

Contents

<i>List of Illustrations</i>	xiii
<i>Preface</i>	xv
<i>Acknowledgments</i>	xvii
<i>Introduction, Paul A. Sabatier, Series Editor</i>	xix
1 The Role of Infrastructure in Development	1
Postwar Development Initiatives, 2	
Foreign Assistance Strategies, 3	
The Role of Social Infrastructure, 6	
An Institutional Approach to Explaining Development Outcomes, 8	
The Importance of Physical Infrastructure, 10	
What Do We Mean by Infrastructure Sustainability? 13	
A Definition, 13	
Evaluative Criteria, 16	
An Overview of Our Approach, 18	
Conclusion, 21	
Notes, 22	
2 The Problem of Sustainable Infrastructure	25
Infrastructure Maintenance and Its Finance, 25	
Phases of Infrastructure Development, 29	
Design, 29	
Finance, 32	
Construction, 32	
Operation and Maintenance, 33	
Use, 33	
Factors Influencing Maintenance Decisions of a Single Owner-User of Private Capital, 34	
Conclusion, 40	
Notes, 41	

3	Individuals, Incentives, and Transaction Costs	43
	Assumptions About the Individual, 44	
	Problems of Contractual Uncertainty and Transaction Costs, 46	
	Information Asymmetries as Sources of Contractual Uncertainty, 49	
	Time and Place Information and Scientific Knowledge, 49	
	Other Types of Information Asymmetries, 55	
	Kinship Networks as Counteracting Institutions, 62	
	Nepotism and Corruption, 65	
	Conclusion, 68	
	Notes, 71	
4	Provision and Production of Rural Infrastructure	73
	Distinction Between Provision and Production, 74	
	Attributes of Rural Infrastructure Primarily Affecting Provision, 76	
	Nonexcludability and the Free-Rider Problem, 77	
	Problems of Joint Use, 84	
	Problems of Measurement, 90	
	Problems of Rent Seeking, 96	
	Attributes of Rural Infrastructure Primarily Affecting Production, 97	
	Economies of Scale, 97	
	Asset Specificity, 102	
	Rate of Deterioration, 103	
	Public-Private Industry Structure, 104	
	Conclusion, 105	
	Notes, 108	
5	Evaluating Institutional Performance	111
	Overall Performance Criteria, 112	
	Economic Efficiency, 112	
	Equity, 113	
	Accountability, 115	
	Adaptability, 116	
	Trade-offs Among Criteria, 116	

	Intermediate Performance Criteria, 118	
	Costs of Provision, 119	
	Costs of Production, 122	
	Conclusion, 124	
	Notes, 125	
6	Analyzing Institutional Arrangements	127
	Institutional Arrangements for Private Infrastructure	
	Development, 128	
	A Simple Market, 128	
	A Differentiated Market for Infrastructure	
	Development, 129	
	Comparative Evaluation, 131	
	Institutional Arrangements for Public Infrastructure	
	Development, 134	
	User Groups, 134	
	Comparative Performance, 135	
	Conclusion, 139	
	Notes, 139	
7	Centralized Institutional Arrangements	141
	Centralized Infrastructure Development, 142	
	Anticipated Performance on the Production Side, 143	
	Anticipated Performance on the Provision Side, 148	
	Anticipated Overall Performance, 151	
	The Problem of Truncated Analyses, 154	
	The Role of Donor Agencies, 156	
	Conclusion, 159	
	Notes, 161	
8	Decentralized Institutional Arrangements	163
	Decentralization Efforts, 164	
	The Evolving Meaning of Decentralization, 165	
	Multiple Dimensions of Decentralization, 166	
	Does Administrative Decentralization Improve the	
	Performance of Centralized National	
	Governments? 168	
	Conclusion, 175	
	Notes, 175	

9	Polycentric Institutional Arrangements	177
	The Concept of Polycentricity, 178	
	Economic Rationale for Polycentricity, 181	
	The Possibility of Polycentricity in Developing Countries, 184	
	Sources of Polycentricity, 185	
	Principles Versus Blueprints, 191	
	Some Common Concerns About Polycentric Arrangements, 192	
	Governance Issues, 193	
	Finance Issues, 202	
	Privatization as a Form of Decentralization, 206	
	Public Concessions as a Buttress for Centralization, 207	
	Monopolies Versus Competitive Markets, 208	
	Privatization Is Not a Panacea, 208	
	Conclusion, 209	
	Notes, 210	
10	Implications of an Institutional Approach to Sustainable Development	213
	The Proposed Analytical Approach, 215	
	General Policy Implications of Our Approach, 218	
	Immediate Policy Implications of Our Approach, 223	
	Sustaining Small-scale Infrastructure, 224	
	Sustaining Large-scale Infrastructure, 227	
	Conclusion, 230	
	Notes, 231	
	<i>References</i>	235
	<i>About the Book and Authors</i>	256
	<i>Index</i>	257

Illustrations

Tables

5.1	Criteria to Be Used in Judging the Comparative Performance of Alternative Institutional Arrangements	124
6.1	Comparative Performance of Institutional Arrangements Related to the Provision and Production of a Private Infrastructure	133
6.2	Comparative Performance of Institutional Arrangements Related to the Provision and Production of Small-scale Irrigation Systems	137
7.1	Performance of a Centralized National Government Bureau Related to the Construction and O&M of a Large-scale Irrigation System	144
7.2	A Truncated Analysis of Institutional Performance Related to the Design and Construction of Large-scale Infrastructure	155

Figures

5.1	Components of Information Costs	122
6.1	A Simple Market for Infrastructure Development	129
6.2	A Differentiated Market for Infrastructure Development	130
6.3	User Group Organization for Infrastructure Development	134
7.1	A Centralized National Government for Infrastructure Development	142
9.1	A Polycentric Arrangement for Infrastructure Development	179

Boxes

1.1	The Debt Burden of the Jamaica Feeder Roads Project	5
1.2	The Sustainability of World Bank Projects	15
2.1	The Recurrent Cost Problem	27
2.2	Recurrent Costs of Irrigation	30
2.3	Jamaica Rural Feeder Road Improvement Project	35
3.1	Hayek's Discussion of Time and Place Knowledge	51
3.2	An Experimental Irrigation System Rehabilitation Project in the Philippines	56
3.3	Using Primordial Ties to Reduce Transaction Costs	64
3.4	Banglung Suspended Bridges Project	69
4.1	The Importance of Being a Government (Rather Than a Voluntary Organization)	79
4.2	Self-Governing Philippine Irrigation Community	87
4.3	Ascertaining Willingness to Pay for Water	91
4.4	Malawi Village Water Supply Systems	99
7.1	The Mahaweli Development Program	152
7.2	The Capital-intensive Bias in Development Projects	158
8.1	The Bicol River Basin Development Program	171
8.2	The Provincial Development Assistance Program in the Philippines	173
9.1	Informal Judicial Authority in Peru	186
9.2	Chhattis Mauja: A Large-scale, Farmer-managed Irrigation System	188
9.3	Many Problems, Many Publics, but Not Enough Governments	199