Abstract
Organizational theory has long emphasized the importance of contingent, environmental influences on organizational performance. Similarly, research has demonstrated the importance of local political culture and informal management on the performance of the local health system, establishing vicious and virtuous circles of influence that contribute to increasing inequalities in performance among decentralized local health systems. A longitudinal ethnography studied the relationship between these elements in the same rural municipality in Northeast Brazil after a four-year interval. The second study found the local health system performance much improved. Two main factors appear to have interacted to bring this about: leadership vision and power to implement of one individual; professionalization of the local health system by hiring a significant number of senior health staff. The origins of these influences combine initiatives at local, state and federal levels.

Keywords
Sanitary reform, Public policies, Decentralization, Clientelism, Local government, Brazil.