

# Book Review

Carlos Gervasoni. *Hybrid Regimes within Democracies: Fiscal Federalism and Subnational Rentier States*, Cambridge, UK: Cambridge University Press, 2018, 289 pp., \$29.99 Paperback

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Why are some provinces in Argentina more democratic than others is the research question animating Carlo Gervasoni's book. Borrowing from the literature on rentier states, he argues that fiscal rents have allowed incumbents in certain provinces to establish hybrid regimes that combine authoritarian and democratic elements. Concretely, provinces such as Formosa, La Rioja, San Luis, Santa Cruz, and Santiago del Estero are less democratic than Buenos Aires, Córdoba, Entre Ríos, Mendoza, or Santa Fe because the former have access to large federal subsidies. These fiscal federalism rents not only free incumbents from taxing their local populations but also local governments are often the biggest player in the local economy as a result. Since a large part of the local electorate depends on public monies in such "provincias fiscales," incumbents are much less exposed to democratic pressures from constituents.

The book examines this central thesis in three parts. The first part describes the anatomy and evolution of subnational regimes. In Chapter 1, Gervasoni defines different types of subnational regimes and develops measures to capture such variance in subnational politics. Chapter 2 combines these measures in a Subnational Democratic Index, which is then applied to measure variance in contestation and power concentration in the incumbent across Argentina's provinces. An expert survey presented in Chapter 3 completes the findings from previous chapters.

After this "throat clearing exercise," which stretches well over one hundred pages, Gervasoni then explains the causes behind this variance in subnational regime type across Argentina in the second part of his book. Chapter 4 presents the main components of the book's rentier theory of subnational hybrid regimes. It also critically discusses alternative theories for the uneven distribution of democratic rights within countries. Chapter 5 applies this theoretical framework to Argentina's provinces. Chapter 6 then provides statistical and qualitative evidence for the hypotheses put forward in the previous chapter.

The third part of the book, which consists of one chapter, develops a Comparative Subnational Democracy Index based on the findings from Argentina. Gervasoni uses this index to measure subnational variance in democracy within federal democracies such as Australia, Canada, Germany, India, Mexico, and the United States, as well as one unitary state, Uruguay.

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Gervasoni's book makes several important contributions to the growing literature on subnational authoritarian and hybrid regimes situated in countries that are democratic at the national level. Theoretically, the book expands rentier theories of the state both conceptually and spatially. Gervasoni shows that any type of rents may have a detrimental effect on democratization, not only oil rents. He also demonstrates that rentier theories of democracy can explain dynamics in subnational politics *within* countries. The book also makes important contributions to the scholarship of local politics at both a methodological and empirical level. Scholars will find that Gervasoni's Comparative Subnational Democracy Index is a straightforward operationalization of the rather complex concept that is "local democracy." Many will even see it a useful starting point for their own research on the causes of subnational regime variance. Indeed, in the book's final empirical chapter, the author shows the potency of his index to capture and explain subnational regime variance outside Argentina by explaining local political dynamics in some of the world's most important federal democracies.

There are several areas, however, in which Gervasoni's theory falls short. First, Gervasoni's framework was developed to explain subnational variance within federal democracies. In such systems, local government heads have considerable spending leeway. Most democracies around the world are unitary states, however. The discretionary power over government spending that governors and mayors have in such polities is limited. National fiscal transfers usually follow fixed allocation formulas that are often constitutionally enshrined. Consequently, manipulating and peddling influence in the intergovernmental budget allocation process is much more difficult in such systems, particularly for subnational players. Second, the theory proposed in the book is based on a rather static understanding of the relationship between rents and politics. The temporal dimension of both the causes and consequences of fiscal rents is insufficiently examined. With regard to the former, Gervasoni's theory implicitly assumes that all subnational political entities have the same political and institutional capacity at the time (fiscal) rents start to flow. However, rentier theories of democratization have shown that *the same type of rents may have very different political consequences* depending on the time these rents become available to political elites. For example, Smith (2007, 95) showed that in countries in which oil rents became available *after* considerable state capacity had already been developed, rents "have been generally used to enhance the state's capacity rather than to supplant it." Only in countries in which state capacity was weak *prior* to the availability of rents did they have the deleterious effect on state capacity and ultimately democratization in the way assumed in Gervasoni's book. In short, the time that (fiscal) rents become available to provinces may determine whether or not they undermine local democracy.

The temporal dimension of the consequences of fiscal rents is also underexplored. Gervasoni's book has little to say about changes within Argentina's provinces across time. Chapter 2 examines the deterioration of democracy in several provinces over time. However, it offers little explanation as to what caused this democratic decline within certain provinces other than that fiscal rents "take time to exert their effects" (p. 57). The fact that Tierra del Fuego, Antártida e Islas del Atlántico Sur province has become *more* democratic over time is not explained at all. Gervasoni simply states that "lawmakers appear to represent a reasonable counterbalance to the executive" in Argentina's southernmost region (p. 94). Scholarship on subnational authoritarian regimes has shown that not all subnational authoritarian regimes are equally stable. Many collapse within a relatively short period of time (Sidel 2014). The theory put forward in Gervasoni's book may explain the rise of

subnational hybrid regimes but has little to offer to scholars trying to understand why some subnational regimes are more durable than others.

These gaps in Gervasoni's theory point to broader issues in some of the recent literature on subnational authoritarian and hybrid regimes. His book is firmly rooted in a body of work put forward by scholars focusing on Latin America. They have made important contributions to the study of local politics in recent years. However, most of these contributions focus on federal democracies because it is the most common political system in that region of the world. In federal democracies, institutions are comparatively easy to manipulate. Unsurprisingly, many of these recent works emphasize the importance of institutional variables exogenous to localities for our understanding of what causes variance in subnational political regimes.

However, most democracies around the world are (decentralized) unitary states, as mentioned above, and therefore do not lend themselves to institutional manipulation as easily as the federal democracies of Latin America. This raises the question how well these theories with a relatively narrow institutional focus based on research in Latin America travel to other regions of the world. It also suggests that scholars should continue to examine socio-economic characteristics endogenous to localities as well as the historical context in which subnational authoritarian and hybrid regimes are embedded as potential variables contributing to the rise and fall of such regimes, as suggested before on these pages of *Publius* (Buehler 2016).

## References

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