

possible that they adopt institutions to insulate themselves from this pressure. As the field begins to explore the impact of variables like urbanization, it might be useful to examine the downstream effects they have on the adoption of institutions, like coup-proofing or succession rules. Such institutions may have a strong impact on economic policies that may have separate effects on debt-related outcomes and other interesting political economy outcomes.

In all, Ballard-Rosa should be congratulated for this creative and thought-provoking contribution. It serves as a model for young scholars to think out of the (regime type) box and explore how more structural factors help shape political incentives. More importantly, it demonstrates the payoff from considering how governments deploy fiscal resources, rather than just assuming that they are spending on private or public goods. There are likely to be intervening factors that place further constraints on both democratic and autocratic leaders' choice sets.

Effective Governance under Anarchy: Institutions, Legitimacy, and Social Trust in Areas of Limited

Statehood. By Tanja A. Börzel and Thomas Risse. Cambridge: Cambridge University Press, 2021. 378p. \$99.99 cloth, \$34.99 paper. doi:10.1017/S1537592722000743

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For more than a decade I have taught a course called “Making Government Work in Hard Places,” and every year my sense is that we have learned little about how to improve public safety and other core services in areas that are distant from population centers, low density, divided, and disrupted by insurgencies, transnational crime, or meddling neighbors. Although most of the course does not focus on service delivery in such extreme settings, the initial idea was to do so. The problem was that there were few examples of success and our theories were too blunt to be useful for policy makers. As a result, when Tanja Börzel and Thomas Risse wrote *Effective Governance under Anarchy: Institutions, Legitimacy, and Social Trust in Areas of Limited Statehood*, I was eager to locate a copy.

The book begins with a puzzle. Somalia and the Democratic Republic of the Congo are always ranked as failed states in fragility indexes. Yet in Somaliland, where a significant number of Somalis live, and in the eastern DRC, some service delivery takes place and even works fairly well. Defying expectations, these areas are reasonably well governed, Börzel and Risse suggest. They then pose these questions: “How is effective and legitimate governance possible under conditions of limited statehood? How can political rule as well as security and other collective goods be provided when the state is weak or even absent” (p. 2). In other words, “What explains effective governance under anarchy?” By areas of limited

statehood, the authors mean places where “central state institutions are too weak to implement and enforce central decisions and/or to uphold a monopoly on the use of force” (p. 8).

The resulting book is at once an effort to clarify concepts, offer a theory, and assess examples. But perhaps more importantly, it is a magisterial and rather heroic literature review that helps distill the contributions and significance of myriad policy papers, case studies, and broader empirical analyses. The task of sifting through this body of work, organizing it, and extracting gems of insight surely required enormous effort. The book is a very helpful reference for this reason alone.

According to the authors, their book’s “main contention is that the absence of hierarchical governance by the state (anarchy) does not equal chaos” (p. 5). Indeed, in some situations, hierarchical administration—one of the hallmarks of a state—is unhelpful in promoting effective service delivery. Overall, the degree of “stateness” does not correlate as strongly as one might think with the quality of governance, which includes binding rules and “the provision of collective goods and services, such as security, human rights, and the rule of law, democracy, health, education, food security, and others” (p. 5).

The book offers more of a frame than a general theory that yields crisp hypotheses, but it is useful for nudging us to think about the many things that impinge on governance effectiveness, especially in the absence of the state or under “anarchic” conditions. The authors note that there are really two questions we need to answer to account for the observed variation. First, we must explain why non-state actors might want to invest in effective governance and not simply run off with whatever loot they can collect. Why are some stationary bandits, to borrow Mancur Olson’s characterization, more inclined to provide effective governance than others? The book points to a variety of possible motives. For example, disorder may threaten a warlord’s activities or the ability of traditional leaders to fulfill their roles, and bad reputations may jeopardize their ability to engage in some types of financial transactions because of international anti-money laundering rules.

The second question pertains to capacity or effectiveness. Assuming that there is an incentive to invest in service delivery, do the circumstances make it possible to succeed? The authors point to three broad types of supporting conditions, each of which interacts with the others. First, the institutional design must be fit for purpose, and personnel must possess the ability to manage processes and secure “material and ideational resources.” Furthermore, the design must be inclusive and fair—a statement that rests both on an empirical analysis in some of the papers on which the book draws and on a normative thread that runs through the text. Second, the arrangement and leadership must be perceived to be legitimate, and this legitimacy comes from participatoriness,

transparency, and inclusivity. And third, the level of social trust must be high enough that successful collective action, which is important for generating public goods, is likely. (Although the authors discuss Jeremy Weinstein's research on the role of an insurgent's source of finances as an influence on behavior, whether a leader draws resources from the general population or from a scarce resource does not seem to play much of a role in their effort to develop a general explanation.)

There are feedback loops among these three elements, which means that ameliorating one may make the others easier to realize in time two. Further, where conditions are supportive and the probability of success is higher, the motivation to invest also increases. Thus, as in other related efforts to account for patterns of state success or failure, a policy maker could try to induce a healthy upward spiral by securing improvement in any one of the three elements, or at least that is where I think the analysis leads us.

The middle chapters of the book proceed thematically and explore empirical evidence within three main areas: security provision; human rights, rule of law, and democracy; and social welfare. The chapters are well worth a read, but I want to use scarce ink here to raise a few issues that may merit further discussion and perhaps a second volume.

At times one worries that the definition and measurement of the outcome—governance quality or effectiveness—is awfully close to some of the right-hand side variables, the independent variables. Are they really distinct? Legitimacy, in particular, seems to pop up on both sides. Alternatively, if the three supporting conditions are present, would it not be likely that something like a state is already present? Almost any kind of service delivery involves some measure of hierarchy, even if it is fairly flat. The proposition that governance is more effective in the context of a hierarchically ordered service delivery system that is perceived as legitimate by people who already trust one another seems a bit tautological.

The authors define what they mean by nonstate provision of a service quite broadly, which may concern some of us. Traditional leaders, warlords, and private firms (think company towns and the Dutch East India company, for example) may be the source of authority and investment in service delivery or governance—and some will likely read the book for what it has to say about variation in performance among these actors. However, the volume also includes international organizations, UN peacekeeping missions, and international NGOs as providers of governance in the context of anarchy. There are good reasons to do so, but for those interested in whether communities can stand on their own, this addition skews the discussion a bit. If Doctors without Borders or other international NGOs are able to provide quality health care in a region such as the eastern DRC, how much does that really tell us

about governance? People may have better access to health services than they would have had otherwise, but this is an instance of substitution, not production. The only thing local leaders or warlords have to do is refrain from pestering these groups. Is that governance?

Finally, the book's focus on interrelationships between trust, legitimacy, and institutional design at times leads to avoidance of the steep challenges societies face when confronted with an aggressor or a leader unashamed to employ coercion. Community leaders or company towns in settings where drug cartels or extremists can kill and maim with abandon face a difficult security challenge not likely to yield to negotiation. Faced with a choice between supporting a respected local leader or saving one's family, the latter is more likely to prevail. Power trumps legitimacy. The chapter on security wades into this subject a bit, but overall the text is a bit short on suggestions for violence-affected communities in Mexico, in the Sahel, or in Afghanistan.

Absolutely, the book is worth a close read. It is a bit longer than it needs to be, but many of the passages that seem to cover familiar terrain introduce more links to an ungainly literature that has needed someone to assemble the pieces and whip it into shape. The authors have done us a service, even if the book isn't the last word on the subject.

Globalizing Patient Capital: The Political Economy of Chinese Finance in the Americas. By Stephen B. Kaplan.

Cambridge: Cambridge University Press, 2021. 300p. \$84.99 cloth, \$34.99 paper.

doi:10.1017/S1537592722000524

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Stephen Kaplan's *Globalizing Patient Capital: The Political Economy of Chinese Finance in the Americas* joins the list of the growing literature centered on the relationship between Latin America and China (e.g., see Enrique Dussel Peters, ed., *China's Financing in Latin America and the Caribbean*, 2020; Barbara Stallings, *Dependency in the Twenty-First Century? The Political Economy of China-Latin America Relations*, 2020; and Carol Wise, *Dragonomics: How Latin America Is Maximizing (or Missing out on) China's International Development Strategy*, 2020). Kaplan's book is an important contribution to this area of study because it offers a detailed and nuanced analysis of the interactions between China's state-led financing and Latin American countries' economic and financial institutional structures.

Using a mixed-method approach to examine an array of new loan data—including interviews and primary documents—Kaplan convincingly argues that China's policy banks have higher risk tolerance and offer longer time horizons and more flexible conditions to borrowing