This book makes an important contribution to donor efforts to overcome institutional constraints on the economic development of poor countries through governance reforms. It advances five major hypotheses. First, institutional reform is situationally specific and path-dependent. Thus the promotion of uniform ‘international best practices’, whether of the Washington Consensus or some other variety, is doomed to failure. Instead, reformers must ‘work with the grain’ of varied local realities. Second, although economic growth may begin under a wide variety of conditions, improved governance institutions will be necessary to sustain it and in turn will be accelerated in interaction with it. Third, in the early stages of institutional reform, authoritarian (‘dominant’) regimes may progress more rapidly on bureaucratic effectiveness than democratic (‘competitive’) ones do as long as their leaders are strongly ‘developmental’. Meanwhile ‘competitive’ regimes are more open to improvements in the rule of law and accountability. Fourth, inclusive growth will promote the emergence of a reforming middle class, without which ‘dominant developmental’ regimes are likely to lose their institutional advantage by becoming ‘predatory’, and ‘competitive’ regimes will do little better. Last, when the prospects for general improvements in a country’s governance are difficult, most often it is possible instead to promote ‘islands of effectiveness’ in corners of the system and these incremental changes can lead over time to general improvements in institutions. The book provides very useful analytic distinctions and makes a good case for all five hypotheses. To do so, Levy makes excellent use of the other work that is being done in this field and combines it effectively with his years of research and practical experience in the World Bank. The book will be of great interest to practitioners and scholars who are trying to diagnose and prescribe what to do in difficult development situations.