

Book Reviews

Alejandro Bonvecchi and Carlos Scartascini, *Who Decides Social Policy? Social Networks and the Political Economy of Social Policy in Latin America and the Caribbean*. Latin American Development Forum. Washington, DC: Inter-American Development Bank, 2020. Figures, tables, abbreviations, notes, bibliography, index, 183 pp. Download.

The recent book by Bonvecchi and Scartascini presents an interesting approach to the analysis and improvement of public policy in Latin America and the Caribbean. The authors inspect the policymaking process through the combined lenses of political economy and social network analysis. They argue that progress in social policies requires the simultaneous understanding of social actors and their purpose (political economy) and how they interact and relate (social networks). The political economy toolbox alone cannot explain, for example, why sometimes abundant funding for social policy cannot achieve a desired impact. The answer requires examination of the links between actors during the policymaking process in developing and emerging economies.

To that end, the methodology presented in this book is quite straightforward and intuitive. The main reason is that very often the informal relations between actors can explain the policymaking process much better than the formal (or legal) scheme portrayed in organizational charts of ministries and other public offices in charge of social policy. Not necessarily the highest-ranking official in a certain area of government holds the political authority or capacity to execute public programs. Moreover, they may not have complete information about the process or the networks between actors. Other government offices or even extragovernmental organizations explain a large part of social policy development.

The analysis of those networks aims at alleviating problems along the policymaking process. Issues like leakages distort significantly the impact of social policy. For example, it is generally accepted that conditional cash transfer programs can contribute significantly to the reduction of poverty and inequality (e.g., Lustig et al. 2014; Judzik et al. 2017). A remaining issue is that this impact could be higher. The application of these programs faces several challenges regarding access for the target population. Frequently, a nonneglectable part of the recipients of transfers may be households with a higher income per capita than the program targets. The combination of a political economy view of fiscal and monetary policy—for funding and macroeconomic questions—with a social network analysis—for a more effective identification of links from the public sector to program participants—may help to improve the effectiveness of this kind of program and social policy in general.

The book raises a crucial issue in this regard. It may sound trivial to some readers, but the level of public expenditure does not guarantee that the expected impact

of a social program will be met. Neither is there a simple and linear relationship between higher spending and better outcomes. We often use the level of expenditure of a particular area of government or program (relative to GDP or total expenditure) as an indicator of the toil and effort invested in obtaining a certain impact. The authors remind us that a high impact of social policy needs funding is a necessary but not sufficient condition.

Moreover, in this present era of pandemic recession and harder fiscal boundaries, if a higher impact of social policy is unfeasible through higher spending, then it must be attempted through the improvement of public policy. The policymaking process, from the initial idea through design and execution up to evaluation, requires a degree of competence and adequacy of the actors involved that researchers should not treat as a given. Then, who is in charge of developing new ideas for policy and bringing them to reality should be a matter of focus for higher efficiency in the policymaking process.

Bonvecchi and Scartascini emphasize the importance of the kind of network between social actors for the achievement of results in social policy. In their view, ideas and information are the main input, so it is key to understand the ways main actors provide ideas and information for the policy process and the directions in which these ideas and information flow. The other central element is who holds actual political power in social policy; in other words, which actors are at the top of the decisionmaking process—never mind formal or legal structures—and the origin of necessary resources.

Thus the authors provide us with the notion that political economy analysis will help us learn who will have which ideas (and why), and social network analysis will help us understand the more or less efficient flow of these ideas to where actual decisionmaking power resides. If one wishes to understand social policy, it is crucial to identify the central actors, their incentives, and the set of regulations in place. Then coordination failures may be identified and corrected. In this way, social policy can gain momentum and greater impact under very similar budgets.

This book is also an invitation to complement the impact evaluation of social policy in Latin America and the Caribbean with a deeper immersion in the analysis of the policymaking process, especially the coordination between relevant social actors. An important underlying message is a call for the use of evidence, both quantitative and qualitative in nature, for a sound analysis of public policy.

Chapters 2 and 3 present the methodology regarding political economy and social networks, respectively. The central chapters (4, 5, and 6) apply this methodological framework to four case studies: Argentina, Bolivia, Trinidad and Tobago, and The Bahamas. Among these four countries, the authors consider bigger and smaller economies, presidential and parliamentary regimes, and different degrees of institutional development. It is important that the methodological framework is applied to diverse circumstances, to the benefit of more robust results and observations.

Chapter 7 characterizes the network of ideas, information, resources, and political authority in the policy formulation process. Regarding ideas and information, in both South American countries, extragovernmental actors are central, in Bolivia

especially in grassroots organizations. Social area officials are typically net recipients of information, in a disconnected and isolated dynamic in Argentina, cliques connected at the top with grassroots organizations providing information in Bolivia, and a more governmental and interministerial dialogue in The Bahamas and Trinidad and Tobago. In all countries, a main provider of resources is the finance or treasury ministry, but Argentina has several other sources. In Bolivia one must consider particularly nongovernmental organizations and international finance institutions, and in the Caribbean countries, social area ministries provide resources. Political authority comes from the highest positions with counterbalance in provincial governments in Argentina, grassroot organizations in Bolivia, and social area ministries in The Bahamas and Trinidad and Tobago. In the end, the analysis concludes that Argentina has an unstable, nonadaptable, incoherent, and uncoordinated social policy process, while in the other three countries one can find a more or less stable, adaptable, coherent, and coordinated process. (In Bolivia political coordination plays a relevant role; in Trinidad and Tobago the process is slightly less stable than in The Bahamas).

The book provides stylized observations on the factors behind those dynamics: the type of political regime, the party system, and the nature of federalism or political and administrative decentralization. In particular, the political regime does not affect the size of the network, but it may shift the gravitational center and the degree of coordination; the party system does not significantly affect the policy process; and subnational political entities have a crucial role in Argentina and Bolivia.

Chapter 8 presents some main conclusions. In the end, one finds that there are no great differences between these countries in the social policymaking process from the institutional and organization chart point of view. Interestingly, the same type of organizations and actors participate in social policy. Then real political power, ideas, and information do not necessarily reside in the highest-ranking officials, and countries have differences in policymaking dynamics that this book explains to a significant extent. Overall, several societal stakeholders take part in the flow of ideas and information, as well as in the exercise of political power; hence the usefulness of a social network analysis for policy research.

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