second key finding of Paper 3 is that widespread access to local media is not sufficient for bringing about local government responsiveness in the ten municipalities because these media do not provide independent coverage. As case level evidence shows, most local media companies are financed primarily by local government advertisements because they do not earn much with newspaper sales or radio and television connection fees. Hence, they cannot publish critical reports on local government actions. This finding suggests that liberalizing state media regulation and strengthening press freedom is not enough for ensuring access to free and independent local media in developing countries. Demand side constraints to media growth need to be addressed as well, particularly in rural areas.

Paper 3 contributes to the theoretical, as well as the empirical literature on the determinants of local government responsiveness. It adds to the theoretical debate on the determinants of good local government performance by highlighting the complementarity of participatory governance, competitive elections, and media. Moreover, it contributes to the body of empirical evidence on participatory governance by conducting a systematic, theory-led medium comparative study on the impact of participatory governance in Guatemala. Last but not least, the paper makes three methodological improvements: first, it measures the degree of implementation of participatory governance and, thus, it distinguishes between the effectiveness of the implementation of participatory governance and its impact. Second, it accounts explicitly for other accountability mechanisms that may interact with participatory governance. Third, it takes the socio-economic context in which participatory governance is implemented systematically into account in the analysis of its impact.

7.1.4 Paper 4: Comparative Analysis of the Conditions for Participatory Governance

The second qualitative comparative paper addresses the question what makes participatory governance work in an unfavorable environment? Specifically, Paper 4 aims to answer what motivates a mayor to adopt participatory governance forums and what enables civil society actors to exert pressure on their local government to establish and run a participatory governance forum effectively?

The key finding of Paper 4 on the motivation of the mayor is that civil society enforcement, mayoral self-enforcement, and mayoral interest in participatory governance are jointly sufficient for municipal government compliance with the mandate to establish a participatory governance forum. None of these conditions alone is found to motivate a mayor to run such a forum effectively.

The key findings of Paper 4 on the capacity of civil society actors are: the most important resource for civil society enforcement of participatory governance is a high capability to engage in public discourse and the most important structural factor for this outcome is a large number of civil society organizations. Both conditions are found to be necessary but not sufficient for civil society enforcement when they are combined with a high population density and high poverty. The finding that the presence of poverty is found to be necessary, but not sufficient for civil society enforcement seems to contradict the distributive bargaining theory argument that actors need resources to enforce an institution. Yet, case level evidence shows that civil society enforcement can take place in spite of high poverty in municipalities that also have a high population density because short distances to meetings mitigate the cost of participation in such municipalities.

These findings contribute to the empirical literature on participatory governance reforms by showing what conditions are required for implementing these reforms effectively in an unfavorable environment. They show that in the absence of central government enforcement the establishment of participatory governance arrangements can be effectively enforced through informal enforcement mechanisms. The findings also imply that even illiterate citizens with little education can participate actively when they are informed about their rights.

Furthermore, the results of the paper indicate that poverty affects participation in Guatemala mainly because people cannot afford the cost of traveling to meetings and not because people depend on government officials for welfare benefits as has been found in other contexts (Fung & Wright, 2001; Heller, 2001; Wampler, 2008). Lastly, the findings suggest that the presence of a large number of civil society organizations attract resources, such as capacity building measures, which in turn foster the capacity of citizens to participate. This finding points out the importance of taking into account beneficial interactions between individual and group level conditions in explaining the civil society condition.

The tested theories are by and large supported by the results of the paper. The results confirm that incentives for actors to adopt written institutions can be set by informal enforcement mechanisms and benefits of participation as behavioral and imperative theories of law emphasize (Cooter, 1998; Elster, 1989; Grasmick, Harold G., & Bursik, 1990; Karayiannis & Hatzis, 2010; Posner & Rasmusen, 1999). What is more, the evidence from Guatemala suggests that a combination of the incentives which are proposed by these theories may be required for implementing a law effectively. The results of Paper 4 also reinforce the theoretical argument that the implementation of institutions in practice depends on the power of the involved actors to impose their will on others (Knight, 1992; Moe, 2005).

Finally, the results of the paper lend support to the relevance of both, structural and social factors that are predicted by collective action theory and distributive bargaining theory to influence civil society collective action and they point out interaction effects between these factors.

In sum, the fourth paper of the thesis contributes to the literature on the conditions for effective participatory governance by spelling out and testing several enforcement mechanisms for motivating public officials to engage in participatory governance and by exploring interactions of structural and individual-level conditions for the capacity of civil society to engage in participatory governance in Guatemala.

7.1.5 Paper 5: Case Study on the Link between Participatory Governance and Responsiveness

The case study in Paper 5 complements the two comparative analyses in Papers 3 and 4. In this paper Makus Hanisch and I examine the following questions: can participatory governance forums effectively reduce the information asymmetry between voters and a politician and contribute to local government responsiveness? How and under what conditions can they fulfill this task? And, which policy measures can improve these conditions?

The case study shows that participatory governance forums can reduce the information gap between voters and the municipal government and, thus, strengthen the government's incentive to provide public services to the poor majority of voters. This finding explains the positive impact of the combination of participatory governance and competitive elections that I find in Paper 3.

The case study demonstrates that participatory governance forums increases voter knowledge about government performance in rural areas through the following mechanisms: first, village representatives can mobilize their village not to vote for a candidate; with this threat they can move an incumbent to release sensitive information on projects and spending decisions. Second, village representatives pass on the information they obtain in the capital in village assemblies; thus, participatory governance forums can reach illiterate and immobile citizens in remote areas of a municipality. Third, information is provided through familiar and trusted village members and it is discussed among village representatives, which facilitates collective action by voters to sanction an incumbent. Thus, participatory governance can change incentives in rural political markets.

The case study results also confirm and refine the findings in Paper 4 on the conditions for effective participatory governance. They show that first, even illiterate and uneducated village representatives can be aware of their rights and duties when they receive intense capacity building and when civil society organizations support them in understanding technical aspects of service planning and in organizing the participatory governance forum.

Second, village representatives in poor areas can mitigate and thus be able to meet the cost of participation when distances to meetings are small, when they rotate posts frequently and, when their communities support them financially.

Paper 5 contributes to the literature on the impact of participatory governance and to the literature on the conditions for effective participatory governance. By exploring how participatory governance complements competitive elections in bringing about government responsiveness we complement previous research on the interaction between elections and other information provision mechanisms, such as the media, central government audit reports and information campaigns. By discussing policy options for supporting the implementation of participatory governance we generate policy-relevant knowledge on the suitability of this reform for improving public service provision.

7.1.6 Joint Contribution of the Five Papers

The five papers of my thesis generate new insights on the impact of and the conditions for effective participatory governance and they add to the theoretical literature on government performance and the implementation of governance reforms. They also contribute to increasing the validity and reliability of the application of fsQCA for conducting comparative studies on these topics in a developing country context. In the following I outline how these contributions emerge from the interplay of the papers.

The first connecting theme of the thesis is the impact of participatory governance. Starting from the insight in the literature review that there is a lack of evidence on the impact of participatory governance on local government performance, Paper 3 assesses this impact in Guatemala in a comparative perspective and Paper 5 analyses the mechanism behind the positive impact that is found in Paper 3. Together these two papers point out that effective participatory governance supports the function of elections to hold politicians to account by providing information to voters in rural areas. Thus, my thesis shows that effective participatory governance has a similar impact on the quality of government as central government audits and access to independent media.

The joint contribution of Papers 3 and 5 to political agency theory is to point out that participatory governance forums can complement elections in overcoming the agency problem between an incumbent and the electorate. The two papers outline the theoretical argument that the combination of participatory governance and elections can foster local government responsiveness, they provide support for this argument in a comparative empirical study and they examine the mechanism behind it in a case study.

The second connecting theme of the thesis is the implementation of participatory governance. The literature review in Paper 1 points out that we still lack information on how participatory governance could be implemented effectively in unfavorable contexts. The qualitative comparative analysis in Paper 4 evaluates what conditions need to be addressed to make such an endeavor successful in Guatemala. It shows what incentives can motivate a local government to adopt participatory governance and what structural and individual-level conditions influence civil society enforcement of participatory governance. Paper 5 complements these findings by pointing out the micro-mechanisms behind the findings on the conditions for civil society enforcement and by critically evaluating policy options for strengthening these conditions in Guatemala.

Together, Paper 4 and Paper 5 show that implementing participatory governance is a challenging and resource intensive task in places where civil society organization is weak and local governments are not motivated by an affiliation with a party with a pro-participatory ideology. This finding is not only relevant for Guatemala but also for other countries in which participatory governance laws are neither enforced by a national government, nor the result of a strong bottom-up social movement, such as Uganda, Bolivia (Bland, 2000; Porter & Onyach-Olaa, 2000).

The theoretical contribution of Papers 4 and 5 is to demonstrate that the theory of collective action and the theory of distributive bargaining power can be fruitfully combined with theories of informal law enforcement for explaining differences in the functioning of participatory governance in a developing country context. Moreover, the findings of the papers suggest that a theoretical explanation of effective participatory governance needs to incorporate individual level factors, as well as institutional and socio-economic context factors and account for interactions between these factors.

7.2 Policy Recommendations

In the last two decades international development organizations, such as EuropeAid and the World Bank, political parties in developing countries, such as Brazil's Workers' Party and India's Communist Party, as well as non-governmental organizations (NGOs), such as Oxfam and Plan International have put participatory governance on their agenda. All these organizations actively support and implement participatory governance programs in a large number of developing countries in order to improve public service delivery, to strengthen the democratic capabilities of citizens, and to increase the legitimacy of the state (Blair, 2000; Evans, 2004).

The findings of the thesis partly lend support to this strategy, but they also highlight the difficulties of implementing participatory governance effectively in developing countries. First, the results of the thesis show that effective participatory governance can improve information flows between citizens and politicians. Thus, it allows voters to take a more informed voting decision and sets incentives for politicians to allocate public funds in accordance to citizen preferences. Yet, beyond this impact on the allocation of public spending there is no evidence so far that participatory governance can increase human well-being or lower poverty through improved access to services (Boulding & Wampler, 2010; Goldfrank, 2007). Hence, for improving indicators of human development and poverty policymakers should consider turning to other policy options, such as increasing the revenues of local governments, which have been shown to contribute to these goals (Boulding & Wampler, 2010).

But even if well-being and poverty cannot be influence with participatory governance mechanisms, policymakers may decide to support their implementation in order to increase local government accountability and responsiveness. They should however take into account that the implementation of participatory governance is a time- and resource-intensive task in unfavorable socio-economic contexts. In such contexts policymakers should therefore also consider strengthening existing accountability mechanisms, such as central government auditing of local government spending or legislative oversight of local governments. These alternatives may turn out to be faster and more effective strategies to achieve local government accountability and responsiveness.

Moreover, policymakers should take care that supporting participatory governance does not come at the cost of weakening existing accountability mechanisms. Finally, decision-makers should evaluate whether citizens can be motivated in the medium and long run to take over essential functions of the state. Otherwise, the implementation of participatory governance may not be sustainable.

Policy makers and donors who take the decision to promote effective participatory governance in Guatemala or in similarly difficult contexts should take measures to support both, the capacity of civil society actors to participate and the motivation of local government officials to involve citizens in decision-making processes. The capacity of citizens to engage in debates with public officials can be supported by increasing the intensity and frequency of capacity building measures, by fostering the formation of civil society organizations and by compensating poor citizens from remote areas for their travel expenses. The motivation of local government officials can be increased by supporting social and internal enforcement mechanisms for complying with participatory governance laws and by making them aware of the benefits of participatory governance. The internalization of participatory governance legislation by local government officials can be fostered by awareness raising campaigns about the duty of governments to establish participatory governance forums. Social enforcement by civil society actors can be supported with the proposed measures to strengthen the capacity of citizens to engage in public debates and with a strong communication strategy which informs citizens about the purpose and proper functioning of participatory governance forums.

7.3 Limitations of the Thesis

The range of research problems the thesis can address is limited by the normative perspective and the research approach I have adopted. In the following, I first describe research problems that are closely related to the central research questions but are not addressed in the thesis. Then, I will outline the implications of the choice of the empirical strategy for the data that could be obtained for the empirical analysis.

The most crucial decision for delimiting the topic of my thesis was the decision on the normative perspective from which to examine participatory governance, i.e., the ex-ante judgment about how participatory governance is expected to function and what outcomes it is expected to influence. After having completed a first review of the literature on participatory governance I decided to study it from a liberal perspective.¹ In this perspective participatory governance is a second generation reform of the institutional set-up of developing countries that is implemented with the aim to make the provision of public services more efficient, equitable, and sustainable. This view is commonly held by development economists and international organizations, such as the World Bank (Ackerman, 2004; Blair, 2000; Picciotto, 1997; Paul, 1992; World Bank, 2003).

Taking a liberal perspective means that my research focuses on those functions of a participatory governance forum that are most likely to have an impact on the process of public service provision. These functions are the exchange of information about preferences and decisions and the imposition of sanctions on the local government, i.e., the accountability mechanism of these forums. Other functions of participatory governance, such as the discussion of solutions for development challenges, of policy options and of regulation decisions for the municipality, were not part of my investigation. Moreover, I did not examine the impact of these functions on the democratic capabilities of citizens and the quality of the democratic process in a municipality, as scholars with a radical democratic perspective would do.

¹ Other normative perspectives on participatory governance are the radical democratic, the leftist, and the conservative perspective (Goldfrank, 2007). In the radical democratic view participatory governance is a means to deepen democracy, to legitimize state involvement in re-distribution, and to reduce elite capture and clientelism (Fung & Wright, 2001; Schönleitner, 2006). In the leftist view, participatory governance as it is promoted by donor agencies is not radical enough for changing power relations and in the worst case it is a means for muting mass mobilizations (Chambers, 2006; Gaventa, 2006; Mohan & Stokke, 2000; Veltmeyer, 1997). In the conservative view, participatory governance can weaken representative democratic institutions and support the co-optation of voters by the ruling party and, thus, destabilizing established democratic structures (Schönleitner, 2006; Wampler, 2004).

Adopting a liberal view also implies that I evaluate the extrinsic value of participatory governance for citizens instead of exploring the intrinsic value of participation. Hence, I do not compare deliberative forms of decision-making with representative forms of democracy, i.e., my research does not contribute to the normative discourse on the merits of different forms of aggregating preferences in a democracy that takes place in political theory and empirical studies of participatory democracy (Abers, 1998; Bucek & Smith, 2000; Chappell, 2011; Fung & Wright, 2001; Schönleitner, 2006).

Finally, details of the community-level dynamics in the case municipalities are by and large beyond the scope of the thesis. As I focus on the interaction between village representatives and local government officials, I could not examine the dynamics of the interactions between village representatives and the village population in depth. The extensive literature on the challenges of community-based development shows that this interaction can be affected by problems, such as elite capture, information distortion and co-optation of representatives (Conning & Kevane, 2002; Gerson, 1993; Platteau, 2009; Platteau & Abraham, 2002; Russell-Einhorn, 2007). Particularly, information distortion by village representatives would undermine the positive effect of participatory governance that I find in my research by interrupting the information between the mayor and voters. Therefore, I decided to take this aspect in the analysis of the case study in Paper 5 into account (Chapter 6).

Besides the normative perspective the choice of the empirical strategy for my thesis has several implications for the quality and the richness of the data that I could collect and analyze. Though the decision to study ten cases in a comparative analysis increased the external validity of the study, it comes at the cost of obtaining less detailed data on the cases than a case study would have yielded. To compare the conditions and outcomes of my study across ten cases I collected the data in each municipality in one week. This data collection design implied that I could not collect comprehensive data on the historical background and the process of implementation of a Municipal Development Council. Moreover, for being able to assign fuzzy-set values to all cases I had to focus on measuring the conditions I had identified in my research hypotheses, which limited the time for exploring new explanations for an outcome in interviews.

Finally, choosing rural Guatemala as the study area turned out to limit the diversity of the selected cases, i.e., some theoretically possible combinations of conditions were not observed. For example, my data set does not include cases with formal state enforcement or cases with critical media coverage that reaches a majority of the population. The limited diversity of cases in turn implies that some research questions, such as the importance of state enforcement of participatory governance or the interaction of independent local media with elections, could not be explored.

7.4 Indications for Future Research

The papers of this thesis raise new questions for empirical and theoretical research on participatory governance. In the following I will first outline the research imperatives for future empirical work and then discuss indications for theory development and refinement.

One of the key findings of the thesis is that local elections and participatory governance arrangements, which are often portrayed as independent approaches to good governance, only solve the agency problem in the case municipalities when they are combined. This finding should be re-examined in other contexts to evaluate its robustness. Moreover, exploring further synergy effects between elections and other accountability mechanisms, such as media, information campaigns, and central government audits would be a fruitful area of future empirical research.

Another suggestion for further investigations is to carry out a systematic comparison of the effectiveness of several information provision mechanisms and the conditions under which they work. Besides participatory governance such a comparison should include access to media, information campaigns, citizen report cards, and the publication of the results of central government audits.

A third fruitful area for future empirical research is to examine how participatory governance influences the decision of politicians to pander to voters' preferences when they have better information than voters and, hence, know that a policy option is not effective.

As the theoretical literature on multitasking principal-agent problems suggests, increasing the information about the policy choices of an incumbent can increase the incentive to withdraw resources from effective projects if they are not as visible and popular as other less effective projects (Azfar, 2002; Besley, 2007; Holmstrom & Milgrom, 1991).² This implies that an increase in information through participatory governance can also have a negative effect on voter welfare according to theory. Yet, participatory governance forums do not only increase information, they also allow an incumbent to justify past policy decisions. This feature of participatory governance could offset the described negative effect of a higher transparency about policy choices. Thus, *ex ante* it is unclear whether participatory governance would improve or worsen government decisions when a government has better information than citizens about a policy option.

Turning now to theory development, a promising area for future research would be the development of models that can make nuanced predictions on the impact of the different functions of participatory governance, such as information provision, joint decision-making, and soft sanctioning on local government incentives. The principal-agent framework can serve as a starting point for such models, but existing agency models for elections (Barro, 1973; Ferejohn, 1986) or the media (Besley & Burgess, 2002; Strömberg, 2004) need to be extended and adapted to reflect the institutional set-up of participatory governance forums. A simple example of such a model is presented in Speer (2010).

Future models of participatory governance should also account for the fact that individuals with different preferences may not have an incentive to act collectively in holding a politician to account in participatory governance forums. Moreover, the inclination of higher levels of government to react to the complaints of members of a participatory governance forum about corrupt behavior has been shown to be crucial for their bargaining power (Reinikka & Svensson, 2003; Olken, 2006). Therefore, these aspects should be incorporated in models of participatory governance.

² This problem is likely to make politicians invest more in targeted local public goods than in broadly available public services (Keefer and Khemani 2005).

More generally, the explanatory power of political agency models for analyzing political accountability relationships could be increased if these models accounted for aspects of bounded rationality beyond imperfect information. This would require that we find ways to model selection mechanisms beyond optimization (e.g., satisficing or heuristics) and that we develop strategies to incorporate human limitations in information processing.

The development of a comprehensive institutional rational choice based explanation of effective participatory governance outcomes will need to draw on several theories for explaining the ability and the willingness of both groups of actors to contribute to this governance structure. In Paper 4, I propose and test a set of theories that address these aspects in the Guatemalan context. Yet, further research is needed to complement this effort. For example, a comprehensive explanation of the motivation of government officials for compliance needs to incorporate theories on all types of compliance incentives and not only those that are relevant in the Guatemalan context. Besides, such an explanation should explicitly take into account interaction effects between different forms of enforcement, such as crowding out of internal motivations for compliance by state enforcement and crowding in of social enforcement by public support for participatory governance as has been pointed out by Crawford & Ostrom (1995) and Stout (2006).

All in all, the literature on the impact of and the conditions for participatory governance could be greatly advanced by systematic, theory-led empirical analysis of these issues in a broad range of contexts. Meta-analyses of case studies, comparative and quantitative studies are only some options for carrying out such analyses and, thus, generating much-needed generalizable knowledge on participatory governance. This knowledge would eventually enable the research community to judge whether Ackerman is right in claiming that “*opening up of the core activities of the state to societal participation is one of the most effective ways to improve accountability and governance*” (2004, p. 448).

With this thesis I make some progress towards this goal. To begin with, the thesis contributes to theory development on participatory governance.

In Paper 3 I detail the frequently used theoretical argument that participatory governance has a positive impact on local government performance because it helps to overcome agency problems between a politician and the electorate. The detailed theoretical analysis of this argument shows that the positive effect of participatory governance needs to be evaluated in light of other accountability mechanisms, in particular competitive elections. In Paper 4, I show how theories of law enforcement can be combined with the theory of distributive bargaining power and collective action theory for explaining differences in effective participatory governance. Thus, I incorporate several factors that have been proposed in former case studies as explanations for effective participatory governance into one coherent theoretical explanation. In the empirical part of the thesis, I test the theoretical explanations in two transparent and systematic comparative analyses of ten Guatemalan municipalities (Papers 3 and 4), and in a case study (Paper 5). The findings of these tests can now inform the design of surveys for quantitative data collection and the specification of models for econometric analyses which will allow researchers to arrive at more general conclusions about the conditions for and the impact of participatory governance.

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Appendix

Appendix 1: The Guatemalan Accountability Mechanisms

The three accountability mechanisms that I examine in my thesis, i.e., participatory governance, local elections, and better access to information for the media, were formally strengthened following the signature of the Peace Agreement in 1996. With this agreement the Guatemalan government and the guerrilla forces ended a brutal civil war that lasted 36 years and cost more than two hundred thousand lives (Jonas 2000). In the Peace Agreement the government promised to increase the transparency of the public policy process, to decentralize the state and to allow for more citizen participation. These measures were supposed to overcome Guatemala's long history of oligarchic and authoritarian rule¹ (Gobierno de Guatemala & Unidad Revolucionaria Nacional Guatemalteca, 1996; Bland, 2002).

To facilitate understanding of the following descriptions of the reforms, Table 1 illustrates the administrative organization of the Guatemalan state. Guatemala is a constitutional democratic republic. Elections for the central and municipal government positions are held every four years on the same day. The municipality is the lowest administrative level of the state. The villages within a municipality are territorial, but not administrative units. They have different names depending on their size which ranges from less than ten households (*asentamiento*) to 500 households (*aldea*).

Table 1: Administrative structure of the Guatemalan state

Level	Executive	Legislative	Units
Country	President Directly elected for 4 years	Congress Delegates elected for 4 years	1
Region	Administrative level	No legislative body	8
Department	Governor Named by the President for 5 years	No legislative body	22
Municipality	Mayor Directly elected for 4 years	Municipal Council Councilors elected for 4 years	333

Source: author's elaboration.

¹ In the three decades of the civil war Guatemala was officially governed by a democratically elected government, but in practice the governments ruled in an authoritarian manner and their election was achieved through electoral fraud (Puente Alcaraz & Linares López, 2004).

Participatory Governance

The System of Development Councils is the main channel for the participation of the Guatemalan population in the public policy process and the democratic planning of development projects (Articles 1 and 4, Congreso de la República de Guatemala, 2002b). Thus, together with the decentralization process the development councils currently constitute the most important public service governance reform in Guatemala. Both reforms received a major impetus from the adoption of the trilogy of decentralization laws in 2002 which comprised the General Law on Decentralization, the Municipal Code, and the Urban and Rural Development Council Law (Congreso de la República de Guatemala, 2002a-c Eguren, 2008).

The 2002 Development Council Law reformed the existing System of Development Councils substantially. According to this law, the System of Development Councils now comprises the Communal, Municipal, Departmental, Regional and National Development Councils (Article 4, Congreso de la República de Guatemala, 2002b). The five levels of the system and the corresponding administrative levels of the Guatemalan state and its key government actors are illustrated by Figure 1. The Municipal Development Council (MDC) is the arena where civil society actors are directly involved in the process of public service provision and interact with elected municipal governments. My thesis analyzes this level of the System of Development Councils because it seeks to explain how changes in local governance structures affect the accountability and responsiveness of local governments.



Figure 1: The System of Development Councils and the administrative division of the state

Source: author's elaboration.

The MDC is a discussion forum for planning and evaluating municipal public service projects and programs. MDC decisions are not binding for the municipal government (Article 44, Presidencia de la República de Guatemala, 2002). The mayor is in charge of calling MDC meetings, coordinating these meetings and setting the agenda for the debate (Article 11, *ibid.*). The meetings should take place once a month and include Communal Development Council² (CDC) representatives, representatives of civil society organizations, municipal government members, and representatives of central government agencies.

In these meetings the members of the MDC are supposed to plan and evaluate public service programs and projects for building or repairing social infrastructure within the municipality. For the participatory planning in the MDC, the most important articles of the law are Articles 12 b) and 12e), which foresee that the municipal government takes the needs and priorities of its electorate into account:

Article 12: The functions of the Municipal Development Councils are: (...)

b) Promote and enable the organization and effective participation of the communities and their organizations in the prioritization of the needs, problems and their solutions, for the development of the municipality. (...)

e) Grant that the municipal development politics, plans, programs and projects are formulated based on the needs, problems and their solutions as prioritized by the Communal Development Councils, and send them to the Municipal Government for its incorporation in the development politics, plans, programs and projects of the department.

(Congreso de la República de Guatemala, 2002b; author's translation)

Once a year, the municipal government presents the outcome of the participatory planning in the form of a list of prioritized development projects to the Departmental Development Council. The final decision over which projects are approved and how much money will be allocated to each municipality for implementing them is taken at the central level by the delegates in congress (Mazariegos Rodas, 2003). The municipal governments then receive the funds for the development projects that have been approved for their municipality and their planning office organizes and oversees the implementation of these projects.

² Communal Development Council representatives are elected in the villages within a municipality. They are supposed to hold a community assembly every month to discuss and prioritize the needs of the community for public services and pass the resolutions of these assemblies on to the local government.

Besides involving citizens in the planning of municipal spending, the MDC is supposed to increase the accountability of the municipal government in various ways. The most important articles for this assignment are Articles 12f), 12g), and 12i):

Article 12: The functions of the Municipal Development Councils are: (...)

f) Follow up on the municipal and communal development politics, plans, programs and projects, verify their implementation and, when appropriate, propose corrective actions to the Municipal Government, to the Departmental Development Council or the responsible entities.

g) Evaluate the execution of the municipal development politics, plans, programs and projects, and when appropriate, propose corrective actions to reach the foreseen objectives to the Municipal Government, to the Departmental Development Council.(...)

i) Know and inform the Communal Development Councils about the spending of the part of the general national budget destined to public pre-investment and investment from the past fiscal year

(Congreso de la República de Guatemala, 2002b; author's translation)

Article 12i) foresees that the mayor informs the CDCs about spending on public investments in the municipality. At the same time, Articles 12e) and 12f) assign the MDC the responsibility to monitor and evaluate the activities of the municipal government. These articles are complemented by Article 135 of the Municipal Code, which states that the mayor reports about the revenues and expenditures of the municipal government in the MDC every three months (Congreso de la República de Guatemala, 2002a).

In sum, the formal rules establish MDCs as participatory governance forums that inform the municipal government about citizen preferences and strengthen their accountability. Whether these rules are complied with and whether the MDCs make local governments more responsive to the needs of the rural poor is analyzed in Papers 3 and 5.

Decentralization

The municipal governments are the main actors in the Guatemalan decentralization process. Municipalities have been autonomous entities since 1945, but until recently only few responsibilities and resources have been transferred to them. Until today, the Guatemalan state is characterized as centralized and authoritarian (Barrientos, 2007). In 2002, the Municipal Code was passed to promote the administrative decentralization process by shifting more responsibilities and decision-making powers to the municipal governments (Congreso de la República de Guatemala, 2002a). Article 68 of this law assigns the municipal governments the responsibility to provide a large range of services. Among these services are drinking water, sanitation, waste management, construction and maintenance of roads, pre-school education, recreational spaces, and public libraries (ibid.).

The main source of revenue of the municipalities is the so-called *aporte constitucional*, through which 10% of the national budget are transferred to the municipal governments. Their own revenues make up less than half of their budgets because they struggle with levying taxes and fees effectively (Jurado & López, 2007).

As has been argued in the literature on decentralization, the transfer of responsibilities and resources needs to be accompanied by effective accountability mechanisms to achieve more efficient and responsive public service provision (Agrawal & Ribot, 1999; Crook & Manor, 1998). The principal mechanism for holding municipal governments accountable is holding municipal elections. The mayor and the municipal council are elected according to a simple plurality system with no term limits since 1985. Every four years numerous political parties and civic committees compete for votes. Whether this mechanism is effective in holding local governments accountable is examined in Paper 3.

Access to Information and Press Freedom

The Guatemalan Constitution guarantees the freedom of speech, press freedom and free access to official documents (Articles 30 and 35, Asamblea Nacional Constituyente, 1985). At the local level, the Municipal Code mandates that the municipal government provides ample information to its electorate: Article 17 foresees that the municipal government informs the public about its plans and the results of its activities. Article 132 demands that the municipal government explains the criteria that have led to the inclusion or exclusion of the projects that have been proposed by the representatives of the communities. Besides, municipal governments are required by Article 139 to provide copies of official documents to citizens and journalists who seek such information e.g., for carrying out a social audit (Congreso de la República de Guatemala, 2002a).

These and other provisions the legal framework on public information and media were ignored or reinterpreted by public officials in many instances. This observation motivated several civil society organizations and delegates to propose a new Right to Information Act to increase the transparency of government activities. In September 2008 the battle in Congress about the content of this law was finally settled and the Right to Information Act was passed (Congreso de la República de Guatemala, 2008).

It grants every Guatemalan citizen the right to information that is in the hand of the public administration (Art. 1, *ibid.*). It also specifies deadlines for the delivery of the solicited information and sanctions for non-compliance with these deadlines.

Overall, the legal framework thus supports free and independent reporting by the media and has recently strengthened access to information for citizens and journalists. Whether this is sufficient for granting citizens access to local media coverage about local government decision-making is analyzed in Paper 3.

Appendix 2: Historical and Political Context of Participatory Governance in Guatemala

There are a few international studies and some studies from Guatemalan scholars on the history of the Development Council Law and the historical, social, and political context for implementing it. This literature provides important background information on the conditions for implementing participatory governance in Guatemala. Therefore, I will summarize its key insights here.

To begin with, the “civil society condition” is unlikely to be met in large parts of Guatemala because a capable and well-organized civil society has been found to be widely absent. Quantitative cross-country studies find that the overall level of civil society participation in Guatemala is lower than in its neighboring countries (Barrientos, 2007; Booth, 2000). Moreover, case-studies from Guatemala consistently report about low levels of participation and social capital (Abom, 2004; Grant, 2001). Finally, several donor reports agree that *“[a]ssociational initiatives and civil engagement in participatory spaces opened up by a protracted and uncertain process of democratization is far from being vibrant and capable of effectively influencing power relations”* (Gish, Navarro, & Pearce, 2005, p. 19).

Against the background of Guatemala’s history this finding is hardly surprising: as historical accounts and case studies report citizens are still intimidated by the long civil war and the repression by authoritarian regimes and many have given up hope in the face of repeated experiences with corrupt politicians and an ineffective judicial system (Borrell, 2002; Jonas, 2000; Kaur, 2003; Sieder, 1999).

Historical accounts show that for the last decades an alliance between economic elites and the military at the top of the state has systematically prevented citizen participation in the public policy process, because such behavior was regarded as subversive (Nickson, 1995). Also, the civil war had split many communities into those who supported the military government and those who supported the guerrilla forces. In many instances civilians were forced to participate in killings and in case they rejected the command they were labeled guerrillas themselves (Durston, 1998; Kaur, 2003). Thus, community ties which have a long tradition in indigenous communities have been weakened and relationships of trust have been destroyed.

Besides the legacy of the war, a so-called ‘culture of dependency’ affects social organization in Guatemala. As case studies show, the historically top-down, authoritarian political system has often supplanted horizontal ties with vertical networks of clientelism (Abom, 2004; Grant, 2001). As a result, many Guatemalans tend to expect help from the government or a donor agency and do not take on the responsibility for their own fate.

Finally, repeated experiences with corrupt political leaders who continue to satisfy the needs of the elite instead of those of the poor majority have left a part of the population without hope for change (Barrientos, 2007). In Guatemala, “[p]ost-colonial social and political practices have shaped historically how politics are done for the benefit of the few and the disgrace of the many” (Eguren, 2008, p. 325).

In spite of the fact that all forms of civic organization and community orientation have been severely affected by the long internal conflict and corrupt political practices, civil society activity has varied within Guatemala before, during and after the civil war.³ This diversity could be caused by differences in social, cultural or economic factors, such as the level of education or poverty (Abom, 2004; Wiebe, 2000).

The literature also indicates that the “political economy condition” is likely to be difficult to meet in Guatemala. Several Guatemalan scholars state that many mayors are reluctant to establish the MDC, which explains according to them why the MDCs are not implemented effectively in many municipalities. The mayors, they argue, replicate the vertical structure and the authoritarian mode of decision-making of the central government. Moreover, they argue that many mayors perceive the MDC as a forum for the opposition to voice criticism and an illegitimate restriction of the decision-making power they have been granted through elections (Barrientos, 2007; Puente Alcaraz & Linares López, 2004; Velásquez & Tavico, 2003; Velásquez, 2002).

³ For example, “[t]here is a widespread perception in Guatemala that the Mayan corporate communities in the western highlands are more ‘civic’, more organized and more oriented toward collective decision-making and action, while the eastern lowlands are described as being ‘individualistic’ with little participation in community organizations and much resistance to the idea of collective action” (Durstun, 1998, p. 5).

Another reason why the “political economy condition” is unlikely to be fulfilled in Guatemala is that two key incentives for them to implement the MDCs are absent: first, Guatemalan mayors are unlikely to be motivated by their party affiliation and their electoral base to implement the MDCs well. The presidential electoral system and the absence of ideology-based political parties imply that mayors cannot reap large political benefit from promoting participatory governance (Miños Chavez, 2001; Prensa Libre, 2011). Second, in the history of the Development Council Law there has never been a strong commitment from the central government to support participatory planning at the local level.

The second point is illustrated by a brief overview of the history of participatory governance in Guatemala. The current System of Development Councils has its roots in the 1970s when the military regimes relied on “inter-institutional coordinators” in rural areas to reduce support of the guerrilla forces in the population. The inter-institutional coordinators organized the exchange of information, resources and infrastructure works between mayors, public sector officials and the population to control these actors politically (Borrell, 2002; Velásquez, 2002). The idea of involving citizens in the planning of public works projects survived was reinforced in the 1980s and incorporated into the constitution in 1985. In 1987 the first law on regionalization and development councils was passed and the inter-institutional coordinators were replaced by provincial, departmental and municipal development councils. In the early 1990s however the development councils were highly contested and the municipal development councils were banned by the Supreme Court, because several parties argued that they violate the autonomy of the municipal governments (Amaro, 1990).⁴

In the following years no important decisions were taken and hardly any funds were channeled through the System of Development Councils (Nickson, 1995; Fundación Centroamericana de Desarrollo (FUNCEDE), 2002).

⁴ At that time municipal autonomy was mainly understood as the autonomy of the municipal government from the population and not as autonomy from central government (Mazariegos Rodas, 2003).

Then, in the negotiations of the Peace Agreement, the military backed government was put under pressure by the guerrilla and international organizations to strengthen the System of Development Councils. Particularly, they insisted on activating the local development councils to enable the formerly excluded rural and indigenous population to participate in the public policy process (López, 2002). After the agreement it took the government another six years to pass the reform of the Development Council Law.

As to the current administration, an official note by the Ministry of Finance in which it states that 85 municipalities had not established a MDC did not mention any measures that the central government was going to take to change this state of affairs. It merely announced that in those municipalities where a MDC does not exist, decisions about project allocation would be taken by the Departmental Development Council (Ministerio de Finanzas Públicas, 2008). A second, more indirect indicator for the low commitment of the current administration to enforce the System of Development Councils is the diversification of public investments and the bypassing of the development council planning processes. The central government under President Alvaro Colom continues to create and support all kinds of parallel public spending schemes including campaigns during which the president hands out financing promises to the population directly. As a result, only 11% of the national budget for public investments was channeled through the System of Development Councils in 2008 (Congreso de la República de Guatemala, 2007). The remaining 89% of the budget for public investments are spent by a large number of national programs, social funds, national councils and ministries (Velásquez, 2002).

All in all, the literature suggests that the context for implementing participatory governance forums at the local level in Guatemala is challenging: local civil society actors and local governments are likely to be unable or unwilling to play their part in the MDCs in many municipalities. In this context it is very important to examine first, whether effective participatory governance yields tangible benefits for the Guatemalan population, e.g., in the form of more responsive local public service provision. This question is tackled in Paper 3 and 5. As it is answered affirmatively, Paper 4 explores how participatory governance can be implemented effectively in spite of these obstacles in Guatemala.

Appendix 3: Case Selection and Characteristics of the Selected Cases

Details of the Case Selection

The idea behind Mill's (1967 [1843]) method of difference is that an analyst can identify the factors that cause the differences in outcomes by eliminating the factors that the cases share, i.e., by discovering in which factors cases differ in spite of their similarity (Blatter, Janning, & Wagemann, 2007; Berg-Schlosser, de Meur, Rihoux, & Ragin, 2009).

A selection of cases according to the Most Similar Systems Design (MSSD) has to fulfill three main criteria:

- 1) The cases must be selected from a sufficiently homogeneous population, i.e., basic characteristics need to be shared by all cases. This guarantees that similar cases are compared.
- 2) The selected cases must display positive and negative outcomes, i.e., cases with well performing and badly performing local governments need to be included in the analysis.
- 3) The selection should include “most likely” and “least likely” cases, i.e., cases that are very likely and cases that are very unlikely to display the outcome according to their configuration of causal conditions (Blatter, Janning, & Wagemann, 2007).

The selection of the ten cases has been carried out based on these criteria. The universe of municipalities consists of the 333 Guatemalan municipalities. Since one of the main goals of my thesis is to identify the causal conditions for local government responsiveness towards the mainly poor rural population the main criterion that was used for constituting the population of municipalities under study was that more than 70% of its population lived in rural areas. Applying this criterion reduced the number of Guatemalan municipalities from which to select cases from 333 to 155 (Step 1).

For including cases with positive and negative outcomes, the main challenge was the lack of data on the outcomes of interest. The best indicator for local government responsiveness that could be identified by the research team is the share of municipal expenses that was dedicated to investment in social services in 2006 (United States Agency for International Development (USAID) & Instituto Centroamericano de Estudios Fiscales (ICEFI), 2009).

For a publication on municipal spending the team from USAID and ICEFI cleaned and reclassified the official budget data for all municipalities. For this reason, they are the most reliable data on municipal spending that are available for Guatemala to date. The share of spending on social services is likely to reflect the effort of the municipality to provide social services to the rural poor. Therefore, this indicator was used to divide the 155 rural municipalities into three strata. Then, we randomly sampled 15 municipalities from each of the three strata. Thus, we made sure that municipalities with higher and lower spending on social services are included in the selection (Step 2).⁵

To ensure sufficient homogeneity across the cases for the qualitative study, cases that differed strongly from the others in terms of the capacity of an administration to deliver services to its population and the difficulty of this task were then eliminated from the pool of randomly sampled municipalities. Both conditions are likely to influence how well a government can satisfy the preferences of its electorate and thus as how responsive the population perceives it. Hence, ten municipalities with municipal budgets per head and numbers of villages outside the range of +/-1 standard deviation of the 45 municipalities were excluded (Step 3) (Gobierno de Guatemala, 2010; Instituto Nacional de Estadística (INE), 2002).

Next, cases that are likely and cases that are unlikely to display the outcome were selected from the remaining 35 municipalities. For this step I drew on data from the 2002 Census of the National Statistics Institute (INE, 2002).⁶ The following conditions were used for judging whether a case is most or least likely to display the outcome: population density (inhabitants/km²), level of education (illiteracy rate), level of income (% of the population below the national poverty line), economic inequality (Theil index of income inequality), and ethnic heterogeneity (ethnic fractionalization index) (Step 4).

⁵ A difficulty with the stratification indicator is that the 2006 budgets were passed by the municipal administrations that were in power between 2003 and 2007. Hence, they do not reflect the responsiveness of the current municipal governments. This may imply that the desired variation in outcomes is in fact lower in the selection than the 2006 data imply. To check whether this problem occurred, we compared the share of municipal spending on social services in 2006 and 2008 for the ten municipalities we selected in the end. This comparison showed that there is also sufficient variation in spending on social services in 2008 in the selection of cases.

⁶ The 2002 are drawn upon because they are the latest data that are available at this level of disaggregation. This is justified given that the variables are structural in nature and not likely to vary much over time.

Municipalities with favorable values of these conditions were classified as “most likely” and municipalities with unfavorable values as “least likely”. In this step, eight cases were eliminated from the selection because they fell in neither of these two categories.

Finally, the last step of the selection procedure consisted in choosing ten cases from the remaining 27 municipalities, such that at least five municipalities where the majority of the population is indigenous and that the selection reflects Guatemala’s main geographic regions, ethnicities, languages and socio-economic zones (Step 5). The final selection of cases thus reflects Guatemala’s ethnic composition⁷ and its geographical and cultural diversity. Table 2 sums up the five steps of the case selection.

Table 2: Summary of the case selection method

Summary of the case selection method		
Step	Criterion	Output
		333 Guatemalan municipalities
Step 1: Selection of rural municipalities	✓ >70% of the population lived in rural areas in 2002	155 rural municipalities
Step 2: Stratified random sampling based on outcome proxy	✓ Share of municipal budget that is allocated to investment in social services in 2006	45 municipalities with different outcomes (15 in each stratum) → random sampling of 200 villages for IFPRI survey
Step 3: Homogenizing population of cases	✓ Within +/- 1 standard deviation of the 45 cases regarding <ul style="list-style-type: none"> ▪ Municipal budget/head ▪ No of villages 	35 sufficiently homogenous municipalities with different outcomes
Step 4: Diversify selection according to context conditions	✓ High population density/low illiteracy, poverty, income inequality and ethnic heterogeneity ✓ Low population density/high illiteracy poverty, income inequality and ethnic heterogeneity	27 most or least likely cases
Step 5: Ensure that selection reflects ethnic and geographic composition of Guatemala	✓ Include indigenous / non-indigenous municipalities ✓ Include municipalities from all regions of the country	10 selected municipalities

Source: author’s elaboration

⁷ 41% of all Guatemalans are of indigenous origin, 59% are of mixed European and indigenous origin (INE, 2002).

The ten selected municipalities have been renamed in all papers and the appendix to ensure that no interview partner faces any negative consequences from sharing sensitive information in an interview. For this reason, all information that identifies the municipalities or interview partners, e.g., the map of the location of the municipalities or the list of interviewees, has been removed from the thesis for publication.

Characteristics of the Selected Cases

Table 3: Raw data of the characteristics of the selected municipalities

Municipality	Share of Social Spending (2006)	Inhabitants/Km² (Population Density) (2006)	Share of Illiterate Population (2002)	Share of the Population below the Poverty Line (2002)	Theil Index (inequality) (2002)	Ethno-Linguistic Fractionalization Index (2002)	Share of Indigenous Population (2002)	Region
Bequita	72,70%	114,54	30,95%	80,44%	21,37	0,01	0,68%	Southeast
La Selva	64,60%	342,54	40,82%	76,87%	38,3	0,33	79,35%	North
Mayan	43,60%	290,26	27,61%	70,19%	19,07	0,15	92,25%	Central
Buenas Hermanas	36,80%	161,48	42,68%	82,89%	16,11	0,24	88,17%	Southwest
Victoria	31,00%	202,12	52,83%	88,58%	16,64	0,06	96,87%	Northwest
Aurora	27,00%	225,47	28,15%	77,44%	25,05	0,03	98,50%	Southwest
Villa Beni	24,70%	3,89	34,21%	79,96%	14,62	0,22	15,14%	Petén
Mar Azúl	20,70%	234,02	29,45%	48,15%	16,06	0,02	1,31%	Southwest
La Villa	20,40%	81,00	28,85%	59,15%	14,02	0,09	5,72%	Central
Valle de Oro	0,10%	442,21	24,97%	56,86%	14,77	0,00	99,82%	Southwest

Source: author's elaboration based on data from INE (2002), INE (2004), INE & SEGEPLAN (2006), and USAID & ICEFI (2009).

Table 4: Classification of the selected cases

Municipality	Stratum Social Spending	Population Density	Illiteracy	Poverty	Inequality	Ethnic Fractionalization	Most/Least Likely Case	Indigenous	Region
Bequita	1 st tercile	3 rd quartile	2 nd quartile	3 rd quartile	3 rd quartile	1 st quartile	Most likely	No	Southeast
La Selva	1 st tercile	1 st quartile	3 rd quartile	3 rd quartile	4 th quartile	4 th quartile	Least likely	Yes	North
Mayan	1 st tercile	1 st quartile	1 st quartile	2 nd quartile	2 nd quartile	3 rd quartile	Most likely	Yes	Central
Buenas Hermanas	2 nd tercile	3 rd quartile	4 th quartile	4 th quartile	2 nd quartile	4 th quartile	Least likely	Yes	Southwest
Victoria	2 nd tercile	2 nd quartile	4 th quartile	4 th quartile	2 nd quartile	2 nd quartile	Least likely	Yes	Northwest
Aurora	2 nd tercile	2 nd quartile	1 st quartile	3 rd quartile	4 th quartile	2 nd quartile	Least likely	Yes	Southwest
Villa Beni	3 rd tercile	4 th quartile	3 rd quartile	3 rd quartile	1 st quartile	3 rd quartile	Least likely	Partly	Petén
Mar Azúl	3 rd tercile	2 nd quartile	2 nd quartile	1 st quartile	2 nd quartile	1 st quartile	Most likely	No	Southwest
La Villa	3 rd tercile	4 th quartile	2 nd quartile	1 st quartile	1 st quartile	3 rd quartile	Most likely	No	Central
Valle de Oro	3 rd tercile	1 st quartile	1 st quartile	1 st quartile	1 st quartile	1 st quartile	Most likely	Yes	Southwest

The basis for assigning the cases to a stratum of social spending is the totality of the 155 rural municipalities. The basis for classifying the cases to a stratum of the context conditions is the totality of the 45 randomly sampled rural municipalities.

Appendix 4: Interview Guideline

Interview Guideline for Data Collection on Participatory Governance of Rural Infrastructure Governance in Guatemala

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Interview Details

Department: _____ **Interviewer(s):** _____
Municipality: _____ **Name of the Mayor:** _____
Location: _____ **Date:** _____
Start of the interview: _____ **End of the interview:** _____

Introductory Statement

Thank you very much for taking the time for this interview! We appreciate it a lot. First, let me introduce us. My colleague is....and I am Johanna Speer, a researcher from Humboldt University Berlin, Germany. We work with the *Instituto de Investigaciones Económicas y Sociales* (IDIES) at the Universidad Rafael Landívar in Guatemala City and the International Food Policy Research Institute (IFPRI) in Washington. We are not affiliated with any institution of the Guatemalan government.

The research project we are engaged with seeks to find out how the planning of social infrastructure (drinking water, sanitation, roads, etc.) works at the local level in Guatemala. We are interested in the strengths and weaknesses of the system that is currently in place. The project has the aim to point out ways to improve the process of development planning.

We carry out interviews with mayors and representatives of the civil society in 10 municipalities. Our project partners administer a survey in 200 Guatemalan villages, some of which are located in your municipality.

The information that you give us in this interview will be handled confidentially and will be used for scientific purpose only. It will be summarized in scientific articles. The data will be published anonymously, i.e., it will be impossible to know from which municipality in Guatemala they were collected. If you are interested in the results of the analysis, we would be happy to send them to you.

In the following we will ask open questions on some topics of interest for our research. Please feel free to skip a question if you do not want to talk about a topic. We have as much time as your schedule allows for the interview.

Before we start: do you mind if we record the interview?

Table 5: Interview Guideline

Bridging Card		
Could you please name the most important activities that your administration carried out in the municipality since you came into office in 2007?		
Pri- ority	Module	Entry question
2	1. Mayor	What is your opinion on the Municipal Development Council?
8	2a. Civil Society	Who are the most important civil society actors in this municipality?
7	2b. Community Representatives	How would you describe your relationship with the CDC presidents?
1	3. Central Government	Who do you consider as the most supportive central government actors for your administration?
9	4. Social and Economic Conditions	How well are the CDC organized?
5	5. Information Flows	As a citizen of your municipality how could I get information on the activities and decisions of the municipal corporation?
6	6. Elections	What do you think was the main reason that you won the election in 2007?
3	7. Municipal Development Council	How does the Municipal Development Council in this municipality work?
4	8. Allocation of Public Funds	Which institution do you think has most influence on how public funds are allocated to the villages in your municipality?

Opening		
0.1 Could you please name the most important activities that your administration carried out in the municipality since you came into office in 2007?		
Indicator	Specifying questions	Neutral questions
	0.2 What were the main projects that your administration has implemented? 0.3 What are the main priorities for your administration?	- Is there anything else? - What do you mean when you are saying....? - And then?- - What else? - What other factors can you think of?

Module 1: Mayor		
1.1 What is your opinion on the Municipal Development Council?		
Indicator	Follow-up questions	Specifying questions
<p>Costs and benefits of holding the MDC for the mayor</p> <p>Mayor's perception of the justness of the Development Council Law</p> <p>Mayor's general attitude about the legitimacy of national legislation</p>	<p>1.3 What do you see as the advantages of having an active MDC for a municipal government?</p> <p>1.4 What do you think are the disadvantages?</p> <p>1.6 In the early 90s local DCs were declared unconstitutional since they were said to unduly restrict municipal autonomy-what is your opinion on this decision?</p> <p>1.8 Who do you think should make the laws that rule how municipal governments are run, how investment decisions are made, how account is given, etc?</p>	<p>1.2 Why did you (not) set up the MDC in your municipality?</p> <p>1.5 By how far do you think the benefits outweigh the cost (or reverse)?</p> <p>1.7 How freely do you think can a Mayor decide whether he sets up a MDC or not?</p> <p>1.9 What do you think of national legislation on the management of municipal governments?</p>
Module 2a: Civil Society		
2a.1 Who are the most important civil society actors in this municipality?		
Indicator	Follow-up questions	Specifying questions
<p>Cost-benefit ratio of participation for civil society</p> <p>Public demand from civil society actors to hold MDC meetings</p> <p>Civil society actors meet with the mayor to convince him to hold the MDC</p>	<p>2a.3 How well are these groups organized?</p> <p>2a.4 Does your organization participate in MDC meetings?</p> <p>2a.6 Do you know of any organization that would be interested in participating in the MDC but is not invited?</p> <p>2a.7 Do you know of any civil society actors that have demanded from the Mayor in any way to establish the MDC or to call it more often?</p>	<p>2a.2 Are there any campesino, indigenous, women's, workers, SME organizations?</p> <p>2a.5 If yes: why? If no: would you be interested in participating?</p> <p>2a.8 If yes: Who? How? How often? When?</p>

Module 2b: Community Representatives		
2b.1 How would you describe your relationship with the CDC presidents?		
Indicator	Follow-up questions	Specifying questions
Cost-benefit ratio of participation for civil society	2b.2 What do you think are the advantages of participating in the MDC for the CDCs? 2b.3 What are the disadvantages?	2b.5 Who? How? How often? When?
Public demand from civil society actors to hold MDC meetings	2b.4 Have any CDC members ever demanded from you to establish the MDC or to call it more often?	
Module 3: Central Government		
3.1 Who do you consider as the most supportive central government actors for your administration?		
Indicator	Follow-up questions	Specifying questions
Public demand from the delegate of the district or the governor to hold MDC meetings	3.2 Can you think of any central government actor who interfered in any way with the decisions of your administration since you came into office? 3.4 What is the role of the delegate and the governor in your municipality?	3.3 If yes, how and when?
Decrease of central government transfers in response to failure to set up MDC.	3.5 How have central government transfers to the municipality developed since you came into office?-	3.6 Has the central government changed its transfers to the municipality from 2008 to 2009? 3.7 If yes, do you know why that happened?

Module 4: Social and Economic Conditions		
4.1 How well are the CDCs organized?		
Indicator	Follow-up questions	Specifying questions
Population density	4.2. Do they meet outside of the MDC?	4.3 If yes: what purpose do these meetings have? Where do they meet? How often have they met in the last 12 months?
Ethnic Fractionalization Index	4.4 What do you see as the main difficulties in organizing the CDCs? 4.5 How does the collaboration with CDC presidents from different ethnic groups work?	
Gini coefficient land distribution	4.6 How does collaboration with CDC presidents from poorer and richer villages work?	
Language Fractionalization Index	4.7 What role do different mother tongues play in organizing the CDC presidents? 4.9 Do language differences affect the relationship between the municipality and the CDCs?	4.8 Do CDC presidents have any difficulties in communicating with each other? 4.10 How does the municipal corporation communicate with CDC presidents that do not speak Spanish?
Literacy rate	4.11 “Illiteracy hinders participation”- what do you think about this statement?	4.12 If yes: how does it hinder it?
Years of schooling	4.13 What level of school education do you think one needs to have to be able to participate actively in the discussion in the MDC?	
Proportion of the population that is not poor	4.14 Can you think of any financial constraints to the CDC president’s ability to participate/represent their village at the municipal level?	4.15 Can they afford the trips to the meetings of the MDC?

Module 5: Information Flows

5.1 As a citizen of your municipality how could I get information on the activities and decisions of the municipal corporation?

Indicator	Follow-up questions	Specifying questions
Amount of coverage	5.2 How does the municipal corporation inform the population about its activities, spending decisions and plans for investment in social infrastructure next year?	5.4 Which media report most?
NGO/donor information campaigns	5.3 How much do local media report on the activities and plans of your administration? 5.5 What role do NGOs/donors play in distributing information about your administration to the population?	5.6. Who distributes information? 5.7. In what form? 5.8 How often in the last 12 months?
Accessibility of official documentation	5.9 How does the municipality implement the new Right to Information Act? 5.11 To which documents do citizens have access at the municipality?	5.10 What (physical) changes were made?

Module 6: Elections

6.1 What do you think was the main reason that you won the election in 2007?

Indicator	Follow-up questions	Specifying questions
Turnover of mayors	6.2 How many times have you been elected as a mayor?	
Voter turnout	6.3 Which group of voter was particularly important for your election?	6.4 Who voted for you? Rural/urban electoral base?
Number of candidates for mayor	6.5 Who were your most serious competitors?	6.6 How many serious candidates?

Module 7: Municipal Development Council		
7.1 How does the Municipal Development Council in this municipality work?		
Indicator	Follow-up questions	Specifying questions
Frequency of MDC meetings	7.2 How many times did the MDC meet last 12 months?	
Broad participation	7.3 Which actors usually participate in these meetings?	7.4 Are there any actors that have been invited but do not attend the meetings?
Compilation of annual list of projects (→ Module 8)	7.5 Which documents summarize the results of the discussions that have taken place in the last 12 months in the MDC?	7.6 Has an annual list of development projects been compiled in 2009? 7.7 If yes, when was it compiled?
Existence of Municipal Development Plan		7.8 Does this municipality have a MDP? 7.9 How and when was it elaborated?
Provision of information from CDCs to Municipal Corporation	7.10 How much information about their priorities do you get from the CDC presidents in the MDC meetings?	7.11 From how many villages have you received a written list of priorities in the last 12 months?
Provision of information from Municipal Corporation to MDC	7.12 What information about the activities of the municipal corporation is given to the members of the MDC?	7.13 In what form? 7.14 How often?
	7.15 Did the MDC review any of the activities/finances of the municipal corporation in the last 12 months?	7.16 If yes, how often?
Demand for corrective actions	7.17 What can members of the MDC do if they do not agree with the actions of the municipal corporation?	
Acceptance of the judgement / implementation of corrective actions	7.18 Has the MDC ever criticized the municipal corporation? 7.20 What was the reaction of the municipal corporation towards this criticism?	7.19 If yes, for what?

Module 8: Allocation of Public Funds		
8.1 Which institution do you think has most influence on how public funds are allocated to the villages in your municipality?		
Indicator	Follow-up questions	Specifying questions
Distribution of projects	8.2 How were the development projects that you proposed to the Departmental Development Council prioritized?	8.3 Which actors were involved? 8.4 Whose opinion had most weight in these discussions?
Integrity of the MDC list	8.6 Has there been a conflict about the priorities of projects in the MDC list?	8.5 How many of the villages could put a project on the list? 8.7 If yes, how was it solved?
MDC influence on municipal spending	8.8 Were any changes made to the MDC list before you presented it to the Departmental Development Council?	8.9 What changes did you/ the Municipal Council make?
	8.10 What role did the list of MDC priorities in 2008 play for the allocation of municipal funds for investment in the budget 2009?	8.11 Were any of the projects from the list incorporated into the municipal investment plan?
Implementation of MDC projects	8.12 In how far have projects that were approved by Congress for funding in 2009 been implemented?	8.13 What % of the projects has been realized so far (maybe ask OMP)
Concluding Question		
If you could make a new national law, how would you reform the system of development councils?		
Personal Information:		
How long have you been living in this municipality? _____		
How long have you been mayor? / In which periods? _____		
To which ethnic group do you belong? _____		
Which languages do you speak? _____		
How many years did you go to school? _____		
What profession did you exercise before you became mayor? _____		
That's it from my side: do you want to add anything that has not been mentioned before?		
Interview Review		
How was the interview for you?		
What made you participate in this interview?		

- Many thanks for participating in this interview!
- Ask whether he/she is interested in the results of the research. If YES ask for contact details
- Ask for permission to get secondary data at the municipal offices (list of development projects, budget, etc.).

Appendix 5: Codes for Qualitative Content Analysis

Code name	Code Description	Measure
Mayor_Competitors	Number of candidates for mayor	Difficulty for each candidate to win enough votes / elite capture
Mayor_Power	Winning party margin / majority in municipal council / proportion of seats in municipal council	Degree of competition in election / capacity of the mayor to implement participatory governance
Role_Ruralvoters	Share of rural voters	Importance of winning over rural voters for the mayor
Mayor_Turnover	Turnover of mayors	Degree of competition in election / elite capture
Role_Parties	Importance of party ideology for voting decision	Importance of partisan policies / party affiliation of politicians
CG_Enforcepol	Public pressure from the delegate of the district or the governor to hold MDC meetings	Central government encouragement and discouragement of participatory governance
CG_Enforcefin	Change in discretionary central government transfers to municipalities	Financial rewards and sanctions for establishing an MDC
CS_Enforcepol	Public pressure from civil society actors to hold MDC meetings	Social enforcement of the MDC procedures by civil society actors
VR_Enforcepol	Public pressure from community leaders to hold MDC meetings	Social enforcement of the MDC procedures by village representatives
CS_Inforules	Knowledge of citizens about their rights and duties in the MDC	Actors knowledge of the formal rules of participatory governance
NGO_Capacitybuild	Intensity of NGO capacity building on system of development councils	Knowledge of rules among CDCs; technical and organizational support
VR_Orga	Share of villages that have a CDC and degree of cooperation between them	Intensity of village level/community organization
CS_Orga	Number of CSOs, areas of work, degree of activity	Depth and breadth of civil society organization
CS_CBpart	Cost-benefit ratio of participation for civil society	Interest of civil society to participate in the MDC
VR_CBpart	Cost-benefit ratio of participation for CDCs	Interest of CDCs to participate in the MDC
Media_Coverage	Amount of coverage of local politics in local media	Availability of news about government performance
Media_Use	Circulation (newspapers, radio, TV)	Likelihood that a voter has access to the information contained in the media
EIP_Outcome	Voter knowledge about parties and candidates	Success of the information provision mechanism in a municipality
Politicians_Visit	Direct information provision about aims and ideas by politicians	Information flow between politicians and voters
LAIP_Knowledge	Knowledge of citizens about the Right to Information Act	Citizen knowledge of their formal rights to information
LAIP_Access	Availability of documents on plans, revenues, expenses at municipality	Accessibility of official documents.
LAIP_Use	Use of the Public information unit by citizens	Demand from citizens for obtaining access to information
NGO_Info	NGO/donor information campaigns	Functioning of other information mechanisms on government performance
Media_Independence	Independence of local media from influence of local government	Objectivity of coverage on politicians' actions

Code name	Code Description	Measure
MDC_Frequency	Frequency of MDC meetings in the last 12 months	Physical establishment of the MDC
MDC_Inclusiveroups	Exclusion / inclusion of interested civil society groupings	Inclusiveness of the MDC
MDC_Inclusivevillages	Exclusion / inclusion of representatives from all villages	Inclusiveness of the MDC
MDC_Activitygroups	Active participation of disadvantaged groups in MDC meetings	Inclusiveness of the MDC
MDC_List	Participation of MDC in elaboration of annual list of DC projects	Participatory prioritization of needs; planning function of the MDC
MDC_Partbudget	Participation of MDC in elaboration of municipal budget	Participatory prioritization of needs; planning function of the MDC
MDC_DevelopmentPlan	Existence of a Municipal Development Plan elaborated with MDC	Participatory prioritization of long-term needs; planning function of the MDC
MDC_Commissions	Functioning of the commissions of the MDC	Organization within the MDC; physical establishment of the MDC
MDC_Topics	Treatment of development issues in MDC	Breadth of MDC debates
MDC_Downwardinfo	Provision of information from Municipal Corporation to MDC about allocation of funds	Downward information flow
MDC_Upwardinfo	Provision of information from CDCs to Municipal Corporation about needs and priorities	Upward information flow
MDC_Disapproval	Disapproval of MDC members in case that development plans and projects are not properly implemented	Application of sanctions
MDC_Demandcorrections	Demand for corrective actions by MDC members in case that development plans and projects are not properly implemented	Application of sanctions
MDC_Acceptsanctions	Acceptance of the judgment / implementation of corrective actions by the Municipal Corporation	Justification and acceptance of sanctions
MDC_Power	Integrity of the MDC list; whether the mayor changes the MDC list	Mayor's respect for the preferences of the population
Role_PopDen	Population density	Distances that people have to travel to talk to each other personally and to coordinate collective action
Role_Education	Relevance of formal education for participation in the MDC	Type of skills that are necessary for participation in the MDC
Role_Poverty	Influence of poverty on the ability to participate	Role of resource constraints for participation
Role_Inequality	Relevance of economic inequality for collaboration between villages	Mechanism behind the relationship between government responsiveness and inequality
Role_Ethnicfrag	Relevance of ethnic divisions for collaboration between villages in the MDC	Mechanism behind the relationship between government responsiveness and ethnic fractionalization
Role_Languagefrag	Relevance of language divisions for collaboration between villages in the MDC and for communication between the municipal government and CDCs	Mechanism behind the relationship between government responsiveness and language fractionalization; exclusion of groups from the discussion in the MDC

Code name	Code Description	Measure
Mayor_CBMD	Costs-benefit ratio of holding the MDC for the mayor	Interest of the mayor in MDC
Mayor_Perceptla w	Mayor's perception of the justness of the law that mandates him to set up and run the MDC	Internal punishment of the mayor when he breaks the law
Mayor_RelCG	Mayor's general attitude about the legitimacy of national legislation	Internal punishment of the mayor when he breaks the law
MDC_Distributi onprojects	Equality of distribution of projects across villages	Likelihood that the mayor responds equally to the needs of all villages
VR_Preferences	Preferences of the village members on how municipal funds should be spent	Voter preferences on allocation of municipal spending
VR_Commrel	Relationship CDC-community	Representation of community preferences in MDC / Existence of parallel authorities, such as <i>Alcaldes Auxiliares</i>
Mayor_Perform ance	Satisfaction with local government actions and development projects	Citizen satisfaction with municipal government performance
Gender	Differences between women and men in influence and political activity	Discrimination of women in political life
History DCL	Information on the history and context of the creation of the law in 2002	Guatemalan context for implementing participatory governance
Data Issues	Code for additional data sources for the study	None (code for data organization)

Appendix 6: Glossary of FsQCA Terms

Term	Explanation
Anchor points	The three thresholds that structure a fuzzy set: 1 (threshold for full membership), 0.5 (cross-over point), and 0 (threshold for non-membership).
Boolean algebra	Algebra for calculating relationships between sets that take on only the values 0 and 1.
Complex solution	The result of the application of a truth table algorithm that does not use any counterfactuals for minimizing the truth table.
Condition	The explanans or independent variable.
Consistency	The degree to which the cases that share a condition or a combination of conditions agree in their outcome. A measure of the accuracy of the subset relation of necessity or sufficiency in the solution formula.
Coverage	The degree to which a cause or a combination of causes in the solution formula covers instances of the outcome. A measure of the empirical relevance of the solution formula.
Fuzzy logic	A superset of Boolean algebra, i.e., a form of multi-valued logic that can also calculate sets with values between 0 and 1. Fuzzy logic is derived from fuzz-set theory.
Fuzzy-set scale	The precision of a fuzzy-set, i.e., the number of values it is defined to take on. The crudest scale has only two values (crisp set); the most detailed scale has an infinite number of values (continuous set).
Fuzzy-set value	The numerical value that indicates membership in a fuzzy-set.
Intermediate solution	The result of the application of a truth table algorithm that uses only so-called easy counterfactuals that are theoretically justified for minimizing the truth table.
Limited diversity	The existence of empty rows in the truth table, i.e., a situation where we do not observe all logically possible combinations of conditions in our empirical cases.
Logical operator	Algebraic symbols that indicate how the elements of a solution formula are logically connected; the most important ones are \neg (NOT), $*$ (AND), and $+$ (OR).
Multiple conjunctural causation	A pattern of causation in which several combinations of conditions can generate the outcome (equifinality), a combination of conditions can lead to the outcome (non-additivity), and the presence and absence of a condition can lead to an outcome in different contexts (non-uniformity).
Necessity	A cause is necessary if it is always present when the outcome occurs. When a cause is necessary the outcome is a subset of the cause.
Outcome	The explanandum or dependent variable.
Parsimonious solution	The result of the application of a truth table algorithm that uses any counterfactual that simplifies the solution for minimizing the truth table.
Qualitative classification	The verbal statement that summarizes the qualitative evidence on a case and thus indicates the expression of a qualitative measure for a case. The quantitative equivalent of a qualitative classification is the numerical score of a case on a measure or indicator
Solution formula	The reduced expression that results from applying the truth table algorithm. It shows how the conditions and the outcome are causally linked according to the data.
Sufficiency	A cause is sufficient if the outcome always occurs when the condition is present. When a cause is sufficient, the cause is a subset of the outcome.
Truth table	A table that lists all logically possible combinations of conditions. It has 2^k rows, when k is the number of conditions.
Truth table algorithm	An algorithm that compares the entries of a truth table pairwise and thus to minimize it to the solution formula.

Sources: Adcock (2001); Berg-Schlusser, de Meur, Rihoux, & Ragin (2009); Ragin (2000, 2006); Zadeh, (1965).

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