

Report of the FAU Conference 2009, held May 12th – 13th at Copenhagen Business School, Denmark

FAU CONFERENCE 2009

BRINGING THE STATE BACK IN:
NEW ROLES AND RESPONSIBILITIES FOR THE 21st CENTURY STATE

FAU – Foreningen af Udviklingsforskere i Danmark

The Association of Development Researchers in Denmark

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Introduction to the FAU Conference report 2009

By Soeren Jeppesen, Assoc. Prof, Copenhagen Business School (CBS) & Chairman of FAU & Head of the Organising Committee

The Association of Development Researchers in Denmark (with the acronym FAU) organised its 19th annual conference entitled 'Bringing the State back in: New Roles and Responsibilities of the 21st Century State' on May 12-13, 2009 at the premises of the Copenhagen Business School, Copenhagen.

Similar to the last three year's conferences, the 2-days conference in Copenhagen included a number of plenary sessions combined with a number of thematic workshops. Five plenary sessions, of which two were conducted in parallel, included stimulating keynote presentations by Adrian Leftwich (York University, UK), Kevin Dunn (Hobart and William Smith Colleges in Geneva, New York), Bernhard Weimer (Eduardo Mondlane University & Consultant, Mozambique), Sue Unsworth (IDS, UK) and Ben Kerkvliet (Australian National University/Hawaiian University, Australia/USA). The final plenary session concluded the conference with a panel debate among keynote presenters, John Nielsen, Head of BFT and member of the Consultative Research Council for Development (FFU) in Danida and the participants. The thematic workshops addressed each their pertinent issues in relation to the theme 1: The (Asian) Development State: Still relevant? 2. Decentralisation: A Contradiction in terms? 3. States in Transition and in Fragility, 4. State and Citizen in multilevel governance, and 5. The Bureaucratic State and implementation. Each workshop was organised in three separate sessions discussing a number of issues within each theme. The workshops were mainly based on presentations of paper submissions, followed by discussants and then general debate. They included from three to six presentations, and in each of the workshop plans for publication were discussed (see below).

The five keynote presenters made highly interesting contributions both in their individual interventions and in the final plenary session that summarized the debates. One general conclusion was that in spite of the emphasis on the private sector and the market the last 10-15 years, the state had continued to stay as important as it has been through history. Further more, the present global financial/economic crisis demonstrated the need of the state – or regulatory capacities – to ensure that appropriate checks and balances are in place for the private sector not to run wild. Finally, it was emphasised that we need a critical perspective on the state or rather on the many faces of the state. We need to be more specific in talking about the state ('national', 'provincial', 'district', 'local' etc), which 'fractions' (politically, economically, socially) dominate etc, etc and we need to be critical about the state and the problematic sides (incapability in basic service delivery, cronyism, corruption etc). However, the conference also highlighted the highly different views on the state, the market or private sector and how they should interact – not forgetting the civil society. The need for interdisciplinarity was stressed in order to overcome the challenges and to reach a more efficient use of each field of expertise. And, finally, a complementary conclusion from the discussions was the importance of development research in critically investigating the possibilities of utilising experiences gained from one context in order to use it productively in other settings.

The conference's objective of bringing people from various traditions, disciplines and backgrounds together in order to create a multidisciplinary forum for exchange of viewpoints and new crosscutting inspiration was fulfilled. Interesting discussions, fruitful presentations and a high level of interaction among the participants led to the desired and needed interdisciplinary debate, which the conference sought to stimulate. The conference shed light on a number of pertinent trends concerning State, how

to perceive it, and the interaction with the private sector and distributions of roles and responsibilities do and can take place.

The conference attracted a higher number of participants compared to the last two years' conferences (80 vs. 65 and 70), though still below the 2006 conference, where 110 participated. While the number itself is not a success factor, the participants did not come from the same broad range of institutions as previous years. The major research institutions were represented, along with Danida-representatives and students, but fewer NGO-representatives and private consultants took part. The conference was only possible through the kind support from various sources: the Consultative Research Council for Development (FFU) in Danida, the Danish Development Research Network (DDRN), the Danish Institute for International Studies (DIIS), and Centre for Business and Development Studies (CBDS) at Copenhagen Business School. The participants also contributed with either voluntary input and/or participants fees.

As an encouragement to publish, the co-editor of the Norwegian Journal Forum for Development Studies, Axel Borchgrevik, NUPI, Oslo, attended the conference and made a plea for contributions. In his presentation Wednesday morning, he also encouraged FAU to organise Danish participation in the editorial board of FDS as a means to further Nordic collaboration in general and in particular to the benefit of the journal. This has led to the appointment of a Danish member of the FDS editorial Board (Associate Professor Annette Skovsted Hansen, Department of East Asian Studies, Aarhus University) and an agreement on a special theme on the 'Bringing the State back in' as part of the FDS 2010 no. 1 issue. The first issue of 2010 will also mark a new contract between FDS and Routledge, which will be in charge of the publication from this date.

The Board of FAU would finally like to extend its sincere thanks to:

- The workshop convenors, who did a great job in the organising of the conference (Peter Wad, Joergen Dige Pedersen, Soeren Jeppesen, Laurids Lauridsen, Lars Buur, Aase Mygind Madsen, Neil Webster, Irene Noerlund, Karin Buhmann, Iben Nathan, Jens Lehrman Rasmussen, Anne Mette Kjaer, Ole Therkildsen)
- The invited workshop presenters (please refer to the workshop proceedings for the names) who contributed with their knowledge and expertise
- The FAU-assistant Steffen Randahl who took care of the many practical details accompanied by the student assistants (Anna Maria Fibla, Lasse Bjoern Jensen, Mads Pedersen, Katrine Bay and Mette Pheiffer Joergensen)
- Our co-organisers (Centre for Business & Development Studies, CBS), and finally, but not least all participants, including the keynote presenters for contributing to this year's conference.

The FAU Conference report includes the keynote papers, comments by discussants and the proceedings from the workshops, highlighting the presentations and main points of discussion. All papers and/or presentations can be found at the FAU website (www.fau.dk) under 'seminar' and either 'key note presentations' or 'workshops'. Enjoy.

Programme of the Conference

Tuesday May 12:

- 09.00-09.30: Welcome session (Søren Jeppesen, Chairman of FAU and Head of the organising committee)
- 09.30-10.15: 1st Plenary session, by Adrian Leftwich: 'Structure and Agency in the Politics of Development. Rethinking the role of leaders, elites and coalitions in building developmental states.'
- 10.15-10.45: Comments and discussion, moderated by Laurids Lauridsen, RUC. Discussant Peter Wad, CBS
- 10.45-11.15: Break (coffee and tea)
- 11.15-12.30: Workshops (1st session – 5 in parallel)
- 12.30-13.30: Lunch
- 13.30-15.00: 2nd Plenary session – two parallel sessions with A) Bernard Weimar: 'Decentralization of the African state – or state building through local governance- a paradox? Challenges to governance and decentralization in Mozambique.' B) Kevin Dunn: 'There is no such thing as the state: Discourse, effect and performativity.' Moderated by A) Lars Buur, DIIS. Discussant: Lindsay Whitfield, DIIS, and B) Neil Webster, DIIS.
- 15.00-15.30: Break
- 15.30-17.00: Workshops (2nd session – 5 in parallel)
- 19.30-???: Conference dinner (Restaurant Vincents, Landskronagade 4, 2100 Cph. Ø)

Wednesday May 13:

- 09.00-09.15: Introduction to day 2, by Søren Jeppesen & Nordic Journal Collaboration, by Alex Borchgrevink, co-editor of Forum for Development Research
- 09.15-10.15: 3rd plenary session, keynote by Sue Unsworth: 'Unorthodox approaches to creating more effective public authority.'
- 10.15-10.45: Comments and discussion. Moderated by Anne-Mette Kjær, AU. Discussant Ole Therkildsen, DIIS
- 10.45-11.15: Break (coffee and tea)
- 11.15-12.30: Workshops (3rd session – 5 in parallel)
- 12.30-13.30: Lunch
- 13.30-14.45: 4th plenary session, keynote with Ben Kerkvliet: 'Governance and Repressive-Responsive State in Vietnam'. Moderated by Karin Buhmann, KU-Life. Discussant Iben Nathan, KU-Life
- 14.45-15.15: Break
- 15.15-16.30: 5th Plenary – all keynote presenters: How can we bring the State back into Development & what are the key roles and responsibilities? Theory and Practice. Moderated by Jørgen Dige Pedersen, AU and comments from John Nielsen, Head of BFT & Member of FFU
- 16.30-17.00: Closing remarks, by Jørgen Dige Pedersen and Søren Jeppesen

1st plenary session

Structure and agency in the new politics of development: Rethinking the role of leaders, elites and coalitions in the institutional formation of developmental states.

By Adrian Leftwich, Department of Politics, University of York

“Men make their own history, but they do not make it just as they please; they do not make it in circumstances chosen by themselves, but under circumstances directly encountered, given and transmitted from the past. The tradition of all the dead generations weighs like a nightmare on the brain of the living”. (Marx, ‘The Eighteenth Brumaire of Louis Bonaparte’).

(November 9, 1799, the date of Napoleon’s first coup, was known as the 18th Brumaire, and mimicked by Louis in his coup of 1851)

Abstract and argument:

One of the longest standing (and probably never to be resolved) problems in all branches of the social sciences is the structure-agency problem (Hay, 2002). In brief, the structure-agency problem concerns the key issue about how socio-economic and political behaviour is to be explained. On the one hand are explanations that give emphasis to structural and institutional factors which shape and govern behaviour, for good or for bad; on the other hand are explanations which place greater emphasis on the autonomy of agents and agency. The question is central to our understanding of not only how institutions affect social, political and economic outcomes, but also how institutions are established, change or decay, and it is therefore also fundamental to our understanding a whole series of cognate issues and, especially, issues to do with state formation and – in the context of this conference – the origins, forms and possible future configurations of state-economy relations and, especially, *developmental states*.

In this lecture it is my aim to suggest that a serious gap has developed over many years in the analysis of the politics of development generally, and particularly in our understanding of the origins, characteristics and possibilities of developmental states. My argument is that we have tended to look for and find institutional and structural explanations for the emergence of effective (and developmental) states, when we should *also* (**but not only**) have been looking at the agential factors that have crafted the very different kinds of institutional forms which have defined the configurations of such states in different parts of the world – from Meiji Japan in the 1870s (and again after the second world war) to Botswana in the 1970s and beyond. While structural conditions may create the circumstances which require effective institutional responses, such structural conditions on their own produce nothing without agents who do (or do not) respond to those conditions; likewise, the institutions (rules of the game) they may or may not establish are empty boxes without the agents (players) that operate, maintain, undermine and change them.

It is **NOT** my thesis here that agency alone explains the provenance and shape of the institutional arrangements which constitute effective or developmental states. And my argument is thus not an

extreme celebration of political voluntarism, because all agency occurs in diverse and unique historical, structural and institutional contexts, as Marx observed. “*Men make their own history, but they do not make it just as they please; they do not make it in circumstances chosen by themselves, but under circumstances directly encountered, given and transmitted from the past.*” No-one has said it better than that old gentleman now pushing up the daisies in Highgate Cemetery.

But it is my thesis that if we are to understand how effective and developmental states have emerged, and whether new examples and forms may yet emerge (particularly in new or born-again democratic contexts as is currently being debated in South Africa), we need to give much more attention in both analytical work and policy terms to human agency – that is politics - and in particular to the leaders and elites who tend to ‘dominate’ all organizations and interests whether they be political, economic, military, communal, regional, sectoral or ethnic in content. By that I **do not** mean individual ‘leaders’ in the “great man/woman of history” tradition. Nor do I mean we should focus on the characteristics or personality traits of ‘good leaders’ (as much of the corporate leadership literature does). Rather, I mean we have to understand much better the forms and functions of different patterns of ‘leadership’, anchored as all such patterns are in formal or informal structures of power and authority, and thus to comprehend the role of leaders and elites and especially their capacity to forge the necessary coalitions which in practice build, maintain or transform not only developmental states but all state structures and institutional arrangements. There are also profound policy implications for the international community.

This focus on the relationship between agency and structure provides me with the wonderful opportunity to draw on some of the findings of two multi-national development research projects with which I am fortunate to be associated. The first is the *Improving Institutions for Pro-Poor Growth* research consortium (IPPG at: www.ippg.org). The second is the *Leaders, Elites and Coalitions Research Programme* (LECRP at www.lecrp.org). In the IPPG programme we have been working to understand just how institutions – and especially the interactions between political, social and economic institutions - shape outcomes. In the LECRPs programme – which up till now has had a primarily African focus - we have been working to explore the inner political stories of the how effective and indigenously crafted and legitimate institutions have been established which have been instrumental in some important *successful cases* of economic growth, political transition and policy innovation. We have done this by focussing on patterns of leadership and the kinds of cross-elite coalitions (formal or informal) which they have formed to respond to very different kinds of development challenges.

In his recent book, *The Bottom Billion*, Paul Collier (2008) argues that there are four ‘traps’ which keep the poorest countries in poverty .These traps are (a) the conflict trap, that is countries affected by political violence in the form of civil war or coups d’etat; (b) the natural resources trap that leads to the ‘resource curse’ and the Dutch disease; (c) the trap of being ‘landlocked’; and (d) the bad governance trap - a trap which he does not seem to think is such a serious trap (ibid: 64) after all, by comparison with the others.

Collier’s solution to these traps consists of a series of national and – quite significantly from the point of view of the aid community – international *institutional* and *policy* solutions, which he sums up as: “trade policies, security strategies, change in our (northern) laws and new international charters” (ibid., 192). In short he suggests a set of institutional and policy reforms which will help to enable countries to escape these traps, individually or together.

His analysis of both the causes of enduring poverty and the solutions for growing out of it lays emphasis on (largely economic) *institutions and structures*. Change, improve or tighten the rules and behaviour will change; alter the incentive structure and people will be different. There is an obvious but very limited truth in this. Where institutions are established and enforced, behaviour will respond. But how are such institutions established? Who shapes, agrees and implements them? How is institutional robustness and enforceability obtained? What are the processes whereby people come to agree, define and accept the rules of any particular game and both systematically apply and abide by them?

Nowhere, in this extremely interesting, passionate and well-received book, is there any real attempt to engage with the *agency problem*, globally or nationally. There is silence on the question of human agents – usually in organized or informal groups – who will need to consent to the actions to be taken, and also to implement and sustain them. The absence of this dynamic element in Collier's approach amounts to the elimination of human agency from the processes of development and a reliance on designing and implementing new international and national institutional solutions (each of which makes much sense in its own right). More significantly for our purposes today, in adopting this approach Collier largely evacuates political processes from the developmental process itself. Though many of the institutional arrangements he proposes make a lot of sense, what is missing is any sense of how those arrangements – the charters and rules he proposes, for instance - get to be accepted, adopted and adapted and systematically implemented in many developing countries and, in particular, how indigenous political processes can absorb external ideas and/or devise and implement locally legitimate and appropriate institutional arrangements. Over many years we have seen how countless imported or imposed institutions simply collapsed, were avoided or ignored – starting with the truck-load of constitutions bequeathed to newly independent countries in Africa in the immediate post-colonial era after the second world war and reaching through to the more recent erosion and avoidance of the institutional arrangements – in Kenya for example – designed to control corruption (Wrong, 2009), most of which were designed in Washington (Mburu, 2009). But even the recent (2008) Indian Forest Rights Act, debated and designed domestically in the national parliament in Delhi, already is running into implementation hurdles in many of the sub-national states of the federation, where state-based Forest Departments are required to put the Act to work (Springate-Baginski: IPPG. Reference to come).

But most important from our point of view, Collier's theory provides no basis whatsoever for explaining those important and *successful* developmental cases where countries *have* been able to escape many of the central elements of his four 'traps'. Given the structural constraints which these traps represented for those countries, and given the absence of all the institutional and policy proposals he has made (they simply did not exist at those times), how then do we explain the few but very important 'success stories' of the last third of the 20th century (and some earlier ones too)? I emphasise the need to understand 'success' because so much development research – as with Collier's - has been organized around the explanation of failure, and we will learn as much – if not a great deal more – from success stories as from failure stories.

To take one important illustration, how can one explain the extraordinary story of Botswana? It was caught in three of Collier's traps. It is landlocked; early in its independence some of the richest diamond pipes in the world were discovered and hence might have made it victim to the resource curse and the contagion of the Dutch disease; and it was surrounded by hostile neighbours (South Africa, South-West Africa and Rhodesia - now Namibia and Zimbabwe). Not only did those countries make life very difficult for Botswana, but one of them, South Africa, had fully expected to absorb Botswana along with the other High Commission territories of Lesotho and Swaziland. Moreover, as

with many African societies at independence, there was deep suspicion between customary authorities – the chiefs – and the newly elected in-coming government. It was one of the 25 poorest countries in the world (at less than \$80 per capita) with about 10km of tarred roads. Today it is a middle income country (though it still has many problems) with a per capita income of about \$6000 and 10,000km of tarred roads.

How did it overcome its traps? Even if all the international policies and ‘charters’ which Collier has urged had been in place, it would still have required the actions of political, economic and social agents – I shall refer to them for short hand here as elites, and clarify later – to cooperate in order to implement such arrangements and make them stick. So, what was the dynamic element? What enabled it to happen – and why in Botswana, but not Malawi or Swaziland or Zambia? It is not sufficient, as Acemoglu and Robinson suggest (2003), to say that Botswana pursued appropriate policies, though that is self-evidently true. The question is why did they do so and how were they able to sustain them so effectively over two generations? What were the political dynamics and processes which enabled that country to establish the locally appropriate institutions – economic, political and bureaucratic - which enabled the delivery of a remarkable and on-going set of outcomes? All the structural conditions militated against sustained development – it was landlocked, dirt poor, surrounded by hostile neighbours, the sudden beneficiary of immense diamond revenues and with no institutional history of an effective state or sustained experience of modern governance.

So the really important question which Collier’s approach does not even begin to answer is both *why* and *how* was the political leadership able to devise local institutional arrangements and policies, why and how were they able to sustain them and how have they been able to prevent their erosion or corruption? In short, if we are to understand the processes of development, we need to understand the inner dynamics and political stories of the successful cases, not simply diagnose the causes of failure of the many unsuccessful or less successful cases. Given that agents and actors are necessarily the dynamic element in any socio-political or economic sector or domain, the question is why are some agents able to overcome the ‘traps’ (and other constraints) to build the institutions which enable development to happen?

The same question can be asked in the case of Mauritius. While not landlocked, it was sea-locked, and as with many other largely plantation economies (Beckford, 1972), its island status conferred many disadvantages upon it at the time of independence in 1968. These included its dependence on sugar; its distance from markets and a fractious social, economic and political pluralism which threatened serious internal violence on the eve of independence. Mauritius was often compared to Fiji in the 1960s, and many predicted success for Fiji and failure for Mauritius. It was to be the opposite. An amazing turn-around occurred from the 1970s in Mauritius. Why? How? What was the inner political story that accounts for how fractious and divisive political processes were transformed into developmental ones in a plural society largely dependent on a single crop? How did a left-leaning government provide credible commitments to the capitalist class in return for an acceptance of a broadly social democratic welfare state?

Likewise in the classic East Asian development states – Korea, Taiwan and Singapore – we have too often been content to assume that the structural dominance, political will and power of the dominant elites (The KMT in Taiwan, the PAP in Singapore and the military in Korea) have been enough of a starting point to explain their developmental records, plus the efficient bureaucracies they created (Cheng, T. et al 1998). Of course those are relevant factors. But, in setting the rules of the game and applying them, in none of the classic cases have these political elites *on their own* resolved the complex set of collective action problems that systematically define all development challenges. They

have had to shape, form and maintain what are sometimes described as ‘growth’ or ‘development’ coalitions – often shifting in kaleidoscopic terms over time - with other elites (both domestic and foreign) in order to overcome these collective action problems. Depending on specific context, some have been bureaucratic elites, some have been commercial elites, some have been plantation elites, some have been ‘traditional’ or customary elites. None of these developmental states – as Chalmers Johnson (1982) reminded us many years ago – followed a ‘plan-ideological’ path of the Soviet-type command economies; nor were they modelled on the ‘regulatory orientation’ of the liberal and social democratic capitalist economies of Europe and north America. On the contrary, they followed a ‘plan-rational’ strategy for a market economy which required on-going – though changing – cooperative relations within and between state organizations and within and between organizations in the private sector, and especially in the relations between public and private sectors, changing over time as economies grew and transformed and hence how interests waxed and waned.

The key point for our purposes today is that unless we focus at least one strand of our research on the dynamic internal political processes whereby the leaders and elites work to form ‘growth’ or ‘developmental’ coalitions, we seriously compromise our understanding of not only how crucial institutional arrangements have been forged but also how developmental states in the past have been formed and, more critically, whether there are still prospects for new developmental states to emerge, as is an on-going debate in South Africa, for example.

Laurids Lauridsen (2007: Vol 1, p 101) in his habilitation thesis at Roskilde University has made the point that our explanatory thrust should rest much more on what he calls ‘thick politics’ – that is:

..the political interests, power struggles, patronage, socio-political
Compromises, legitimacy-building and security considerations..

I agree. But how are we to operationalise such a large set of variables? My suggestion is that to make it manageable, and also to reflect the (no doubt unfashionable) realities of most political life we need to identify and focus on how and why leaders and elites do or do not work to form growth or developmental coalitions and how – more generally – coalitions are or are not formed to deal with the pervasive collective action problems which define the challenges of development and most socio-economic and political problems.

It will not be my thesis that political agency – in the form of leaders, elites and coalitions – is everything; far from it. We need to specify, of course, the external and internal structural circumstances which both frame the context but may also promote or propel diverse elites to forge the political settlements and institutional arrangements, appropriate to their own histories and indigenous structural features. This has been explored by a number of theorists with East Asian and Middle East interests (for instance, Waldner, 1999; Doner, Ritchie and Slater, 2005; Lauridsen, 2007). They have usefully suggested that the structure and capacity of developmental states has depended not only on the nature and extent of external threat (systemic vulnerability, as Doner *et al* describe it) but also on whether the political coalition formed is narrow or broad.

There are three important issues to flag here.

First, it is certainly the case that *political coalitions* are required to consolidate and guarantee the ‘political settlement’ upon which any effective and enduring state depends and which are the hard core of developmental states, especially the so-called democratic developmental states. Such coalitions may of course be formal or informal, institutionalised or tacit. But ‘economic settlements’ are needed

too, which require, at the very least, an understanding between the private sector (or key agents within it), and the state about the general shape and direction of economic policy and, at best, organized and preferably institutionalised consensus, consultation and collaboration about evolving national economic goals and strategies. Together, the way in which political, economic and sometimes labour elites organize these political and economic settlements will determine the shape and character of the 'growth coalitions', or whether they exist at all.

Second, we also need to know how and why the elites of *some* countries have been able to establish growth coalitions and why the elites of other countries have not, even when faced with the similar threats or critical challenges. Why have the elites in Myanmar, Fiji or the Yemen not been able to forge developmental coalitions, despite the obvious dangers and threats they face, ut also the opportunities which are there to seize? Why, at sub-national levels, in Indonesia or rural Thailand, have some (directly comparable) districts fared well economically and established effective governance of economic processes and others have not? How did the elites of Zimbabwe (or some of them) fail to build on the effective (if racist) state inherited at independence?

Third, by focussing on the ways leaderships and elites interact – and how effective leaderships emerge - we will begin to rebalance the relationship between structure and agency which has over-emphasised structure in much developmental research and policy-making. In the sections which follow I draw on the research we have completed in Southern and East Africa to test these hypotheses about the centrality of leaders, elites and coalitions in the politics of development and the implications of this for state action and developmental states in particular.

II

The over-arching question of your Conference is what are the new roles and responsibilities of the 21st century state, especially in the light of the global crises that have occurred. I have tried to suggest in the previous sections that the questions of the nature of the state and how its leaders and elites interact other leaderships and elites is intimately bound up with the kinds of both political and economic settlements which such elites can achieve. In short, the question is not so much what *should* the state do, but what *can* any given state do? It is in this context that the role of leaders, elites and coalitions becomes critical, at least in the world of *realpolitics*, that is in shaping responses to political, economic and social challenges - such as the current financial crisis, political instability and violence in the context of failed or unconsolidated states, or the threat of nation-wide HIV/AIDS epidemics that currently ravage most countries in East and especially southern Africa. In order to explore this point I want to turn to the research we have been doing on both institutions and on leaders, elites and coalitions. Let me start with some working assumptions and hypotheses of the LECRP programme.

The central organizing hypothesis which frames our work is this:

Successful and sustained development depends crucially on whether, why and how various leaders and elites across the public and private domains are able to form sufficiently inclusive 'developmental coalitions' (or growth coalitions), formal or informal, which:

1. *Establish, maintain and implement the locally appropriate, legitimate and feasible institutional arrangements which promote and facilitate economic growth and (inclusive) social development.*

2. *Contribute to building the core institutions of effective states.*
3. *Cooperate – regionally, nationally, sub-nationally, sectorally or within and between organizations - to overcome major political, economic and social problems*

Breaking this down a bit, we can derive some subsidiary hypotheses:

1. **The processes of development involve solving a series of nested collective action problems** amongst diverse interests and organizations (formal or informal). These collective action problems may be political, economic or social. They may occur at national/macro level or at village level, within and between sectors or across the public private divide.
2. **Resolving these collective action problems necessarily and unavoidably involve *political processes*** between and amongst the relevant elites and leaderships of distinct interests, each bringing different forms and degrees of power to influence and shape the outcomes. By political processes we mean all the activities of conflict, cooperation and negotiation over decisions about institutions and rules which shape how resources are to be used, produced and distributed.
3. **Coalitions are the political solutions to collective action problems.** We understand coalitions to be the formal or informal groups – which may be transient or long-lasting - which come together to achieve goals they could not achieve on their own.
4. **Stable and effective states are the product of *de facto* coalitions** which (often after long, intense and bloody conflict) have hammered out the principal elements of *political settlements* and have designed indigenously appropriate and legitimate political institutions which they are committed to support.
5. **Successful growth and development stories are the stories of successful coalitions** that have established the principal elements of their economic settlements.

To test these hypotheses we looked at 5 different cases – all success stories (in a second phase of work, about to begin, we shall we hope to look at unsuccessful cases, including Fiji, Papua New Guinea, Yemen, Zimbabwe and different districts in Indonesia). We set out to explain why Mauritius and Botswana had been so unusually successful from a macro-developmental point of view. We looked also at the inner politics of the remarkable ‘double transition’ in South Africa involving perhaps one of the most remarkable political transitions to democracy, on the one hand, and reconstruction of the South African economy, on the other hand. A further case study sought to explain why two comparable areas of Kwa-Zulu (in South Africa) had very different outcomes in terms of investment, development and service delivery at local level. Finally, we looked at two important NGOs, both taking on the challenge of the HIV/AIDS epidemic – one in South Africa (TAC) and one in Uganda (TASO). In all these cases what became clear was that the leaders and elites of all major interests recognised that they had to establish the institutional infrastructure of both political and/or economic settlements if their country or their cause or their district was not to go under. This could only be done through building formal or informal coalitions. Customary chiefs, bureaucrats, public politicians and the de Beers corporation in Botswana; capitalists, planters, trade union leftists and social democrats in Mauritius; HIV/AIDS sufferers, the scientific community, health professionals, and the media in South Africa and Uganda and – in South Africa, exploiting the new judicial institutions the democratic constitution had set up; an extraordinary and shifting coalition of ANC socialists and social-democrats, white capitalists and mine-owners, powerful and popular unions in South Africa; in KwaZulu – a

province that nearly achieved meltdown in the 1990s through bloody conflict between Zulu and non-Zulu, ANC and IFP supporters - progressive (but certainly not all) Zulu *amakhosi*, dedicated urban politicians and secular city managers, working with elected councillors, churches, civil society NGOs in KwaZulu were successful in establishing local level coalitions and also attracting development funding and investment from home and abroad, thereby transforming their districts.

To achieve the objectives they all wanted, and which none could achieve on their own, they needed to build coalitions – some formal and some informal, some at national level, some at local levels; coalitions which could establish and consolidate institutions that would overcome their many and varied collective action problems. Without those elites and leaders – each operating in often very different institutional and organizational contexts - the outcomes would have been very, very different indeed.

III

What general themes merge from this? There are many but only a few can be mentioned here.

1. First, in every case, the leaderships faced a critical problem, threat or challenge – some internal, some external, some political, some social, some economic, sometimes all three. These were ‘critical junctures’ (Collier and Collier: ref to be completed).
2. Second, the problem – indeed the pretty dire challenge - they faced could only be addressed by overcoming single or multiple collective action problems and this was recognised by the respective leaders and elites. Without sounding too grand, they all understood the public good outcomes which resolution would bring. All, in different ways, sought for sustainable and developmentally progressive outcomes.
3. Third, the evidence is clear that coalitions represented the political solution to these collective action problems. And the institutional arrangements which underpinned these successful growth, transition and social development stories reflected ability of these leaders and elites from diverse sectors to form de facto coalitions.
4. Fourth, the processes by which they did this were intensely political and the institutional solutions they devised were not made in Denmark or exported from Copenhagen, nor were they based on templates derived from Washington or London. The conversion of hereditary chiefs in Botswana, for example, into hereditary and paid civil servants – paid, that is, so long as they did not engage in party politics – was not something that would come to the mind of a northern and Weberian-influenced adviser.
5. Fifth, as with the Japanese in the 1870s, they were all *open* to foreign ideas and experience and absorbed, adapted and adopted ideas and advice *as appropriate to local circumstances and possibilities*. There was no ‘institutional mono-cropping’ (Peter Evans).
6. Sixth, one feature of all the key leaders who made the running of building the coalitions was the quality of the secondary and tertiary education they received, often at the same education institutions. In many cases, too, they were able to draw on networks established at those institutions when push came to shove. Given that lack of donor attention to secondary and higher education in Africa – and the crumbling of some fine institutions from the 1960s – it is appropriate to think in terms of a much great investment in high quality secondary and higher education in Africa if the international community is serious about encouraging the emergence of effective and developmentally progressive leadership.
7. Seventh if – as is the theme of this conference – bringing the state back in will become a realistic new phase in the development story, particularly in the present context of the new

(even quasi) democratic politics, then it is important for us to understand that (a) 'it' (the state) is not a single-actor agency but is itself constituted itself by a range of institutional arrangements, interests and organizations; and (b) that policy outcomes will increasingly involve complex interactions between parts of the state and non-state elites. Successful policy and practice will require coalitions across these public and private organizations and especially their elites.

8. Helping to strengthen these elites should become a central and long-term strategic aim of development and aid policy.

Finally, there are a number of immediate policy implications:

- Of course not all elites are progressive; nor are all coalitions. But the international community needs to get serious about understanding the politics of development and in particular to understand better the constraints and opportunities for local leaderships. Understanding how elites and leaders operate in plural systems of power and authority would be a good starting point. And it might help to establish an intellectual momentum if the World Bank to revisit its reluctance to be explicit about political processes and development and, perhaps, to devote a future issue of The World Development Report to political and social processes in development.
- Recognise that institutions will only be effective if they are locally devised and locally legitimate, and that some institutions – whether economic or political – may well only be successful when hybrid.
- Recognise the limitations of external interventions in indigenous processes.
- Encourage much greater south-south learning.
- Rethink long-term and sustained support for quality secondary and higher education.
- Invest more in the long-term development of trade union and business associations – key players with the state in any bargaining over rules of both the political and economic games.

IV

In conclusion, I hope that I have shown that although institutional approaches and concerns are crucial for growth and development, we must not forget agents and agency. Unfashionable as it may be to admit it, political science tells us that most policy outcomes are the result of inter-elite bargains, negotiations and agreements, influenced on all sides by 'technical' argument and evidence. If institutions are the rules of the game, then better players will devise better and more locally appropriate rules; likewise, the games within the rules will be played better by better players.

It's time to recalibrate the balance between structure and agency in both academic social science and policy practices.

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Workshop 1: The (Asian) Developmental State: Still relevant?

By Søren Jeppesen, Peter Wad, Jørgen Dige Pedersen and Laurids Lauridsen

The programme was as follows:

Session 1. *Agenda: Follow up on the keynote speech of Adrian Leftwich: The politics of the developmental state?*

Chair of session 1: Søren Jeppesen.

1. Adrian Leftwich elaborating on a few points, e.g. globalisation and the project of economic nationalism, democracy and authoritarian developmental states, catching up versus social security and welfare?
2. Discussants: Laurids Lauridsen, Peter Kragelund
3. Plenum discussion of Leftwich's thoughts and writings about states and development.

Session 2. *Agenda: Developmental states in East Asia: Organisation, transformation, explanation?*

Chair of session 2: Peter Wad.

1. Laurids Lauridsen on the emergence, effectiveness and transformation of developmental states in East Asia
2. Discussants: Jørgen Dige Pedersen and Adrian Leftwich
3. Plenum discussion of the dynamic of East Asian developmental states

Session 3. *Agenda: The relevance of development states in Africa and Latin America and the generalization of Developmental State theory.*

Chair of session 3: Laurids Lauridsen

1. Christian Hallum: "The dark underside – The influence of the working class on democracy and welfare under the developmental state model". Presentation of paper about the role of labour in Mauritius, South Korea and Taiwan
2. Discussants: Peter Wad, Søren Jeppesen
3. Florain Langbehn: "The Developmental State in a Global Perspective. An Exploration into the Developmental Capacity of the State and its Relationship with Economic Growth in Developing Countries"
4. Discussant: Jørgen Dige Pedersen
5. Plenum discussion of the relevance and generalisability of the Developmental State theory.

Session 1.

Søren Jeppesen welcomed the participants and gave a brief account of the programme of the workshop and the intentions of the first session. After a round of introduction, Adrian Leftwich elaborated on some of the key issues of his keynote presentation earlier.

Adrian addressed three issues: a) coalitions (elites, leadership, education and learning), b) the distinction between the 'developmental state' and the social security/welfare state, and c) the applicability of the term (the developmental state).

Laurids and Peter Kragelund opened the debate with a few comments, among others:

- That analyses of the importance of learning were somewhat flawed – and difficult to generalize from – as they usually were conducted ex-post and tended to confirm what had happened

- That the study of 'elites' (their constitution, role in coalitions (growth and development), level of education and importance for leadership) needs to be contrasted with similar studies of 'non-elites' in order to understand the political dynamics
- That the African experiences (Zambia, Mauritius and Botswana) were different from the East Asian. E.g. while one in Zambia could identify an 'indigenous coalition', coming together to react on an outside threat, in an open political environment (with an opposition in place), the development path was nothing like that of Mauritius or of Botswana. And Botswana is another example where the development is 'unique'. This raises the question about the characteristics of the concepts (e.g. growth and/or development coalition) and the applicability.

A lively debate followed with numerous issues addressed and many different questions posed to Adrian. In addition to the already mentioned, some of them included:

- a) economic-political interests – leading to public-private partnerships or ..?
- b) leadership, not being an issue of individuals, but as a political process, where individuals take part in and help shaping it. Is this then some sort of contradiction and a micro-version of the broader structure-and-agency debate? and
- c) developmental state versus welfare state – what is the success criteria – South Africa and Botswana more aimed towards becoming welfare states – South Africa has interesting dynamics, with COSATU (national labour movement organization) supporting the 'decent wages' approach being in contrast to other parts of the labour movement and which position will the newly elected president Jacob Zuma take?

Session 2.

Laurids Lauridsen initiated the debate with a presentation on 'Developmental States in East Asia: Organisation, Transformation and Explanation?' Laurids' presentation contained 5 major issues: a) definitions of the East Asian developmental state (EA-DS), b) links between EA-DS and Development Studies and new issues, c) various perceptions and observations about EA-DS and its historical foundation, d) whether the EA-DS, with examples on Korea, Taiwan and Singapore, and e) competing explanations on the EA-DS (Authoritarian vs. Collaborative vs. Adaptive Democratic).

Laurids argued that it was important to be clear about the definition of a developmental state as there were many definitions available in the debate on the East Asian Developmental State. Some scholars reserved the term EA-DS to states in countries such as Japan, South Korea, Taiwan and Singapore, while other scholars included Hong Kong, Malaysia, Indonesia -and even Thailand and the Philippines. Moreover, Laurids showed how the EA-DS has played a role in development studies - in the dependency debate, in the state-market debate, in the catching-up or convergence debate, and in the debate on the relationship between governance and regime form on the one hand and economic development on the other hand. Then he dealt with the EA-DS in relation to four major new issues: Does the development state paradigm still make sense in the 21st century? How was EA-DS related to the Asian Financial Crisis?; How is EA-DS handling the present global financial crisis?, and Can the East Asian Model be emulated?. Subsequently, the presentation contrasted the national and international facilitating conditions of the 1960s and 1970s with the new conditions of the 1980s and onwards (the decline of the Cold War, economic globalisation, democratisation, weakened economic technocracy, stronger civil society, stronger working class and not least stronger national bourgeoisies). The question was then to what extent that undermined the EA-DS. Laurids showed that "the whether the development state" was somewhat relevant in the case of South Korea, not relevant in

the case of Singapore, while Taiwan was placed in-between these two countries. In the last part of the presentation Laurids tentatively suggested that one could distinguish between three competing EA-DS explanations: the Authoritarian DS, the Collaborative DS and the Adaptive Democratic DS.

Laurids finished his presentation by raising three points for discussion and further/future research: I) the aim of the capacity of the state ensuring development and/or growth (accumulation and structural change vs. catching-up and learning vs. keeping up and innovating?), II) the specificities of State formation (supply of institutional capacity and developmentalism) and III) the 'idealised' EA-DS versus 'non-developmental features of EA-DS (complex internal political dynamics, political exchange relations between state and business plus all the unintended consequences and contingent factors involved).

Adrian and Jørgen Dige Pedersen acted as discussants. Adrian had three major comments:

- Where does nationalism fit into the analysis? It has been of huge importance (in Japan, South Korea, Taiwan and other countries) and how can we study the means by which nationalism was retained?
- The application of the three types of (competing) explanations (Authoritarian vs. Collaborative vs. Adaptive Democratic) on African countries: How would we then characterise e.g. Botswana (as collaborative?) and Mauritius (adaptive democratic)?
- How do we fit in Russia, China and Vietnam? Are they example of Developmental States from the other end of the continuum?

Jørgen took the point of departure in the fact that he saw the EA-DS as a theory killer. It had led of 'rejection' of the dependency theory, and then questioned the Washington consensus and posed the question of why the emphasis on the state? In his opinion China and India do not really fit the 'development state' model. A second point was why the analysis did not include the 'Developmental Society' or 'Developmental business' etc? He further argued that the historical development had not been as politicised and/or coherent as outlined. Was this an expression of something formulated in hindsight? He finally asked how we could make a further assessment of the role of business and the importance of whether the business sector was 'weak', 'strong', 'rent-seeking' or something else?

Session 3

In session 3 we had two presentations. The first presentation by Christian Hallum, MA student in political science, Aarhus University, discussed developmental states from the perspective of their 'dark underside'. The 'dark underside' refers to the fact that developmental states historically have been characterized by repression of industrial workers, lack of state welfare and other undemocratic features. From this perspective there seems to be few good reasons to discuss the transferability of such states. On the other hand, Christian used the example of Mauritius to exemplify the possibility of creating developmental states without a 'dark underside'. The explanation for this more benevolent state he found – with some important qualifications - in the struggle and influence of the working class on state formation in Mauritius. At a theoretical level he argued for a stronger focus on the politics of developmental states and for more class-oriented explanations.

Christian's presentation gave rise to a number of questions and comments. One questioned whether you should write off the EA developmental state as a model due to its 'dark underside' when it can be transformed into a democratic state with emerging welfare institutions (South Korea, Taiwan). If a

'short cut' strategy is feasible as indicated by the case of Mauritius it may be a question of trade off between various short term and long-term option. Another suggestion was to distinguish between purely growth-oriented states and broader developmentally oriented states. A set of issues concerned the interpretation of the Mauritian economic trajectory and the degree to which it can be seen as a developmental success. The influence of international investors on the growth process has probably been of greater importance than in Taiwan or South Korea, and Mauritius' international links with the EU and with India did raise some questions as to what lessons may be learned from this case. Despite these critical points, there was general agreement on the need to be more concerned with the 'dark underside' and with class relations in the discussions over developmental states.

The second presentation was by Florian Langbehn, Ph.D. student in political science, Aarhus University. Florian presented the results on his statistical exploration of the relevance of state's developmental capacities for economic growth in developing countries. He took his starting point in the discussion on developmental states and from key contributions in this debate he selected three key characteristics of developmental states: 1) a coherent and competent bureaucracy, 2) cooperative government-business relations, and 3) a pro-development 'political will' among state elites. In the statistical analysis he then used available 'proxies' to estimate these variables for a large number of African and Latin American countries and found a strong correlation between this measurement of developmental capacity and the actual economic growth. His results suggested that it makes good sense to transfer the concept of developmental state outside the Asian region. On this background he ended with raising new research questions concerning the underlying political forces that would either allow for or oppose the construction of developmental institutions.

In the ensuing discussion a number of questions related to the analysis was raised, for instance questions about how to measure of the very complex variables and questions about potential regional differences in the strength of the statistical correlations. There was general agreement that the results were highly interesting and that more research had to be done on the role of political forces in the construction of developmental states both within the Asian region and in other regions.

2nd plenary session

Decentralization of the African state – or state building through local governance- a paradox? Challenges to governance and decentralization in Mozambique

By Bernhard Wiemar, University of Eduardo Mondlane

Yesterday, two structures of the nation came to orient us.

Member of a District Consultative Council, Machaze District, Manica Province

My Town is financially sounder than the state”

Suleimane Essepe Amuji, Mayor of Vilankulo

Não souberam distinguir aquilo que é coisa pública daquilo que são coisas privadas.... Hoje, já temos uma cultura de roubo e corrupção generalizada. (They did not know how to distinguish what is public from that which is private... Today we have already a culture of generalized theft and corruption)

Mia Couto, in: O País

We, the civil servants, even the members of NGOs, are employees of the party, and we do not bite the hand which feeds us. But that does not mean that we do not have our own opinions on what is right and wrong and on how to do things

Senior Lecturer, at a Pedagogical University, Nampula)

Introduction

This paper, the title of which I have taken the liberty to slightly alter, is part of an ongoing research project with the working title “The political economy of decentralization in Mozambique: 15 years of struggle for local democracy, resources and development¹”. In the paper, I want to address some of the conceptual challenges associated with the analysis of the political economy of a state, which has embarked on what appears to be a far reaching decentralization project. The underlying question is: to what extent will the Mozambican state- largely perceived as a neo-patrimonial state dependent on strategic rents and governed by a predominant party since more than 30 years- be able to transform itself towards a more democratic and prosperous developmental state, through a through decentralization process?

Addressing a predominantly European audience and with my own European background, I would like to remember us, that the notion of “state” in our Northern hemisphere is radically different from that in Africa. Charles Tilly, an American scholar, has drawn our attention to the fact, that in Western Europe, “war made the state, and the state made war” (Tilly, 1975: 42), with taxation being associated with both (Moore, ...) In Africa, as his colleague at Princeton University, Jeffrey Herbst, pointed out, neither war, nor taxation were major factors of state building and consolidation (Herbst, 2000). The challenge in Africa is rather that of projecting and “broadcasting” state power, more often than not concentrated in the capital city at the periphery of the respective country, across a vast, sparsely populated, demographically and geographically highly diverse territory.

¹ I am indebted to the Dutch Government and its Embassy in Mozambique for material and financial support in relation to my research project, from which this paper emanates.

Reading recently again Herbst's illuminating book, I remembered my first days as decentralization advisor in the Mozambican Ministry of State Administration, in the years following the end of a 16 year long internal cum external war, when my counterpart, the National Director for Local Administration put the political and administrative challenges ahead to me with the following words: "let's face it: a state like ours, that vast and diverse, with the few resources we have, cannot easily be governed, if it can be governed at all."

Thus, already at the outset of my paper I would like to share my working hypothesis with you: the ongoing decentralization process in Mozambique, both in its dimensions of *devolution* or democratic decentralization (i.e. municipalisation) and administrative decentralization or *deconcentration* (local district governments), is a significant, necessary, but not sufficient contribution to state building in Mozambique. Depending on the approach chosen, the resources available and other factors of a special nature, its outcome will vary: Decentralization in Mozambique might enhance and consolidate the neo patrimonial state (sub hypothesis I), and it might lead to genuine local governance, which in turn contributes to state building from bottom up (sub hypothesis II).

In arguing this hypothesis, I am aware of my role as an *advocatus diaboli* for decentralization, since there is overwhelming evidence that state building across various historical eras and diverse cultures has and is predominantly perceived as associated with the centralization of power, authority and resources, as well as central control over land and people. And it certainly forms the backbone and modus operandi of the state model that the colonial powers have left behind in Africa.

I am also aware, that, as the conveners of this conference put it, "hardcore modernistic central state building exercises circulating around the Millennium Goals, Poverty Reduction strategies and Budget support have been implemented and taken hold to the extent that state building seems to have overtaken drives towards decentralizing governance..." In fact, the largely neopatrimonial state in Africa and its political economy based on rent extraction are not thinkable without a high degree of centralized power over and control of the territory and its resources, investment and (export) trade, together with that of the administration and the coercive means (police, military). In Olson's metaphors the African neo-patrimonial, rent-seeking state may be comprehended as being ruled by "stationary bandits" in central governments, with little "encompassing interest", including in sharing of power and its "fruits" across the state's territory (Olson, 2000), thus preventing the emergence of conducive conditions for wealth creation and prosperity.

But I am also aware, that my position as *advocatus diaboli* puts me in an interesting company. Not all observers and scholars necessarily agree that the African (central) state is a strong one, despite international recognition and donor support. Wunsch/Olowu categorically diagnose its failure (Wunsch, Olowu, 1998), and Catherine Boone, in her impressive study on the "Political topography" in West Africa affirms, that the central state, never a really strong anyway, one has been weakened, due to the effects globalization and the policy prescriptions of the very donors, the Bretton Woods institutions included, which give the bulk of financial support (Boone, 2003). Others see the state, notably in its territorial dimension as an entity required by globalization and international law, yet at the same time "undermined by" by them (Clapham, 2004). And still others see the central state's role diminishing as a result of "glocalization" (globalization plus localization) of politics and economy, which "reinforces existing patterns of domination" and reallocates "poverty and stigma from above without even the residual responsibility of *noblesse oblige*" (Bauman, 1998: 37)

In my perception, "power" and "centralized power" in particular, are relative terms, subject to change over time. We have, in the past century, seen highly centralized states in Eastern Europe and Asia

falter and change for the better or the worse, with decentralization processes being part and results of such changes. Olson has provided us with some economic reasoning which explains under which conditions changes of the political economy and the associated centralist power structure may occur, towards prosperity and equity, singling out collective action, markets and rule of law, respectively security of contracts as key factors.

Perhaps more systematic and serious, the recent spate of “power and change” or “drivers of change” promoted by European donor countries (The Netherlands, Sweden and UK) has drawn attention to the fact, that despite structurally entrenched political and economic features of African neo patrimonial-states (“foundational factors”), gradual change processes do occur, both driven domestically and externally. Economic crises, external shocks and internal unrest may be particularly instrumental in inducing changes. A case in point is the mass-demonstrations by commuters in various African capitals in 2008, triggered by the increase of taxi fares caused by the explosion of international petrol prices at the time. In Mozambique, the capital city was under siege for several days, leading not only to the killing of residents by the hand of police, but also to the dismissal of the government minister for transport.

Against this backdrop, I am seeing the presentation and discussion of this paper as an opportunity for the construction of a conceptual framework for the empirical study of the state building through decentralization in Mozambique which I have embarked on. It is thus part of work in progress. The **two key questions** are, firstly, how do we bring the state back into the debate of African development, a role which goes beyond the Paris Agenda and public sector reform? And is there a role of decentralization and local governance for state construction and, and if yes, what are the challenges and prospects?

Firstly, I will summarize salient features of the political economy and the decentralization process in Mozambique, on the basis of the results and analysis of power and change in Mozambique (ECORYS, 2008). This analysis, commissioned by the Royal Dutch Ministry of Foreign affairs, used a methodological approach, namely a “Strategic Corruption and Governance Assessment (SCAGA), specifically designed for the analysis of neo patrimonial states. It looks in a systematic way at “foundational”, structurally deeply embedded factors of the political economy, at “the rules of the game” including the interaction between the formal and informal typical for neopatrimonial states, and, finally the “Here and Now” in which immediate changes occur, and it attempts to assess the causes and obstacles for change and their effects on the political economy.

In a second step, I would like to address some theoretically inspired issues concerning the relationship state building and decentralization, by reviewing selected literature. And thirdly, I like to present a conceptual framework for the empirical study of decentralization in Mozambique, constructed on the basis of the first two parts. This will have the form of a heuristic tool for the analysis of concrete case studies of state building and decentralization, in Africa in general, and for Mozambique in particular. And as such, enriched through the debates in this conference, it will be of tremendous value for my further research work.

1. Mozambique: Power and change of a neopatrimonial state ²

1.1. Introduction

At the outset, it is in order to briefly give sketch the country's key features.

Mozambique, with an area of 799.390 km² and a population (2007) of 20.366.795 inhabitants (thereof 51, 7% woman) has a low average population density of 25 persons / km², distributed across its 10 provinces and 128 districts.

Given the long land and maritime borders on the one hand, and an institutionally under-resourced civil service (including police and customs), with only 7, 5 public servants per 1.000 inhabitants, it is obvious, that Mozambique has very little capacity to protect its land and sea borders.

The challenge to project state power throughout the territory is a major one: as a result of the colonial penetration and settlement pattern and strategic (regional) economic interest that the capital Maputo is located in the extreme South, and the major transport infrastructure link Mozambique's cities and towns in a E-W but not N-S direction. The country's capital Maputo, has approximately 1, 1 million inhabitants (2007), and is situated in the extreme South of the country. Together with the adjacent industrial town of Matola (approx 675.000 in 2007) it accommodates almost one tenth of the country's population.

The economy of the country is extractive in nature and thus trade oriented, the traditional export commodities being timber, agricultural and fishery products (cotton, sugar, fish, prawns). In recent years, "mega projects" producing minerals, hydrocarbons (gas) and energy (Cahora Bassa) for the export markets play an increasing role. The same is true for the service sector (telecommunication, banking, tourism etc.) gain relative weight with regard to the -once dominating- transport sector (railways and harbours). The "non-observed economy" including the trade in drugs is estimated to have a large share in economic transactions.

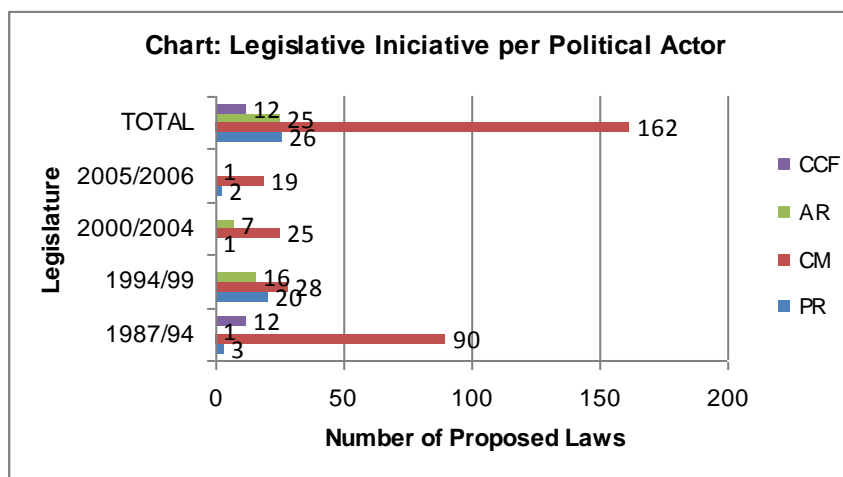
1.2. The political economy. Salient features

1.2.1. The political system

Formally, Mozambique has had a multi-party constitution arrived in 1990, still by the one party regime of the time, under conditions of war, respectively in the early days of the peace negotiations, taking place in Rome, , and ending with the General Peace Agreement, signed on the 20 October in the Italian capital (weimer, 2000). The constitution, reviewed and amended in 2004, is a liberal democratic constitutions which guarantee the basic rights, such as the political rights (universal suffrage), civil rights (such as the press and association freedoms), *habeas corpus*, protection of human rights, just to name a few. Its precepts and fundamental rights are in harmony with the Universal Declaration of Human Rights and the African Charter of the Human and People's Rights.

² This chapter corresponds, in part, to paragraphs, which the author contributed to the Power and change analysis on Mozambique (ECORYS, 2008). The Royal Dutch Ministry for Foreign Affairs kindly gave permission to proceed in this way. Some tables and diagrams have been taken from that study as well.

It enshrines a presidential system with a strong executive, as the following two tables illustrate:



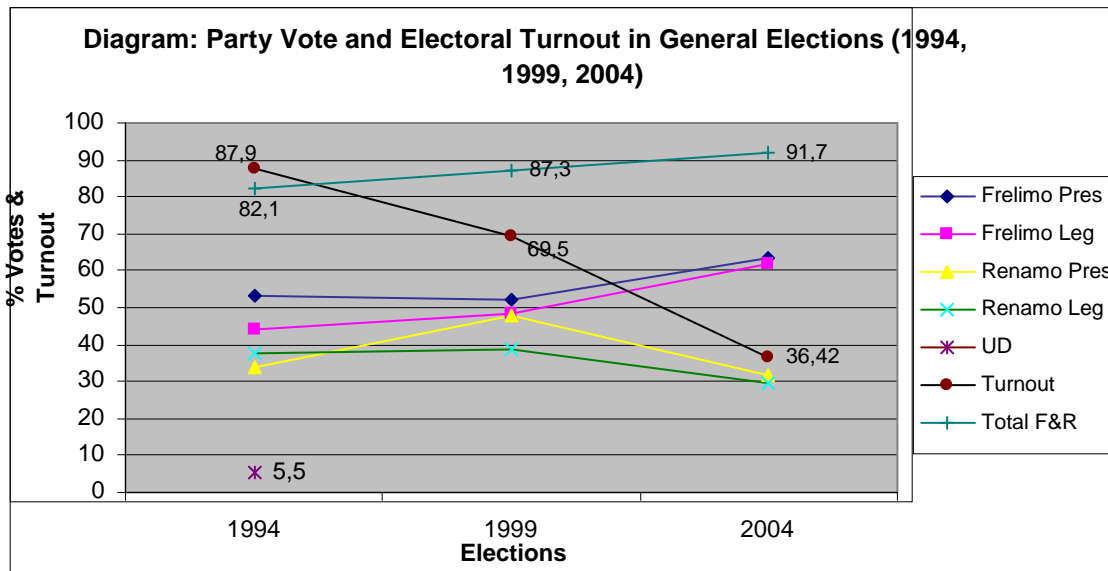
CCF: central Committee-Frelimo; AR: Assembleia da República; CM: Conselho de Ministros; PR: Presidente da República.

Although there is a formal separation of powers, the executive has the lion's share of public expenditure. The institutionalisation of the key state functions, performed by the three powers is still a major challenge.

Level of Government	2008			2011		
	Executive	Legislative	Judiciary	Executive	Legislative	Judiciary
Central	96.9	1.7	1.4	98.2	0.8	1.0
Provincial	96.0	0.3	3.7	98.9	0.1	1.0

Source: Republic of Mozambique, State Budget 2008, CFMP 2009-2011

With regard to political competition, the present political system favours a bi-polar parliament, with Frelimo having a close grasp of a two third majority, and the parliamentary opposition, Renamo, on its way to obsolesce, due to internal cleavages and splits (in Beira), poor and undemocratic as well as lack of a programmatic profile. As the following table with the electoral results from 1994- 2004 demonstrates, third forces have hardly a chance to emerge, and it remains to be seen, whether the offspring of Renamo, the new party *Movimento Democrático de Moçambique* (MDM) funded this year under the leadership of the Beira Mayor, Deviz Simango, will get off the ground in the parliamentary, presidential and provincial elections on 28th October this year. Much will depend on the electoral turnout, which has been decreasing dramatically over the 10 years of regular elections.



Frelimo, without doubt, dominates the political land, the institutions of the state and its administration, Labelled, after the transition from a one party state (1975 – 1994) to a formal multiparty democracy (1994 until today) as a “predominant state party” (Dinerman, 2007: 6) or a “ruling party in a dominant party system” (Salih et.al, 2006), the Frelimo hegemony constitutes the rock bottom and corner stone of political and economic life in Mozambique.

The **pervasiveness of the ruling party** influences the functioning of some key institutions mainly at the central and local level and contributes to the consolidation of the controlling power, in the sense of exercising (coercive) power over others (see above). At central level the increase in the number of party cells in public institutions is a distinctive feature of this pervasiveness. Prospects of progress in the public sector to managerial positions had always been influenced by being a member of the ruling party. Moreover, after the Frelimos’s IX Congress, held in 2006, the ruling party tightened its control over the membership determining that every member should have a track record of party work at the cell level to be eligible for high positions in the state apparatus.

In the economic sphere, where the public sector is still the main client, linkages to the political elites are an important element for access to public contracts. The privatization of the private banking system in the 1990, amidst scandals of misuse of public and donors funds to rescue the state-owned banks that have been plundered by the political elites, after the demise of socialism, favoured the emerging business elite drawn from the former *nomenklatura*. This contributes to create a system where informal rules, allegiances and traffic of influence are key elements for success in the public and private sectors. At the personal level, apart from few individuals with high professional skills, linkages with international organizations or small businesses, it is almost a rule that owning a Frelimo party member card is a condition for success in professional life.

The formal and legal features of a democratic system are present in Mozambique, such as universal suffrage, regular elections, the separation and independence of powers (embodied in the 1990 and 2004 Constitutions) and political stability, from 1992 onwards. However, Mozambique faces challenges to consolidate its democratic system. An exclusive electoral system (formerly with a 5% electoral threshold), a weak electoral administration, contested elections, a ruling party deeply

entrenched in state institutions and a non-institutionalized party system (Carbone, 2005), are limits to representativeness, reduce the effectiveness of the institutional checks and balances, and contribute to a slow pace progress towards consolidation. In that sense, Mozambique is one of those cases of democracy stalled between transition and consolidation; the so-called “dominant power systems” (Carothers, 2002). This represents a hybrid regime, because of its combination of authoritarian and democratic elements (Diamond 2002). Democratization in Mozambique thus is another case of movement “from *abertura* to closure” (Joseph, 1996).

Thus the present political system of Mozambique is thus adequately labelled a *de-facto*, not *de jure* one party state, or as a case of state captured by the party, which, based on the rent it extracts from the political economy, is able to maintain a patron-clientelist system of rule.

1.2.2. The System of public administration

This system can be characterized as follows:

- The **territorial division** in 10 Provinces, 128 Districts, and 23 urban centres, including the provincial and national capital is largely based on the colonial division of the territory affected in 1958, confirmed by the Independence Constitution, and suffering few alterations since independence. This was, in principle, reaffirmed by the Constitution of 2005;
- The inherited **highly centralized administration** was considerably enhanced and maintained during the socialist post-independence phase (“democratic centralism”). It follows the principle of subordination and delegation rather than subsidiarity with regard to the lower levels of public administration. In the wake of Frelimo’s socialist project and according to neo-Leninist principles of the organization of a communist party, **no separation between party and state** was foreseen. The party was supreme to the state which served its political purpose notably in executing the social, economic and ideological programmes decided upon by the supreme party structures. It would also eventually “absorb” a civil society, constructed, via mass organizations along the logic of the former one party state, transformed into a predominant party state (Hanlon).
- A **macro-structure of government**, a study commissioned by the Technical Unit of Public Sector Reform (UTRESP, 2002, 2004) concluded that this structure does not correspond to an analytical and political comprehension of the functional needs of better governance and improved service delivery, but rather amounts to a proliferation of ministries. It confirms earlier studies which, suggest that the macro structure of the administrative and governmental system had remained, by and large unchanged, with the exception of the proliferation of inter-ministerial commissions, institutes, secretariats of state and specialized units etc. Some of them have administrative and financial autonomy, but all are either subordinated to or are under the tutelage of the central organs of the state.
- The public administration counts on a total of 167.420 **public servants** (only 55% of them in permanent positions). Most of them are employed in education, health and the police force and based in the provinces and districts (84.7%). As a result of the foundational distortions of the public administration, they have a low- to medium educational profile. Very few better educated cadres (higher and university education) are holding positions of departmental heads and senior functions in the ministries in Maputo and their delegations in the provincial capitals (less than 400, mostly men). Since 1992 (peace agreement) there is a notable tendency of members of the civil service becoming increasingly younger and better educated, and thus more professional.
- The **cooption of traditional authorities** into the political administrative system was initially not foreseen at Independence, but rather their abolition. During the civil war, however, they had

tended to open or clandestinely follow the Renamo rebellion. Following the Rome Peace Agreement, a role in the Frelimo-led system of governance was sought for them. From 2000 onwards, on the basis of the Decree 15/2000 of June 20th, they were integrated into the local political-administrative structures, together with local party representatives of the Frelimo party. With their consultative, controlling and mobilizing functions for the state and government they are part of the Institutions of Community Participation and Consultation (IPCC), e.g. the District Consultative Councils (Kyed et.al, 2007)

Contrary to programmatic declarations (“*escangalhamento [destruction] of the colonial state*”), Frelimo never had managed to produce a revolutionary transformation of the colonial features of the state and its public administration. Instead, the state Frelimo constructed after independence, gives continuity to the “structural logic of the colonial state”. A state, organically conceived with its own “reason” without citizens but with subjects, independent of society, “against peasantry” (Bowen, 1992) legitimized only via the control of boundaries, and , partially, territory and people, with “liability to work and guardianship as the currency used by the state to realize its claim to rule” (Macamo, 2001: 79, translation BW.). This logic has been reaffirming itself, at least until the political liberalization initiated in the early nineties and intensified in the post post-civil war phase. Despite a series of profound reforms, the Frelimo party and the state have maintained an intimate organic relationship, which makes the distinction and separation between party and state matters a difficult enterprise, especially since this very link has been reaffirmed by the current party leaders. Put in simple terms: “*We, the civil servants, even the members of NGOs, are employees of the party, and we do not bite the hand which feeds us. But that does not mean that we do not have our own opinions on what is right and wrong and on how to do things*”³

1.3. Economic features

1.3.1. Economic performance and poverty reduction

From 1986 onwards, the year of the first structural adjustment programme, which, according to Hanlon and others also marks the “switch” to capitalist development, privatization and entrenched corruption, the consistent flow of foreign aid on a large scale, the transition from war to peace (1992), the successful first multiparty elections (in 1994) mark a period which permitted an economic dynamic characterized by high growth rates, especially in a post civil war conjuncture. This has been recognized and lauded by the Bretton Woods Institutions and the donor community as a “success story” with a “model character” for other African Countries, in as far as successful implementation of poverty reduction strategies within the framework of the Paris Agenda is concerned. (Clément, Peiris, 2008).

Indeed, this post-war economic growth take-off, sustained for 15 years, puts Mozambique into the category of economic success stories such as Uganda (in the late 70’s, early 80’s), Botswana (80’s and 90’s), Vietnam (in the 90’s) and ASEAN (in the 70’s), which witnessed high and sustained growth together with substantial reduction of absolute poverty. This growth path, which now (2008) seems to show signs of abating, has been well above the average for sub-Saharan Africa. Together with prudent monetary and fiscal policies, as well as low inflation rates, it has provided Mozambique with a high degree of economic stability, making the country attractive for direct foreign investment (Clement, Peiris, 2008: 12 ff). And it is certainly said to have contributed to reducing poverty.

³ Interview with N.N., senior lecturer, Pedagogical University, Nampula City.

The sustained growth between 1995 and 2008 is attributable to increased agricultural production and industrial megaprojects (Virtanen, Ehrenpreis, 2007). However, such growth levels, to be considered normal under post-war conditions, are not sufficient for sustained poverty reduction and development (World Bank, 2004). Yet they contributed to a substantial reduction of poverty levels (from 69.4% in 1996/97 to 54.1% in 2002/03), although these numbers are subject to dispute, largely on methodological grounds (Hanlon, 2008). From a number of studies it becomes clear, that the employment effects of the sustained growth has not been particularly impressive, despite a notable “change in employment structure towards higher productivity sectors” away from small scale agriculture (Brück, van der Broeck, 2006: xi). With the exception of the sugar industry the major industrial investments produced few employment effects, due to their enclave character and intrinsic linkage to the South African energy and mining complex, which requires highly specialized and skilled manpower, hardly available in Mozambique.

But this view of a success story is not shared by analysts (Hanlon, 2008) and many Mozambicans alike. In fact, the recent African Governance Peer Review mechanism pointed out, that urban and rural poverty has a tendency to increase, and that the divide between the wealthy and poor has grown.

Concerning equity, inter-regional disparities have decreased, with intra-regional inequalities, however, increasing, especially in the South Mozambique, where, paradoxically, we find the major recent industrial and commercial investments. “The loss of jobs in transport and migrant labour in South Africa has not been compensated by job creation in the new industries. And this has disturbed the traditional livelihood in the South” (Virtanen, Ehrenpreis, 2007: 21). Urban poverty is thus increasing, especially in Maputo (Paula et.al, 2008) and consumption patterns are extremely distorted: the richest households have increased their consumption capacity “in the midst of a large impoverished population” (Virtanen, Ehrenpreis, 2007: 5). At national level, income distribution, as measured by the Gini Coefficient, is not markedly skewed, despite a slight increase from 0, 40 (1996/97) to 0, 42 (2002/03).

The impact of the economic dynamic of the political economy on the majority of Mozambicans is thus ambivalent. While it is true that the per capita GNP (in USD) more than doubled between 1994 and 2004 (from 600 USD to more than 1300 USD), the GNP per capita average annual growth rate remained constant from 1995 onwards. This means, that the **substantial growth** from 1995 onwards produced only modest effects concerning broad based and dynamic economic development. Although government, together with DBS invested a lot in, among others, education, health, water supplies and road construction, the **Human Development Index** for Mozambique dropped from 2004 to 2005, coinciding with a reduction in the rank from 168th to 172nd position of a total of 177 countries (UNDP, 2008). And look at infant mortality and life expectancy shows that the first indicator dropped continuously and considerably over three decades, while the latter, together with the population growth rate remained constant. This means that other, poverty-related causes (e.g. malnutrition, disease, lack of hygiene); together with AIDS must be responsible for the persistently low life expectancy of around 45 years.

1.3.2. Structural aspects

Firstly, Mozambique is a typical **economy of consumption** rather than of investment for production and the domestic and international markets. In the words of a Mozambican economist, “it produces what is not consumed (locally), and consumes what it does not produce.” In terms of percentage of GNP household consumption expenditure dominates. Together with public consumption the aggregate consumption was always above the level GNP, only dropping below it in 1996. Nevertheless, consumption (both private and public) continues to dominate the composition of GNP even thereafter,

with a relative weight of well above 50 % of GNP. As a consequence of this bias towards (private) consumption, investment measured by gross capital formation has remained structurally low, although it more than doubled from the 1970's and 1980's (10% of GNP) to around 25%, in 2004, due to peace conditions and investment in infrastructure mega projects etc.

Secondly, agriculture's contribution to GDP dropped significantly from 35% in the 80's to about 20 to 25 % at the beginning of the new century. In 1990 the relative weight of services surpassed that of agriculture and from 2000, onwards, industry's contribution to GNP superseded that of agriculture.

This drop in agriculture's relative weight, however, may not be attributable to a process of economic maturation of the economy in the sense, that agricultural inputs feed manufacturing and processing industries – a “normal” and desirable feature of developing economies. According to UNCTAD statistics, the labour force in agriculture as % of the total labour force is more than 80%, a share which only recently changed in favour of other sectors. Agriculture, though diminished in its weight in the economy, thus continues to provide the livelihood to a great majority of Mozambicans and to women in particular. They represent 70% of the active labour force in agriculture.

Thirdly, the long-term analysis of the economic data also confirms the economy's character as a **service economy**. The service sector, notably the railways and port systems used by neighbouring countries (see. section 2.3), have been dominating GNP with a weight of above 30% in the 70's and 80's, and has been climbing to more than 50% from 1994 onwards. The service sector's strong performance must thus however be attributed to the growth of the banking and insurance, telecommunications, as well as (air) travel, domestic transport and tourism.

Fourthly it is obvious from the analysis of economic data, that **hardly any industrialization** took place in the past 30-40 years, despite the mega-projects which came on stream at the beginning of the new millennium. In 2005, industry's and manufacturing contribution to GDP (including mining and utilities such as electricity production) with around 27% and 20%, respectively, remains at the same levels as in the 70's and early eighties.

Fifthly, the **economy remains open and import intensive** as demonstrated by the shooting up of imports of goods and services to up to 50% of GDP in the years after the civil war, levelling out and oscillating around 34% from 2000 onwards. Being an economy with a structural trade balance deficit since the mid of last century the picture remains pretty much the same until 2000, with exports of goods and services only reaching up to 12% of GNP, significantly less than the imports. Major export commodities, albeit in decline, are the “classical” ones, i.e. timber, fisheries, cashew and cotton, which face challenges attributable to overexploitation of resources (fish, prawns, etc. timber) and stiff international competition from major producers, together with volatile markets (cashew, cotton, sugar). Only with the coming on stream of major sugar plantations and the Mozal aluminum smelter after 2000 export figures increased dramatically due to aluminum exports to Europe and Japan. Mozambique's economy thus has maintained, over more than 35 years, its structural feature as an **extremely open economy**: Import and exports of goods and services reached 80% of GDP in 2006, making the economy extremely vulnerable to external price shocks both for her import of commodities (oil, food stuffs) and potentially her exports. But this openness, together with its relatively fragile territorial integrity also facilitates illicit trade and trafficking in drugs and people, and the operation of international criminal networks with alleged links to the political elite and business circles. In an index of organized criminal network perception (van Dijk, 2007: 47), Mozambique, together with Albania, Angola, Haiti and Nigeria are said to hold top ranks. From a scientific point, however, there are questions as to the construction, frequency of measurement and information sources of that index.

Finally, Mozambique's economy continues to be **structurally dependent on foreign aid**, with a particular surge of aid intensity (aid inflows as measured as % of GNP and of imports) from the introduction of PRE in 1987 onwards. According to OECD-DAC and other figures, cited by de Renzio / Hanlon, (2007: 2f) Official Development Assistance (ODA) oscillates between 20 and 30% of Gross National Income between 2000 and 2004, and donor aid contributes to around 50% of the recurrent budget during the past few years. This makes Mozambique "the world's eighth most aid dependent country, with an aid to GNI ratio which is four times the average for sub-Saharan Africa" (de Renzio / Hanlon, 2007:2). And it contributes to maintain Mozambique's political economy as one "of rent-seekers, from government to NGOs, from civil servants to partners in investment" (Castel Branco, personal communication).

1.4. Taxation

The following table gives an overview on the structure of taxation for the period 2005 to 2008.

	2005	2006	2007	2008
	%	%	%	%
Fiscal Revenue (total)	100	100	100	100
Income tax	26.4	28.7	33.2	36.3
enterprises	8.9	11.5	15.6	17.7
individuals	17.3	17.1	17.4	18.4
special tax / casinos	0.2	0.1	0.2	0.1
Tax on goods and services	66.7	65.4	61.6	59.2
VAT	40.7	42.4	40.5	40.0
domestic transactions	15.9	16.7	16.5	17.5
imports	24.8	25.7	24.0	22.5
Tax on special consumption				
- national origin	5.9	5.1	4.8	5.1
- imported products	3.4	3.1	2.6	3.1
Excise tax on foreign trade	16.8	14.8	13.7	11.1
-customs levies	16.6	14.7	13.9	11.0
-other levies	0.1	0.1	0.1	0.1
Other	9.6	5.9	5.3	4.5

Source: Autoridade Tributaria

The table demonstrates that the relative importance of the income tax is increasing, whereas the VAT yield remained more or less constant, and the weight of the customs revenue decreasing. But the relative weight of indirect (consumption) taxes (with their largely regressive effects) is considerable higher than that of taxes on wealth (income). It is also noteworthy, that, regarding income tax, the individuals had a significantly higher fiscal burden (income tax) to bear than enterprises.

The following table gives an overview of the contribution of revenue to the GDP.

A look at the table shows that own revenue as % of GDP is presently around 16.5%, with a projected increase to 18, 6%.

The ten year period before (after the 1992 peace Agreement) already saw a constant increase, namely from 9.9% (1996) to 13, 8% (2005), or, annually by 0.32% on average, with the major source of tax revenue at the time being indirect taxes on goods and services (VAT). However, Mozambique's revenue share of GNP is presently well below that of comparable low income countries in the region, such Malawi (18%) and Zambia (18%).⁴ The government has announced that it has

	2005	2006	2007	2008	2009	2010	2011
Total Revenue	13.8	15.7	16.6	16.4	17.3	18.1	18.6
Recurrent	13.2	15.0	15.7	15.6	16.5	17.6	18.1
Fiscal revenue	11.2	12.5	13.5	13.5	14.0	15.1	15.5
Income tax	2.9	3.6	4.5	4.9	4.6	6.2	6.3
Tax on goods and services	7.5	8.2	8.3	8.0	8.5	8.1	8.3
other	0.7	0.7	0.7	0.6	0.8	0.8	0.8
Non Fiscal Revenue	1.0	1.4	1.2	1.0	1.0	1.3	1.3
conditioned revenue	1.0	1.0	1.1	1.1	1.6	1.2	1.3
Revenue from capital	0.6	0.8	0.9	0.7	0.8	0.4	0.4

2005-2007: national accounts
2008: Budget execution
2009-11: Mid term Fiscal Scenario
Source: Autoridade Tributaria, 2009

⁴ All data for 2007, source: various IMF reports.

targeted to raise the % to above 20 %, by within the next three years, to be in line with SADC average standards. Looking at countries notorious for rent seeking, Mozambique's tax / GNP ratio is rather in the range of the Philippines under Marcos (12%), and below that for Indonesia under Suharto (19%), but well above Nigeria under Abacha (7%) (Grzymala-Busse, 2008:655).

Apart from the aid rent, which subsidizes quasi automatically the annual budget to the tune of 50% of recurrent expenditure, one other reason for the low ranking is in the fragmented system of collection and administration of taxes, which, similarly to the justice or banking system, does not cover the whole country, the absence of a fiscal and tax policy politically negotiated with major societal stakeholders, and finally, an only very incipient system of intergovernmental fiscal relations.

It is estimated, that the direct taxation of five Mega Projects (including Mozal, Sasol-gas, Kenmare heavy sands) would increase the tax yield by 60% and would catapult the percentage of tax revenue / GNP from 15,7% (2008) to more than 20% , from 2012 onwards. It is estimated, that the additional net contribution to GNP through taxation of megaprojects would rise from 1, 7 % (2009) to more than 5% (2012). After 2012 the additional annual revenue from megaprojects would be around 6 % of GNP, or between \$40-50 million per year. Under the assumption, that petroleum is discovered, potential oil revenues are estimated to be around \$160 million per year by 2017 (personal communication; see also: Bucuane, Mulder, 2007)). In the long run, domestic revenue may even have a more steady growth than expenditure, especially if all the major investments in hydro-electric power, coal, and other mineral resources are captured by the medium term fiscal projections (*Cenário Fiscal de Médio Prazo-CFMP*) and subjected to taxation, - and, if oil is discovered in Mozambique. This would certainly put the Government in a very comfortable position, since in such a scenario domestic revenue will dwarf the present level of aid inflow, under the assumption, that the latter remains unchanged over the next 10-years and that all revenue from mega projects and investments in the mineral and energy sectors are, in fact, taxed. It is estimated, that under such a scenario, domestic revenue may, from 2015 onwards, be twice as high as the present level of aid. With other words, the present aid rent could be more than substituted by a resource rent. It is obvious, that such high levels of revenue potential pose major challenges to responsible, transparent and accountable management.

In the expectation of a boom of the mineral and energy –based economic dynamic with high propensity to the generation of rents on the one hand, and increased concerns of major donors aligned via the Paris Declaration about poor governance and increasing corruption, the Government of Mozambique has already taken an important step in declaring, in principle, its wish to adhere to the Extractive Industries Transparency Initiative Plus (EITI++). To this effect, a scoping mission led by the World Bank was received end of September / beginning of October 2008, and an aid memoire signed. EITI++ represents a comprehensive, holistic approach to the value chain of extractive industries (mining, oil, gas), i.e. from the exploration and extraction via the transparent management of resources to sustainable development. The scoping missions team found conducive pre-conditions for the EITI++ approach in Mozambique, identified gaps (mostly in the field of institutional and individual capacity), and highlighted challenges in the following areas, mainly in the field of governance, taxation and fiscal administration, which are shared by members of the Mozambican civil society (Mosse, Selemane, 2008). These are:

- Environmental and social regulations and compliance;
- Tax collection and audit capacity;
- Transparency and accountability;
- Revenue management and distribution;
- Regional infrastructure planning.

1.5. Rule of law

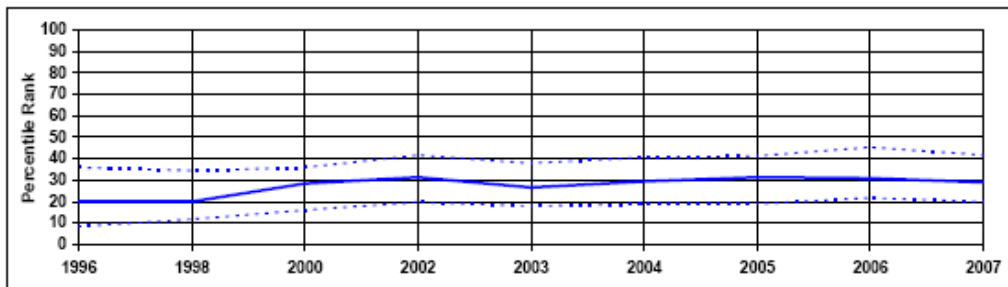
With regard to the **judiciary** (system and specialization of courts and justice system) there was a definite and revolutionary break with the colonial past, at Independence (introduction of “peoples power”) and, in particular in 1978, when peoples’ courts were introduced, across all levels of the territorial administration, i.e. from central via provincial to local level (Trindade, Pedroso, 2003). Yet, these “community courts”, as they are referred to nowadays, estimated to number 1500, were not recognized by the “Organic Law on Judicial Courts” (Law 10/92 of May 6th) passed by the one party parliament in 1992. Eventually this happened through the new Law of the Judiciary Organization (Law 24/2007 of August 20th), which replaces the 1992 law.

However, there are structural impediments of the justice system impacting on a generally recognized weak performance, which have to do with a high degree of centralization of institutions and judges in Maputo (e.g. there is not yet any Labour court outside Maputo and in 2003, 50 districts do not have a court at all (Trindade, Pedroso, 2003:271), and a widespread lack of judges, attorneys and defense counsels. Other risks are a widening gap between enacted and applied legislation, little transparency in the collection and administration of own revenues levied by the courts, the widespread corruption in the sector (Mosse, 2006) epitomized by the popular saying “*why should I contract a defense lawyer if I can buy a judge?*”. Interference and abuse of power by the executive concerning “non-compliance with court rulings and interference in investigations and prosecutions do occur, as the case of the trial of the murderers of journalist Carlos Cardoso dramatically demonstrated. But, according to insiders and studies on the “profile of the judge”, it is the lack of internal independence of judges rather than outside interference which is a major constraint of the judiciary.

Despite substantial reforms, and radical improvements in the justice sector, especially from 1990 onwards, it remains institutionally weak and fragmented, lacks political will and the necessary decisions concerning resource allocation and budget execution, and, despite improvements, does not always follow a strict separation of executive and legal powers, especially at central government level. Moreover, “courts are not a reality for a large majority of Mozambican citizens” (OSISA, 2006:23), who rely on the informal justice sector, notably the community courts, traditional authorities, religious institutions etc. for the resolution of their legal disputes and the dispensation of justice (Santos, 2006). Moreover, a very strict interpretation of the principle of separation of powers renders the courts and the judiciary in general unaccountable to the citizens.

Consequently it is not surprising, that the state of rule of law is still critical in Mozambique as illustrated in the chart below, covering assessments from the last 9 years. Rule of law has stagnated in the 30th percentile, of the rank, which denotes a very low institutionalization.

MOZAMBIQUE, 1996-2007
Aggregate Indicator: Rule of Law



Source: Kaufmann, Kraay and Mastruzzi (2008).

1.6. Decentralization

A radical decentralization programme emerged within the context of the Rome Peace negotiations, without, however, being explicitly reflected in the peace agreement. As the then Minister of state Administration, part of the Frelimo delegation at the peace talks put it: “ *whenever we [Frelimo] are in trouble, we discover the merits of local government*”⁵ The 16 year internal war triggered by external aggression had dramatically taught the ruling party that it and her state resources (administration, police, military) were largely insufficient to control the vast national territory and its people, or preventing a “roving bandit” (Olson), i.e. the externally supported Renamo rebel movement from doing so and thus challenging Frelimo’ s monopoly to extract tribute, resources and political loyalty.

1.6.1. Devolution via municipalization

The decentralization project, defined as a piece of legislation approved by the then One Party parliament in 1994, initially foresaw a radical devolution approach for both 23 urban centres and the 128 districts, which would have resulted in the gradual implantation of relative autonomous local governments with elected leaders, an executive organ and legislative assemblies (Law 3/ 1994). The results of the first multiparty elections, with a strong showing of the former rebel movement-turned party in central and Northern Mozambique, together with fears of territorial fragmentation after the civil war led to the adoption of a hybrid model combining devolution and deconcentration (Fandrych, Weimer, 1999, Weimer, 2000b). This is enshrined in a constitutional amendment in 1996 (law 9/96, of 22nd November), and maintained in the 2004 Constitution. It led to a law package defining the legal parameters of decentralization in 1997 (partially reviewed in 2008 with regard to fiscal autonomy) and the creation of 33 municipalities (plus another 10 in 2008). Municipalization now covers all major urban centres and gives about 30% of the population the right to choose their local leader through the ballot.

The first municipal elections were held 2008, in which Frelimo won all municipalities (mayors and Assemblies), due to an election boycott by Renamo. In the 2003 elections Renamo won the mayorships in 5 municipalities (Beira, Marromeu, Angoche, Ilha de Moçambique, and Nacala) and the majority of Assembly seats in all of them except Marromeu. The 2008 elections saw Frelimo victories in all municipalities, except for Beira, where one of Renamo’s dissidents, Deviz Simango, won with a great majority.

⁵ Interview with the author

Voter participation increased steadily from a very low 15% in the first round of elections in 1998, via 24.16% (2003) to 42 % in the 2008 elections.

1.6.2. Deconcentration: the local bodies of the (central) state

Once the municipalization process had become under way, the 10 provincial and 128 districts governments, which had remained under a system of administrative subordination to central government in which senior officials are appointed by central government, received a new legal institutional framework – of, technically speaking, “administrative decentralization of deconcentration. In 2003 the Law on Local Organs of State (LOLE - *Lei dos Órgãos Locais do Estado*, 8/2003) and subsequent regulations *Decreto 11/2005*). LOLE defines “local administrative units of the State” (*Órgãos Locais do Estado*), as Localities, Administrative Posts, Districts and Provinces was promulgated. It and bestows a degree of administrative autonomy on them, without relinquishing the principle of subordination under central government.

Some significant changes were introduced, notably the recognition of the District Government as a legal entity, the designation of districts as planning and budgetary units (without, however, disposing of their own budgets and thus still depending on allocations from central government and line ministries, administered by the Provincial government). The recognition of district development plans integral part of the Mozambican planning system, the institutionalisation of community participation through IPCCs, i.e. a system of consultative councils and the functional reorganisation of provincial and district governments are further new elements of this framework.

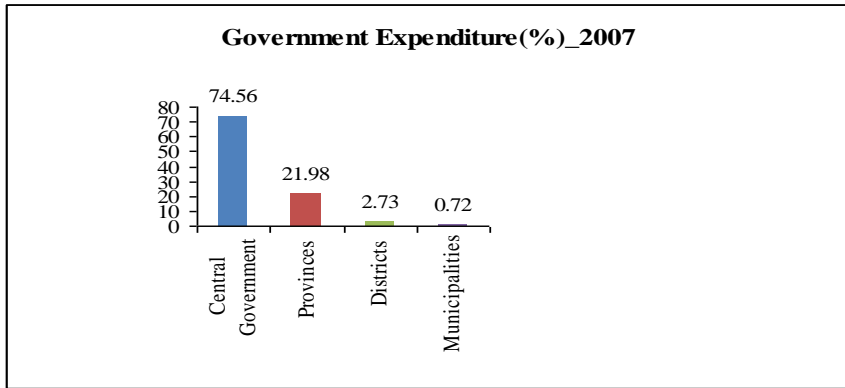
In the context of the districts becoming budget entities, a budgetary allocation of approximately \$300,000 per district across the board for infrastructure projects was made for the first time in 2006. Such projects have to be prioritised through a participative planning process and approved by District Consultative Councils. The use of this budgetary allocation, known as OIIL (*Orçamento de Investimento de Iniciativa Local*) has been reoriented to support local economic development activities contributing to increased agricultural production, job creation and income generation (instead of investment in public infrastructure) at district level (UNDP, 2009)

In conclusion one may observe that the Mozambican decentralization process, top-down as it has been installed, faces considerable risks and challenges. To name but a few I would like to point out the following:

- The inexistence, until now, of a clear decentralization policy cum strategy exists, e.g. in the form of a government white paper, which would define the strategic objectives, benchmarks etc. and , above all, operationalise the term “gradualism”, i.e. the increase of both the number of municipalities together with their functional responsibilities and resource endowment.
- The inexistence of a sound date base, including on intergovernmental fiscal relations makes monitoring of the decentralization process impossible;
- The definition of the volume of resource for OLE’s is of a discretionary nature, decided upon by the government of the day, without legal entitlement by the recipient districts. A revenue sharing formula with institutional-legal anchorage, e.g. in the constitution, both for OLEs and municipalities is yet to be put on the political agenda.
- The functional competencies and tasks attributed to both municipalities and OLEs is not matched by adequate resources; “finance does not follow function”, as the following graph demonstrates for 2007:

Diagram: Government Expenditure in % (2007)

Source: Boex et al, 2008.



- The municipalities underutilize their own resource potential; most of them have not made any investment in better exploring their resource base, e.g. through taxation of property and urban land;
- There is a clear risk of “decentralized corruption” both in municipalities (market fees) and in the districts. Scant evidence suggests, that the investment fund for districts (OILL) is used to extend patronage and clientilism along party political lines, and to circumvent priorities defined by the District Development plans elaborated with the inputs of the IPCCs (Forquilha, 2009).

Despite these considerable risks, decentralization in Mozambique has considerably changed the political and institutional landscape. Electoral democracy and some degree of participatory planning has been introduced in the municipalities, some of which have demonstrated that local regime change, as well as better delivery of services is possible, against all odds. And the districts neglected during a long time, have caught the attention of policymakers, practitioners and local civil society community groups, turning them into an arena of subtle struggle and negotiations, and as such laboratories for local change and local governance. Some stakeholders have come out to demand not only better resource endowment and service delivery, transparency and more voice, even the introduction of election for the district councils. The ongoing local government reforms have thus highlighted the question of inclusiveness versus exclusiveness of the (local) political economy, an issue identified as “historical battleground” (Galli, 2003) between government and the people, and as a realm in which “state’s space and a people’s space” coexist, interact and clash with regard to economic basics, i.e. land, agricultural / rural and good governance.

With this diagnosis of the problems associated with of state formation in Mozambique we now can reframe the question raised at our point of departure: can decentralization make a difference and under what conditions?

In order to answer this questions, I will review, in the next chapter, some relevant literature, first, on what is referred to as “stateness” (Bratton, Chang, 2006), on the role of taxation for state building and on “signposts” (IDS) towards a more democratic developmental state. In the second part of this chapter, I endeavour to address three issues related to decentralization, namely, local governance, relations between central and local state and, finally, aspects of local economic development. Other important aspects, e.g. the effect of the Paris Agenda on state building and decentralization will not be dealt with in a systematic manner.

2. State and decentralization - Some theoretical considerations

2.1. State in Africa: “stateness”, taxes and perspectives under conditions of heterogeneity

From the a vast body of literature on the state in Africa, which looks at territorial (Clapham, 2003; Herbst, 2000), institutional/ legal (Jackson, 1993), economic (Bates) , democratic, (Bratton, Robinson, White, 1998), and other features, looks at the relationship between state and citizens (Madman, 1996) , and discusses the conditions of consolidation or failure of or a mix of those, I would like to briefly examine and review three interrelated aspects deemed particularly relevant for our topic: relationship between state-building and decentralization. In doing so, I will largely ignore the theorizing and debate on the African neo-patrimonial state⁶ as well the literature on transformation towards a democratic developmental state with a functioning market economy (Robinson, White, 1998,) , as well as attempts, e.g. by the BTI, to measure and compare such transformation. Instead I select some few elements of these debates, deemed relevant for our subject, thus focussing briefly on the relationship between state building and democracy, the issue of “taxation for state building” and, thirdly, on other important “signposts” for the consolidation of the African state, otherwise characterized as fragmented, under-structured.

The first aspect is related to what Bratton / Chang (2006) refer to as “**stateness**”, which according to their analysis- based largely on data provided by the World Bank Institute and Afrobarometer, can be summarized with the following three key aggregates:

- a) **Scope** of the state, i.e. coverage of territory by administrative authority and public services;
- b) Its **capacity**, including means of state agencies to execute their assigned tasks , deliver public goods and services (welfare capacity), the capacity to respond to needs of their citizens, including development, administrative and enforcement of law;
- c) State **legitimacy**, i.e. the acceptance of citizens of the jurisdiction and acts of the state and those of its agents, the prevalence of the rule of law and commitment against corrupt practices.

Their study is interesting and relevant not because it confirms the widely held perception, that Africa, in comparative perspective, has weak, “under-structured” states and is poorly governed⁷, but because the authors draw our attention to two conclusions, relevant to our context: Firstly, Rule of Law, i.e. institutional protection against abuse of power, and capacity to enforce law is the single most important variable for successful state building. And, secondly the investment into democratization is positively correlated with state consolidation and vice versa. With other words: democratization without a sound state base (“backward democratization”) is unlikely to strengthen weak African states, and states are unlikely to provide a stable, durable order, unless they are democratically legitimized. According to Bratton /Chang, the key to success is the rule of law: “only if a state can regulate conflict within its borders, protect the citizenry from criminals, and turn back illegal challenges to elected rule, will people be inclined to conclude that democracy is being supplied” (Bratton, Chang, 1081).

From such a perspective I would like to pose to us three questions for reflection, on issues, only scantily or not at all dealt with by the cited authors, but relevant for our topic. I will only attempt to provide an answer to the third question, simply because I do not have sufficient elements for an answer for the first two, leaving them open for our discussion.

⁶ For a good summary on relevant literature, see Cammack, 2007, Erdman, Engel, 2006

⁷ Notable exceptions of “good quality states” are: Botswana, Cap Verde, Mauritius, Namibia and South Africa; Bratton/Chang, 2006: 1066.

The questions are:

- What is the role of local government in state consolidation, i.e. in the logic of Bratton / Chang as elements of provision of the rule of law and democratization across the territory of a given country? Are local governments conceptually covered by the notion of “scope” of the state, and “state effectiveness”, and if yes how? And: in which way can the logic of the mutually reinforcing relationship between state building and democratization be extended to the sub-national level?
- How do we perceive and conceptualize “rule of law” in a setting prevalent in many African countries, characterized by legal and institutional plurality and fragmentation (Santos, 2006; Singh, 2007), and under conditions of poverty? According to Hyden (2007) political order and justice systems are inherently quite fragile. Justice is “based in reciprocity, not on impartiality”: it “is understood as the right of one actor...to pursue its ideal interest in competition to others, on a common understanding of the moral limits of that pursuit” (Hyden: 2007:218). But, according to this author, the notion of right or wrong, of moral limits is blurred, often as a result of “*glocalization*”, urbanization and erosion of tradition. There is a crisis, if not breakdown of ethics and morality which manifests itself in “debauchery” and “big bellies” as status symbols (Hyden), and popular justice (lynching), and desperate believes, that the wealthy aim at exterminate the poor by poisoning sources of water, imprisoning rain (Serra, 2003) and fighting the poor instead of poverty.
- What is the role of taxation in state building?

Coming to the **second** set of issues and in trying to provide an answer to the last question, one must refer to, as already mentioned, to the historical absence, in Africa, of the equivalent of the European **tax state** together with a economic and political order that provided an enabling framework for the state and government to interact with its citizens (voters, tax payers, clients, major stakeholders). In Europe, such a framework proved to be essential in discussing and resolving matters of public interest (war and peace, the production, provision and distribution of public goods and services, strategic investment), and the financing for it through taxation and levying of fees. This is not to say, that pre-modern African states, culturally and ethnically diverse, had no systems of collection of tributes and taxes (Grillo, 1998: 27 ff). Moore has enumerated the key factors the absence of which cause “poor governance” in contemporary African states (Moore, 2001). One, if not the single most important on is the dependence of African states on “unearned revenue” (Moore, 1998) in the form of strategic rents (including aid rent) and / or rents from natural and mineral resources. Another is the weak tax administration prevailing in many African countries.

If we define the modern (European) state, with public finance at and budgeting process at its core as an exercise to transform and redistribute private wealth, (via taxes) into public wealth (via expenditure), we must, in the case of the African state, also consider the opposite: the transformation and re-distribution of public wealth, i.e. land and maritime resources into private wealth (via embezzlement, corrupt practises and outright stealing. Olson’s theory of “power and prosperity” (2000) focussing on the “resident bandit” with no or little encompassing interest and benefitting from privatization processes in colonial and post-socialist transitions has, in my view, considerable explanatory power in the case of Africa. The popular Mozambican equivalently to Olson goes: “the goat is eating wherever it is tethered”, not distinguishing between private and public private food. In this his way, “Africa works” (Chabal, Daloz), indeed, in a double way: state construction through taxation and occurs, on the one hand, and simultaneously the deconstruction of the state, through the appropriation of the benefits and assets of the “civic public” (Ekeh, 1975) by the (educated) elite of the ruling party, government and bureaucracy and military on the other. The state is being privatized, to varying degrees (Hibou, 2001). Already in 1975, Ekeh analysed the mechanisms used by the

educated elite to redistribute and thus privatize wealth from the “civic public” i.e. the modern state institutions, to the “primordial” African public constituted by African social and kinship relations (Ekeh, 1975). A recent interview with a senior personality of the Mozambican establishment, closely linked to the ruling party confirmed Ekeh’s reasoning. Corruption is seen as a legitimate way of redistributing wealth from the public to the private sphere⁸

Reflecting about the relationship between private and public sector we may keep in mind, that Africa does not have, by and large -for reasons I will not touch upon- a consolidated, bustling and competitive private productive sector based on small and medium sized enterprises, whose wealth and turnover could be taxed and transformed into public wealth, notable exceptions notwithstanding. Further, in my view, the distinction between private and public sector, so highly cherished by the Bretton Woods institutions and donors, is merely an academic one, since the same political power elite in many African countries dominate both the “private” and “public sector, in general, and big business in particular.

Nevertheless, taxation, orderly budgeting processes and fiscal administration in line with modern approaches to public finance do take place in Africa, and in particular those countries that subscribe to the principles of Paris Declaration and thus receive Direct Budget Support (DBS) Subscribing its principles and procedures, African governments committed themselves, to some extent at least to put their public finances in order, putting donations and revenue from various other sources increasingly “on-budget” making them more transparent, and increasingly subjecting them to scrutiny by auditors and parliaments. Increasingly national systems of budgeting, public accounting and accountability mechanisms are used for the international assessments within the Public Expenditure and Financial Accountability (PEFA) framework, with the donors ready to “align” and “harmonizing their procedures and cycles with the national systems (CABRI, 2008.). In the overall picture of the African state with its dominant patrimonial and clientelist features there seem to be some islands of fiscal and budgetary rationality, rigour and transparency, associated with a Weberian logic of legal-rational bureaucracy, a logic or even a “subsystem” re-claimed for the (re-)conceptualization of African neopatrimonial state (Erdman, Engel, 2006).

It is there, in the field of budgeting and taxation where Moore and others (see an important building block for the construction of a modern state, or what Moore / Fjeldstad refer to the chance of “taxation for state building” (Moore, Rakner, 2002; Fjeldstad, Moore, 2007). Departing from the premise that, regarding total tax revenue, the global tax reform agenda driven by the Bretton Woods institutions and professional associations of fiscal specialists has, so far, “failed the poorer countries” (Moore / Fjeldstad; 2007:6), these authors make some concrete policy suggestions which help the operationalization a new “taxation for state building” agenda. These include:

1. A shift in taxation , towards
 1. the informal sector
 2. income tax
 3. urban property tax
2. introduction of simplified approaches and IT
3. improved tax administration with wider coverage;
4. the establishment of an autonomous revenue authority , and
5. The engagement state-society around tax and budgetary issues, including monitoring of revenue and spending.

⁸ Interview with Padre Filipe José Couto, Rector of the Universidade Eduardo Mondlane

A recent comparative longitudinal study on the relationship between state building and taxation provides statistical evidence for a positive correlation between taxation and democratization, when taxation is linked to the provision of adequate and commensurate public goods (e.g. rule of law) and basic services (Ross, 2006: 247). These findings are supported by other empirical evidence which stress the importance of a shift from indirect taxes to direct taxes (on income, land, property) and negotiated social-fiscal relations for the building of accountable authority (IDS, 2006: 11ff). These conclusions have tremendous political implications both for aid-financed public services (via DBS) and for private public partnerships, in which a major investor covers the financing of social services (schools, health posts etc.). Since these transfers to the budget, respectively "in kind" donations (off budget) are not reflected in the price (tax) the citizen has to pay for government services, he / she is kept under "fiscal illusion" about the real cost of the production and distribution of such goods and service. Thus,

" measures that help authoritarian governments lower the price of government services will, *ceteris paribus*, tend to have anti-democratic effects; policies that force them to raise the price of government services will tend to have pro-democratic effects. For example, programmes that extend subsidized loans to authoritarian governments should tend to retard democracy, by dropping the cost of government and reducing the democratic pressures the regime would otherwise face". (Ross, 2006: 247).

We can see, that DBS may be a double-edged sword: on the one hand, it forces African governments to improve budgeting, accounting, transparency and accountability, -all important elements for better governance and for state consolidation via orderly budget cycles (Moore: 1998). On the other hand, DBS may retard democratization, not only because of the fiscal illusion under which the citizen remains with regard to the price (tax) for public goods, but also because DBS mechanisms tend to exclude the national taxpayer and other important stakeholders from the accountability procedures ("Joint Reviews") established between governments and donors. With other words, African governments remain more accountable to donors rather than to their own citizenry (Eurodad, et al. 2008).

Nevertheless, even if one questions the difference, which the Paris Agenda and DBS may make to the present plight of the African poor (Hyden, 2006), and criticises the shift of government accountability away from domestic constituencies towards donors, one needs to recognize the element of state building (via budgetary processes), with a Weberian element, which the Paris Agenda has brought about.

This recognition, however, has, in my opinion, not (yet) been sufficiently broadened to include local government budgetary processes (including regarding the potential democratization effect of local taxation), neither academically, nor institutionally. Is Hyden's general claim valid that political decentralization is hampered by small local revenue basis, high cost of exploring it and dependence on block grants from central government, cementing political patronage relations (Hyden, 2007: 219), or are there notable exceptions?

It is difficult to see, to what extent sub-national governments benefit or not from the Paris Agenda and DBS. We lack both institutional as well analytical and conceptual frameworks for including sub-state levels budgets in the analysis and evaluation of overall budgetary and accountability processes as well as research to substantiate our musings on taxation and budgeting for of state building at local government level.

A **third** element for I like to select for the discussion is the strategic and policy of how state building (and decentralization) is possible under conditions of fragmentation, heterogeneity (Santos) and hybrid forms (Diamond) of “stateless”, in vast and thinly populated areas (Herbst). With other words, the question is under which conditions can the cultural, institutional, ethnical etc. diversity and heterogeneity characteristic of African polity be used as a point of departure and given an institutional and spatial structure, so that the “shell” defined and maintained as “sovereign state” by international law based on a Westphalian order (Herbst, 2000) is filled with political, democratic and economic substance, also at sub-national levels?

The recent comparative study entitled “Signposts for effective states” (IDS, 2005) gives some strategic and policy orientations, almost all of which reflect research results garnered from experiences at sub national levels, i.e. provincial and local government level in countries such as Brazil, Ghana, India, Mexico, Pakistan and South Africa.

The authors admit that the emerging picture is “messy, bitty, and often hard to interpret.” Nonetheless, it shows that unconventional, often informal arrangements are emerging – for service delivery, or political representation, “which deserve to be taken seriously because, however imperfect in a normative sense, they work and may offer the best available solution for the time being” (IDS, 2005; 45).

Salient features of this picture are (IDS, 45 ff⁹):

- a) Effective public institutions are not, or with less prospects for success, created by public sector reforms and transferring models from rich to poor countries, “ but through a local political process of state - society bargaining” around common interests, and by “**finding a balance between state effectiveness and accountability**” in arrangements, which eventually become institutionalized;
- b) The historical quality of the relationship between rich and poor countries often produces and enhances poor governance, often associated with rent seeking. Hence there is a **need for a review of international relations** with regard to trade, business, investment, aid and foreign relations (see also; Calderisi, 2007)¹⁰. .
- c) As argued above, **taxation matters**. It may serve “as the basis for state-society engagement” and play a role in the forging of a “**fiscal social contract** in constructing new relations of accountability, based not on patronage but on mutual rights and obligations;”
- d) The state’s central role in “**creating incentives and opportunities for different groups to mobilize**” e.g. in the sense of participatory approaches to planning, design of policies etc;
- e) **The re-conceptualization of civil society**. This implies not to perceive it “as an autonomous sphere which should be ‘strengthened’ to put pressure on the state, but as a collection of interest groups that are themselves reliant on having effective state institutions in place, and which form and re-form in response to state action – and inaction” (46).

These conclusions have far-reaching implications for our perceptions of states and their political economies, or, with other words, the relations between state, the market and the citizen. The predominant, Eurocentric perception of that relationship, specifically in the conventional theory of public finance (Musgrave, 1959)” is that of a juxtaposition or dichotomy between the state (as taxing

⁹ All emphasis is mine

¹⁰ The “power and change analyses” of more than 30 partner countries commissioned by of the Dutch government, using a specific methodology (Strategic Corruption and Governance Assessment- SCAGA) is a systematic and practical consequence of this insight;

and service providing entity in case of market failure, externalities and phenomenon of free riders) on the one hand and the market and citizenry understood as tax citizen, voters, private entrepreneurs and consumer of public services and goods, on the other.

According to the conclusion of the IDS study, this perception, -a “disjunctive vision of the political economy” (Wagner, 2007) - is in need of review and eventual substitution, particularly in Africa, by a “conjunctive vision”. In this vision, the state is not a “sentient being that intervenes in the market but rather an institutional process or forum within which people interact with each other” (Wagner, 2008:14). And the state, weak, heterogeneous and hybrid as it may be in Africa, may not even be the single most important actor on whom depends the provision of services and goods (or not), but, at its various levels and in various “public arenas” complements, competes and interacts with other local, national and international players (private sector, ONGs, multinationals etc. which make up the institutional heterogeneity alluded to above.

Especially in decentralized settings and local arenas, the abstract state may, according to this author, also gain a “human face” because “...only people can allocate resources, and they do so within an institutional framework that constrains, facilitates and channels those efforts” ... “The state is simply a nexus of contractual and exploitative relationships in which everyone participates to varying degrees, even if not always willingly, The extent to which those relationships are contractual or exploitative depends on the constitutive structure of governance that is in place” (Wagner: 2008: 17).

2.2. Decentralization for state-building: local governance, relations centre periphery and local economic development

In this chapter, I would like to address three issues. Firstly, and very briefly, the types of decentralization approaches and their relevance for the study of state building from bottom up. Secondly, I would like to draw our attention to the innovative work of Boone, as I think it is relevant for our context, namely understanding of decentralization as a process of state building in which centre and periphery interact, negotiate and struggle over resources, institutions and politics, and as a process which works both ways: bottom up and top down. And thirdly I would like to explore the relevance of the economic geographical theory of “organized central place structures” [Zentrale Orte] (Christaller, 1933) for informing decentralization processes aimed extending the state across its territory and getting a local dynamic of economic development into place.

To start with, we need to recall, that decentralization is not an end in itself, but a means for something. With other words: it has political and economic causes and motives and thus an instrumental character with regard to an overall political, economic, social, fiscal or territorial objectives. The literature reviewed by Manor (1999) and others (Cheema/ Rondinelli, 2007) suggests a number of purposes which decentralization may have, from conflict resolution, to the effective allocation of scarce resources (Bailey, 1999: 18f), the effective provision of public services and pro-poor infrastructure (Wekwete, 2007), the strengthening of (local) democracy, improved local governance and accountability (Olowu, Wunsch, 2004). Thus, in my view, different from that of Olowu/Wunsch, who explicitly discard in their illuminating book the analysis of the “political will” of politicians at central government level (Olowu, Wunsch, 2004: 3), it is most important to understand the teleology of decentralization as well as the motives and driving forces of the political at the power centre of a given state, which pursues decentralization strategies. What do government leaders want to achieve with their rhetorical and material commitment to decentralization? What is their vision and doctrine of the state and its political economy they govern and control? What inspires their mandate to decentralize?

The types of approaches to meet the varied objectives obviously also will vary with the latter. Scholars have alluded to the problem that “one size may not fit all.” The literature distinguishes often different “ideal types” of approaches, which Manor (1999) has boiled down to three:

- Deconcentration or administrative decentralization
- Fiscal decentralization and
- Devolution or democratic decentralization

As we have seen in the case of Mozambique, different types may exist simultaneously in the same country, as well as their variations (Boone, 2003: 330). In reality, the three ideal types are, of course, not mutually exclusive, and the introduction of one (e.g. deconcentration) may be seen as a first step in a sequential trajectory in which the other types gradually follow. For practitioners, and particularly for donors supporting decentralization, the choice of mix and sequencing is a function of overall political objectives, such as political stability, democracy or economic development (USAID, 2007:9).

The concept of “local governance is a relative recent one. Olowu / Wunsch (2004) define it as

“self governed process through which residents of a defined area participate in their own governance in limited but locally important matters; are the key decision makers in determining what their priorities are, how they will respond to them, and what and how resources will be raised to deal with these concerns; and are the key decision makers in managing and learning from those responses. Representatives of local residents may... perform these functions, but they remain accountable to the local regime through procedures specified by law. . Their choices and limits are structured through rules determined by the larger political systems of which they are part. Thus intergovernmental relations are a key factor affecting the nature of any governance regime. (4).

Crucial success factors for effective local governance are (Olowu / Wunsch, 2004:255):

- a) Supportive national political context
- b) Effective system of intergovernmental relations
- c) Demand for public goods and social capital
- d) Well designed local government institutions
- e) Effective local governance

This concept is certainly wider than the concept of “democratic decentralization”, which may boil down to a workable electoral democracy without much of participation, accountability and resource endowment, factors which are included in the Olowu / Wunsch model. As such, it is, from my point of view, a useful concept in the context of state building from bottom up, because it entails most of the key elements distilled in the above chapter, notably, “stateness” (scope, capacity, and legitimacy), taxation, democratic participation, rule of law, accountability and intergovernmental relations etc.

However, in my view, it does not adequately reflect the latter in their dynamic, conflictual dimension, taking the larger political system and the limits it imposes as a given, even as “supportive. Thus I contend that the model epitomized by the above definition may adequately reflect the dynamics of local governance (especially since it also has a learning function), on the one hand, but not necessarily that of intergovernmental and centre-periphery relations on the other.

It is exactly the merit of Boone’s study to draw our attention to the dynamics, quality and conflictuality of the relations between the “local state” (Mamdani, 1996) and the central state. In this **second** step, I

would like to highlight some of her findings, which are relevant for the understanding and analysis of decentralization in Africa and in Mozambique in particular.

Her model of state-periphery relations in a given African state, which may vary across the territory and over time¹¹, is based on two *assumptions*. The first is that the political and material interests of the central state and its rulers are distinct from those of the local regional ones, when it comes to taxes, fiscal and other forms of autonomy. And secondly there is a variation of the strength (“groundedness”) and economic endowment of local and regional elites, as measured by their degree of “economic autonomy” producing either local “allies” (weak or strong) or “rivals” (weak or strong) (Boone: 2003: 29 f). These assumptions imply that core- periphery relations in states are shaped by competition, conflict and bargain, and are **not** the result of technical reforms or public choices.

Other (variable) *dimensions* in this bargaining process are, firstly, the spatial (geographical) concentration or deconcentration of the state apparatus, and, secondly, the extent of which government authority and prerogatives are devolved or not.

With these considerations the author constructs a model which has four variables, which I adapt here slightly for our present context. From the central state perspective the following criteria determine the quality of central-state intervention, respectively the decentralization options, which the central state has. These are (Boone: 2003: 33ff):

Option	Type of quality and relationship	Quality / Strength of local leaders
1	Power- sharing	Allies
2	Usurpation	Rivals
3	Administrative “occupation”	Weak, potentially useful interlocutors
4	Non-incorporation	Politically irrelevant

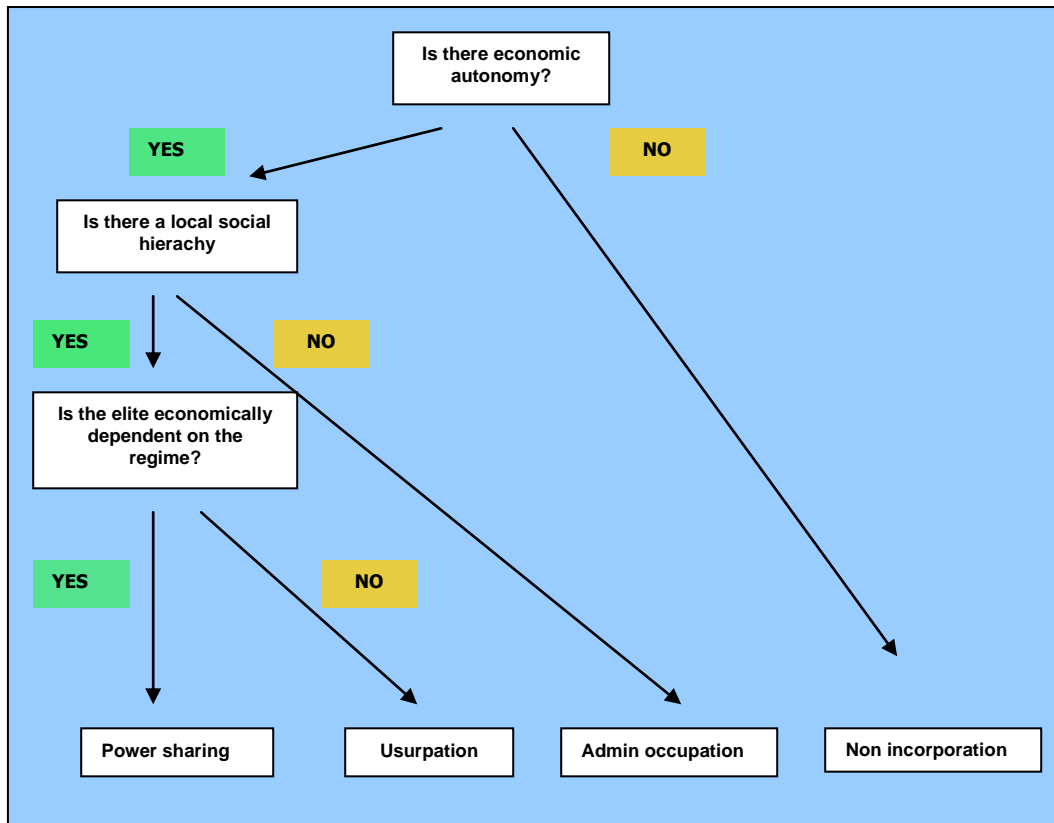
With other words, the central rulers employ different strategies of engagement with leaders / rulers of sub-national entities, depending on their material interest in sharing or not power and wealth, or, in Olsson’s terms, increasing or not their “encompassing interest.”

The central state thus has various options for decision making in decentralization available, varying with the relative strength / economic autonomy of the local state, i.e. district, municipality or province. The following diagram illustrates the strategic choices¹²:

¹¹ In her case studies, she the author finds a “continuous pattern” of institutional relationships and development rather than “ruptures” (Boone, 2003: 336). This in my opinion suggests the plausibility of Herbst’s argument, that in, Portuguese speaking Africa, towns and rural centres founded by the colonial state may provide entry points or important elements in the “broadcasting” of the state and its administrative a service provision functions across its territory.

¹² Adapted from: Boone, 2003: 37f.

Diagram: Determinants for strategic institutional choice



This model summarized and adapted here has, in my view, considerable explanatory power. In the case of option 1, the central state has nothing to fear from the local state and its leaders. In the case of Mozambique, it may explain Frelimo’s choice for withdrawing the devolution model from the districts after the 1994 general elections, which showed the opposition’s strength in rural districts in central and Northern Mozambique. At the same time, it explains corroborates the logic Frelimo’s choice of urban areas for municipalization: their electorate has been, with only little variations, more inclined towards of Frelimo.

The second option seems logical in case of the emergence of (potential) political or economic rivals at local level, which threaten the hegemony of the dominant party state. It triggers harsh preventive measures (“usurpation”), aimed at the displacement or up-rooting of the local elite. This may even take place under circumstances of deconcentration or even devolution, under which the central powers recentralize resources, prerogatives etc. Again, Mozambican provides an interesting case study. Not being able to contain the increasingly popular and effective leadership of the mayor in Mozambique’s second City, Beira, (of Renamo, and recently, after a split, with his own party, MDM), the central government resorted to all kinds of (“usurpation”) mechanisms to curb and limit - the mayor’s popularity and political success – in vain, as it were¹³. These included attempts to redesign and reduce the city’s territorial scope, the introduction of a “representative of the State” in the municipality, the transfer of administrative tutelage from the Minister of State Administration to the Provincial Governor,

¹³ Similar attempts were made in other municipalities, such as in Renamo governed Nacala and Frelimo-governed Maputo

and others measures. Even a partial electoral alliance with the opposition to prevent a victory of Beira's mayor in the 2008 elections could be observed.

The third option corresponds more or less to deconcentration. It implies a situation in which the state apparatus "is suspended above the local society" (Boone, 2003: 333), with a reluctance to further decentralize or devolve power, legitimacy and resources, in order to avoid the emergence of potential arenas which may "breed rivals". Thus, local governance, participation and accountability in the sense defined by Olowu / Wunsch are not really on the cards. In Mozambique, this is exactly the situation in which the OLEs at district (and sub-district) level find themselves at present.

With its capacity to analyse the dynamic dimension of centre periphery relations and its outcomes Boone's model complements the "local governance" approach presented above. It also has the merit to subject various types of "decentralization" in one country, and compare, for example, in the case of Mozambique, not only the dynamics of deconcentration and municipalization, but also municipalities / districts in their different settings of political topography with each other. It gives also clues to the conditions, under which "recentralization" occurs (Wunsch, 2001, Hutchcroft, 2001). And finally, the model allows conceptualizing what Fesler has termed "illusionary decentralization" (Fesler, 1965: 555): a de-jure decentralization, in which the centre remains will nearly all powers, resources and prerogatives.

A **third** consideration relates to the question of the consolidation of structures of a "local state" throughout a potentially vast territory, which provide basic private and public technical infrastructures etc. to the benefit of their populations, as well as their hinterland. According to what criteria should these be selected? What must be their minimum size and endowment with resources? What are infrastructural requirements for their interlinking by transport services, what potential do they have for poles and axis of growth and what is their profile with regard to relations (trade, migration, investment etc.) with the outside world including neighbouring countries?

Making use of the concept of organized central place structures ("*zentrale Orte*") theorized by the German economic geographer Christaller, in the early Thirties, such structures may be equated to identifying and investing in organized urban and semi-urban and rural central places (towns) with economic, political and administrative, judiciary, infrastructural functions. These centres, can be seen as hierarchically organized elements in the process of ordering (rural) space and thus extending functions of the state to local units (Christaller, 1933). They can be perceived as loci of a "decentralized concentration" of such functions, subject to efficiency and viability criteria such as territorial size, minimum population, demand for (public) services, accessibility, and relation to the hinterland etc. In general, these central places provide access for both agents of the state and the local populations to public as well as private goods and services, rule of law, information, technical infrastructure, transport links etc., otherwise not or not easily available, and / or concentrated in distant provincial and national capitals. Thus, the identification of such central places and the analysis of their potential should be part of the design and implantation of a decentralization strategy, since the urban areas depend on their hinterland (e.g. for aquatic resources, construction materials, etc.) as the surrounding rural areas equally depend on the urban centres for services, markets etc. As the experience of ECOLOC in West Africa shows, the approach to see urban and rural development not as separate, but rather complementary, interlinked realms with benefit for both and an ensuing dynamics of local economic development (Lynch, 2005).

3. Towards a conceptual framework for analysis and research on decentralization (in Mozambique)

3.1. Arguments in support of state building through decentralization

If we take into account a number of arguments arising from the theoretical propositions, studies and experiences reviewed in the previous chapter, we can construct a **compelling argument** in favour of an approach, which sees local governance and decentralization as a contribution to state building and consolidation. This is not to put in question the overall assessment, also in the case of Mozambique, that the central state, neopatrimonial in nature with its dominant party / class alliance controlling the political economy is, and will remain the major and strongest actor, despite its hybrid nature and institutionally weak underbelly.

The **first argument**, elaborated by Herbst and already emphasized above, is the need of African neopatrimonial state to project / broadcast its authority and functions into vast, thinly populated territories, even if only for the reason of controlling territory, resources and people.

The **second**, related argument is that the fate of the central state is also decided upon at local and or regional level. It is therefore in the self interest of the central state to engage sub-national levels in fostering and broadening loyal relationships, and where in doubt or not possible, to co-opt or usurp, local elites via different types of and approaches to decentralization.

Related to the previous point is the **third** argument advanced by the IDS “signpost” study cited above which suggest that state building in Africa is about striking a balance, at the different levels of the state, between “effectiveness and accountability” around common interest (IDS, 2005:). This balance results, according to Boone and others, from the political struggle and bargains between the holders of state power and resources on the one hand, and organized social groups, urban civil society, and above all the peasantry, on the other on the other (Hyden, 2006; Boone, 2003).

Process and results of these struggles or bargains are obviously not restricted to the capital or urbanized areas , but take place, in specific forms and intensities, across the vast territories in which state authority and possible conflict resolution mechanisms are distant or absent. The result may be internal strife and political violence, instability and failure of the political economy and the state. The internal war in Mozambique, triggered by external intervention (racist Rhodesia and South Africa) is a case in point. Thus, some degree of sharing of power, resources and economic benefit lies in the self-interest of central state.

A **forth argument** relates to the fact, documented in studies cited in this piece, that processes of decentralization and local governance, more or less advanced, more or less mature, with more or less success are observable in almost all African countries. This has created experiences, institutional and legal frameworks, facts and mind sets. In a way, in my opinion, the discourse on decentralization of political and administrative and developmental functions has substituted the former discourse on building the nation state. Decentralization is viewed, by local population, national governments and donors alike as part of building a more viable, balanced etc. state which can deliver goods and services and contribute to wealth creation (or “poverty reduction”). This reality is difficult to undo.

The last argument is based on Olson’s consideration that (voluntary) collective bargains have a higher propensity for success in smaller (territorial and / or administrative) units. In such contexts, we

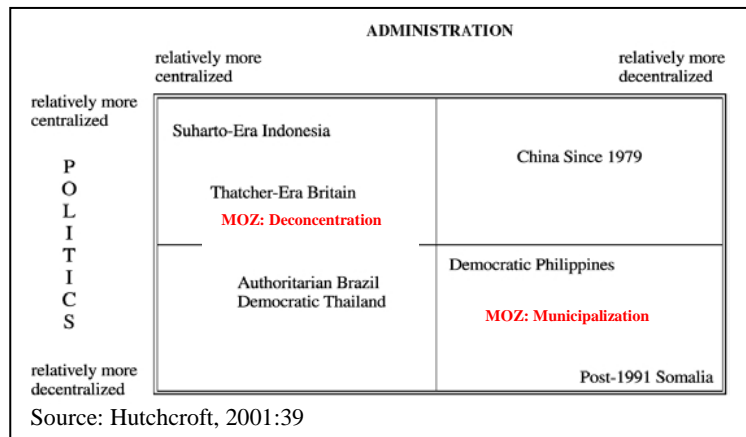
may find a more limited “rational ignorance” of the electorate rather than in the polity as a whole (Olson, 2000: 98ff), and it may be cheaper to maintain the law and order by striking (partial) negotiated settlements -in the sense of informal (cooption) arrangements between contenders of power, private and public actors, both locally and nationally, and / or the investment into a rudimentary police force with a capability of deterring the outbreak of widespread revolt and instability. From this angle, stet building through decentralization appears a promising, possibly viable option.

3.2. Elements of a conceptual framework

In construction our analytical framework, we take Hutchcroft ´s useful framework for the assessment of territorial dimensions of authority and power as point of departure (Hutchcroft, 2001). We add elements derived from the discussions in chapter 3.

Hutchcroft’s framework looks at administration and politics as key parameters, both conceptualized as a separate continua between (a high degree of) centralization and (a high degree of) decentralization at their respective extreme poles. By integrating the administrative and the political in a common framework, this author produces a matrix which, seen as a heuristic instrument, permits the analysis and gauging of the degree of political –administrative centralization / decentralization for various countries and historical periods:

Diagram: Politics and administration- centralization and decentralization



The author, however, does not consider other relevant variables, such as rule of law, the budgetary and fiscal system, and the capacity of local state units to negotiate with central state, local economic development and central place functions of local state units, access to information etc. These variables, however, can be added to the framework.

For reasons of clarity and graphical simplification we chose a present the emerging matrix of variables in a different way.

Variables	DEGREE OF DECENTRALIZATION			
	Highly centralized Favours centre			Highly decentralized Favours periphery
Administration	—————▶			
Services (functions)	—————▶			
Politics (e.g. elections)	—————▶			
Inter-govern fiscal system	————▶ —————			
Rule of law / justice	▶			
Access to information	————▶			
Accountability	————▶			
Local economic development (urban-rural)	▶			
Pro-active quality of central state action	▶			

————— Vertical gap (Bailey)

The matrix shows an imaginary country, in which there is a high degree of political decentralization, e.g. with regular local government elections. Also administrative and functional responsibilities have been decentralized to a considerable degree, as is the case of local accountability (downwards). However, public finances remain highly centralized with few transfers and little fiscal autonomy for decentralized administrative units. Thus, the matrix represents a case of a “vertical gap” between functions attributed to the sub-national government on the one hand, and the financial means (transfers and own fiscal autonomy to execute them (red stretch). Law enforcement, police, attorneys and courts remain largely in the hands of the central state. The central state is not very proactive, neither in the case of local economic development (e.g. through investment funds, systematically promoting urban-rural linkages), nor in the case of shaping its relationship with the local elite, which it may be seen as rivals.

With regard to the obvious contradiction, in this representation, between the transfer of (political, administrative and functional) transfer of responsibility, which may permit some progress in local governance on the one hand, and the lack of pro-active central state action in the other fields, including finance, one may suggest that this fictitious state of affairs represents a case of what may be termed “illusionary decentralization” (Fesler, 1965).

It is here not the place to offer and discuss in depth the key elements into which the variables in the matrix need to be broken down in order to make the heuristic tool operational. The list which follows represents only examples of a selection of “indicators”, drawn from different strands of relevant literature:

Administration

Prefectural system

Definition of organizational structure and procedures

Definition of local government code of statutes (“*Gemeindeordnung*”)

Internal control, audits

Selection, appointment and retention of key staff

Politics

Regular local government elections in multi party setting?

Central / local selection , “embeddednes” and patronage of party candidates

Participatory approaches to planning and budgeting

Checks and balances between executive and legislature in place

Intergovernmental fiscal relations

% of budget for transfers (block grants) and investment budget

Decentralized Conditional (sectoral) grants

Degree of local fiscal autonomy and type of fiscal base

Golden rule at local level: recurrent expenditure covered by recurrent revenue

Local financial administration, accounting system and procedures in place

Services

Competencies for basic education

Competencies for basic health

Competencies for recruitment and dismissal of personnel for key sectors

Management of and investment for “small water systems”

There remains the question of measurement of those sub-variables. I suggest that this remains, for the time being, a secondary question, thus agreeing with Hutchcroft, who, citing B S Smith, affirms that “measurement of decentralization (and, one should add, centralization) ‘cannot be a precise exercise; rough judgements will have to be made.’ ”

Conclusions

Firstly, it is my contention, that the conceptual framework developed in the last chapter and its operationalization permits to inform research and analysis of decentralization processes in different countries and within one country in a comparative manner. Even the comparison of sub-national, local states, districts and towns should be possible. It may thus also serve as a point of departure for the development of a tool useful to monitor progress of decentralization programmes which exist in various countries, or in the design of better approaches to decentralization, as, for example suggested by Hyden (2006:218ff).

It is up for discussion and experiment whether this framework can be considered sufficiently robust, simple and flexible to permit the analysis of decentralization in both its dimensions: the horizontal, local governance-focussed one, and the vertical dimension of centre-periphery relations and their dynamics, including intergovernmental (fiscal) relations, and their variations over time in the decentralization- recentralization dynamic. The proof will lie in eating the pudding!

Secondly, from a Mozambican perspective, the building blocks used to construct the framework certainly have relevance. The academic and political discussion of decentralization in my host country has been centred for too long on the dichotomy municipalization - deconcentration and has become somewhat stale. The framework may add value and additional dimensions to the debate, and may help to analyse causes for the status quo and dynamics of both the political economy and state transformation as referred to in the chapter on power and change. But it also may serve to look forward in an innovative way and thus contribute to the design and implementation of a decentralization strategy or policy. The chapter on Boone's model may give some indications in this direction.

Finally, concerning the provocation in the original title for this paper, suggested by the conveners of the conference, "the decentralized state- a contradiction in terms?", I would like to beg their pardon for having avoided – I do not know to what degree- to put my foot into the hidden trap of a discussion of our subject matter, in an "either -or" fashion, not commensurate to the discussion of such a complex issue of bringing the state back in via decentralization. I like to thank them, once again for this chance to organize my own thinking on this important issue.

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Workshop 2: The Decentralised State: A contradiction in terms?

Workshop organiser: Lars Buur, Danish Institute for International Studies¹⁴

Resource person and keynote: Bernhard Weimer, University of Eduardo Mondlane (UEM), Maputo.

Minute taker: Lasse Bjørn Jensen, CBS¹⁵

Introduction

The workshop's intention is to explore the present drivers towards decentralisation and simultaneous strengthening of the centralised state in Africa and beyond. Since the 1990s much hope has been invested in decentralising state governance and in devolving responsibilities, powers and functions to locally elected governments. It has been hoped that decentralising top-down run state machineries in the global South could improve and make more effective service delivery an development project implementation by bringing government close to citizens; make the state more accountable and legitimate; and secure and expand much needed processes of local level democratisation and bottom-up participatory development that ultimately would have effects on the central state. At the same time rather hardcore modernistic central state building exercises circulating around the Millennium Development Goals, Poverty Reduction Strategies and Budget Support have been implemented and taken hold to the extent that state building seems to have overtaken drives towards decentralising governance in the global South.

The workshop asks what the relationship is between the two apparently contradictory processes of state building and decentralisation. Is the decentralised state project a contradiction in terms? Or is decentralisation simultaneously a means to consolidate central state authority by expanding uniform governance institutions across territories and by enrolling local actors under the ambit of central state control. As illustrated by various country-cases the apparent devolution of authority to locally elected governments or to community consultative councils within a system of deconcentrated state governance is often accompanied by more or less overt actions by central ministers and the President to increase their control of the allocation of resources, benefits and privileges. Decentralisation can be used as a means to create alliances and consolidate power across space, even as it opens up spaces for civil society actors to influence and challenge central state power.

¹⁴ Helene Kyed, from DIIS was initially part of getting the workshop accepted, but due to fieldwork obligations she could not attend the workshop. Her contribution is hereby recognised.

¹⁵ The present report is based on Lasse Jensen's minutes written up at the various workshop sessions. Lars Buur has formatted and edited the minutes in his capacity as main workshop organiser.

Session 1: Horizontal state formation: state deconcentration and participatory interfaces

Presenter: Lars Buur, DIIS

Moderator: Aase Mygind Madsen,

The session was based on Lars Buur's paper on "*The Politics of Gradualismo: Popular Participation and Decentralised Governance in Mozambique*"¹⁶. The paper was distributed in advance. The aim was to explore issues related to Bernhard Weimer's keynote presented during the afternoon session.

The presentation by Buur provided a discussion of the wider ideological domain informing democratic decentralisation in Mozambique known as *gradualismo*¹⁷ and questions related to how *gradualismo* should and can be analysed. The presentation then provide a brief contextual overview of new attempts at securing popular participation in district planning, followed by a discussion of the representative and participatory modalities that have been tried out over the last ten years. The presentation highlighted the ways in which Frelimo state and party officials have attempted to appropriate representation and participation, before discussing possible future directions for the politics of representation and participation in Mozambique and the various mixes of decentralization and deconcentration that is applied.

Summary of Discussion:

1. It is apparent that there often exist many levels and policies that try to link state, local authorities and populations. Sometimes these policies can be played out against each other. For example the distribution of land, where the central government's quite progressive land law often is abandoned and the traditional distributional system of land is used instead. This creates different forms of linkage between populations and the authorities that can be used for speculation for instance because local authorities acts as gate keepers.
2. The ideas and strategies coming from policies are changing when they are implemented by local government authorities. As such there exist vast differences from national policy level to action level be it at district or municipal levels. How the form of interaction between the state and local municipalities, for example, are organised obviously depends on how the relationship is legally organised but there is always a great leeway for informal structuration. Informality is part of all formal systems so this is not necessarily a bad thing. But because local representatives are seldom informed about new laws and how they are supposed to be implemented, linkages between different decentralised levels in Mozambique are very bad organised at the moment. The general blueprint of the decentralization is not being carried out because no firm understanding exists of the general plan.
3. Confusing and contradicting results occur when different counterproductive policies are implemented at the same time. Many long term plans are confused and implemented in a dissatisfying way, due to the fact that many planes and policies with different time frameworks and legal/formal scope are implemented at the same time.
4. Following C. Boone, the presence or non-presence of local resources and strong social hierarchy influences planning and implementation processes and differences in resource endowment often

¹⁶ To be published in Olle Törnquist, Neil Webster, Kristian Stokke (eds.): *Rethinking Democratic-Popular Representation*. New York: Palgrave.

¹⁷ This means both the gradual increase in numbers of autonomous, democratically elected local governments ("municipalities") as well the gradual transfers of (sectoral) responsibilities and resources from central government to municipalities.

account for why the central state relates differently to apparently similar municipalities and districts. Resource endowment can in an adopted perspective also be seen as voters.

5. In Mozambique the local district with deconcentrated governance is considered the pillar of development whereas municipalities are considered the building block for local democracy and decentralization. The two can overlap as municipalities simultaneously belong to a district. The central state can therefore positively and negatively influence municipalities governed by opposition parties.

6. Sometimes 'democracy' can flourish outside the municipalities for example at district level where deconcentrated governance is combined with participatory mechanisms for representation in development planning and implementation or where participatory mechanisms are tested and de facto implemented in a relatively free manner. Local elections where rural population elects their representatives for district councils can be carried out in rather primitive ways for example with people just lining up behind the candidate they wanted to support. But it can be more 'democratic' than actual voting when candidates are preselected by government officials as it is common in many districts.

7. This raises questions as Åse Myggen pointed out regarding what is meant by implementation, consultation, representation? How do we understand questions of power in this as inclusion and exclusion and who the participants in such forums are? We need a discussion of what is a good local democracy. Is there only one road to local democracy, or do many options exist?

Of particular importance is a broader analysis of the existing social hierarchies and how they influence local participatory mechanisms as well as the relationship between patron/client and women's participation in the decentralisation (democratization) processes. Åse mentioned that school councils can be exclusive bodies for the rest of a society, as well as inclusive bodies for the ones participating in them. The discussion made it clear that local participation in deconcentrated governance spans from totally passive participation to an active participation. In between there will exist many degrees of participation.

8. The aspects of the use of enemy picture by FRELIMO were raised and how they were used in the central government agenda. Bernhard Weimer suggested that the notion of enemy that the Frelimo party is using is strongly influenced by the political history of Mozambique. In the governing Frelimo party's own optic it is embodying the party, the nation and the state. There is a need of an internal enemy in order to excuse actions carried out by the party that fail (and as he pointed out this is a common feature of all political orders even though this is always particular in its manifestations). External enemies are needed as well in order to create a sense of unity and a united nation against the external enemy. Today the use of 'enemies' is often a continuation of how the 1977 one party system organised the use of internal and external enemies. Today the "enemy" is often mentioned as 'poverty' and there is a need of "fighting absolute poverty" as the present government argues drawing on military symbols and rhetoric. This became contradictory last year when rises in petrol and food prices led to widespread riots in the streets of Maputo and elsewhere in Mozambique. Government forces clamped down on the riots and many were killed and wounded. This raised the question whether the government was fighting poverty or fighting the poor?

9. The Paris Declaration has had a great impact on how NGOs are working in Mozambique at both district and provincial levels. Greater degree of harmonisation between funders often influences NGOs so dissimilar deconcentration and decentralisation projects are forced to or encouraged to harmonise. In this regard there exists a tension inside NGOs as they need to fund raise and between the NGOs and the state where NGOs can be seen as intrusive when they insist on 'decentralisation' and 'democratisation'. Often NGOs are not well equipped to deal with such tensions.

10. A longer discussion concerning corruption and whether we should see client networks as building blocks and even pillars of democratisation took place. During reforms (deconcentration or decentralisation) can elite groups (political, state and local government) lose influence and they do not necessarily see decentralisation as something benefitting them. As pointed out by Bernhard Weimer alliance building is important in the process of decentralisation and local democratisation. In

his view, and with reference to the work of Peter Ekeh (1975), there exist two publics: the state (one), with rule bound practises but with little functional outreach; and the primordial public (two), that operates by way of often unwritten laws but everybody knows how to act (unofficial state building). In this understanding the public state is a leftover from the colonial regime. In way the notion of gradualism in Mozambique can be seen as slow steps where experience is gained and where more and more power is transferred to municipalities. But not all in FELIMO were in favour of the decentralisation. During the war and in periods of crisis the state was seen as not able to protect the people. Two factions of the elite had two different ideas of how and why to decentralise materialised building on many different ideas of how to understand society and what to gain from the decentralisation. One serious obstacle is that the idea of civil society is not consolidated and the present civil society is very depended on donor help and does not play a very active role in everyday live. There is however collective forms of action at local level that is playing a larger role but they are not necessarily 'democratic' or equal to how civil society is understood in donor parlance.

11. Thomas Hansen from Cowi consult raised the question of whether there had been an Improvement of service delivery due to the decentralisation in Mozambique? Furthermore he asked to what extend service delivery had improved and about the share of fund or money spend at local level and whether that had increased. Bernhard Weimer presented a series of facts regarding the present levels of transfers where just 1% of central budget is distributed and spent at local municipality level. He suggested that many people have the feeling that the allocation of money to local levels is done in order to win favours up to local elections. But where well functioning own taxation regimes have been established one do see better service deliveries. Service delivery has improved differently in between municipalities and between municipalities and districts. Some have improved much, other almost nothing. Part of the reason is that service delivery has been politicised.

Session 2. Local Government Finances

Presenter: Bernhard Weimer

Moderator: Lars Buur

The session explored sources and types of local government finances: a) intergovernmental transfers; b) Own tax bases including property taxes. The session took up and explored issues arising from Bernhard Weimers's keynote.

Weimer argued that a shift from indirect taxation to direct (wealth) taxes was necessary in order to improve the tax income of municipalities. There is a need for investment in taxation systems in order to make this change possible, for example systems of assessment of property are urgently needed but tailor made for the local conditions as the capacity is very low. While the tax yield of many African countries is growing this is partly related to decreasing levels of aid and national transfers. This constitutes a significant factor for the need to increase taxation in many developing countries. But taxation is perceived to be something 'bad' and related to the colonial past by the implicated populations. This legacy has serious consequences for the legitimacy of taxation in Africa and elsewhere and is often forgotten when tax regimes are designed.

Summary of Discussion:

Some of the questions discussed in the presentation and discussion were:

Taxes vs. user fee.

Fiscal revenue vs. non-fiscal revenue.

Abstract vs. concrete taxation

“Taxation by consent”

Intergovernmental fiscal transfers.

1. With regard to Taxes: Often you don't see how the money you pay in taxes is linked to the provision of a corresponding public good or service. With regard of User fee: you see how money is spent as what you pay is directly linked to the service consumed.

2. Municipalities gain fiscal independency when they collect taxes and user fees for themselves. For example user fees such as fees paid for use of markets stands makes goods traded at the markets more expensive, but fees can also have direct and quite visible effects on improved garbage collection, security and public hygiene.

3. Property taxes exist to some degree, but they are difficult to administer. Valuation of property can be difficult to handle and most of the systems transferred from West to South are too complicated. There is a need to develop property tax systems tailor made for the conditions where they have to be operationalised.

4. “A fair tax system”, as well as “taxation by consent” has often more importance than a ‘transparent tax system’. Fair tax-rate leads to an easier social ratification of the tax system. One consequence is that one cannot deduct that ‘transparency’ equals ‘fairness’ as it is often argued. Taxation by consent based on an agreement between taxpayer and government is fundamental for a fair and legitimate tax system.

5. The kind of taxes at local level includes many different taxes ranging from head taxes/tax per person, hut tax/per house and so forth. Many predate the colonial system and there exists a variety of taxes on economic transactions and businesses. In contrast tax on property which does exist to some degree is very complicated to operate but a newly developed system from Brazil is presently being tested to calculate how much to pay in property taxed based on the size of property measured by satellite photos. The results so far are encouraging but it is too early to say if it can be operationalised more broadly in Mozambique. Non-fiscal-revenues such as market tax, for use of market stands is at present the municipality fee that yields the most and the use of water is now subject to a fee in many municipalities just as registration fee for the use of land (land is owned by the Mozambican state so land is leased for longer periods) do bring in some fees.

6. The question of accountability and transparency is important even though it is not sufficient for creating legitimacy around taxation. It is important because corruption among tax-collectors exists to a high degree and experiences from Municipalities in Mozambique suggest that revenue from market fees can easily be doubled alone by dealing with corruption. For example a present municipal project in Mozambique supported by Danida, Swiss Development Cooperation (SDC) and the Austrian Development Cooperation (ADC) suggests that property tax operated in a proper way, could more than double the level of local taxes. In general we found that people are willing to pay more taxes if they feel that they get more services for their tax payment.

7. The sessions also discussed questions related to how to do taxation in slum areas, and how to operate a tax system when substantial parts of the economy are not part of the formal fiscal system. As Bernhard Weimer pointed out “Even the organized and formal society helps and participate in the informal sector or “non Observed economy” in order to generate revenues. The grey economy is huge and needs to be seen as intrinsically linked to the formal economy. There is a situation where successful business people need to operate in both the formal and informal economy in order to have success. The informal sector offers many possibilities to get rich, including by smuggling from South Africa or Brazil”. But as it became clear during the discussion, prices on the informal market can be

higher than in for example some supermarkets due to the "taxes" (corruption) paid for transport and illegal border crossing. One possible avenue is to use the Brazilian 'flat tax' system, linked to the provision of a license and a certain service (e.g. electrical energy) so even poor people in slum living conditions are taxed and thereby linked to the formal system in a direct way.

8. The discussion also touched upon the questions of what are the incentives for taxpayers. Is the present drive towards taxation solely a donor driven agenda or driven by the Mozambique government? Bernhard Weimer suggested and argued that it is bit of both and should not necessarily be seen as an imposition as the Mozambican government is concerned with raising own income and gain further independence from donors .

9. Thomas Hansen from Cowi consult took up the question of private sector development and taxation and to what extent it is conducive for achieving private sector development. As it became clear from the discussion municipalities have some effect on PSD but often the incentives for private investment are not decided at local level but centrally. National authorities, decides which programs and strategies to follow and before municipalities have more space for deciding on their own strategies central government will be the deciding factor for successful PSD. Even though there has been an enormous drive towards PSD in Mozambique many stumbling blocks exist and in general as Bernhard Weimer illustrated with an example a private sector financial institution to support SMEs that 10 years ago had a turnover of 2 million USD and today have a turnover of 20 million USD would still operate on the basis of the same 200 companies they worked with ten years ago. The PS is as such not growing sufficiently.

Session 3. State building through the Paris agenda: Linking budget support and decentralization is it possible?

Presenter: Bernhard Weimer

Moderator: Lars Buur

The session discussed models for linking the Paris Declaration on Aid Effectiveness Agenda to financing local governments asking questions such as: what models are available? Can rent seeking be avoided?

The session took up questions related to the Paris agenda's effect on the decentralization in Mozambique and focused on direct budget support (DBS) provided to national governments consequences for financing decentralised governance. With the Paris agenda donors focus on government's ability to secure macro stability in a given country. This is all good but often local government is forgotten.

In Mozambique various types of block grants from central to local governments have been introduced. . To districts the OIIL¹⁸ fund is supposed to support local business development and economic activities (roughly 300.000 USDs per district) Municipals also receive block grants depending on population size. , Other criteria (e.g. Poverty indicators, capacity to generate own revenue etc) are not taken into consideration The share of the central budget going to local level is nonetheless only around 1% of the total budget. The major difference in Mozambique from other African countries is that there is no proper revenue (block fund) sharing formula. Each district receives the same amount of money, independent of considerations of size, population, needs, etc. However the allocation criteria are now under review and eventually changed. Now the poverty index and population density will become decisive factor when transferring the block grant.

¹⁸ Budget for local investment and Initiatives (*Orcamento para Investimento e Iniciativas Locais*)

The donor community has no specific provision for transfers to local governments but discussions are ongoing if funds should be earmarked for local level governments and municipalities. The broader question is if DBS is irrelevant for the local governments? When more institutional capacity is build up potentially 'budget support' for local governments can be increased as local municipalities can be considered building blocks for state building as they interact directly with local populations. Monitoring and decentralization is part of the good governance agenda. Performance Assessment Framework (PAF) contains indicators for the monitoring of decentralisation where the key indicators for decentralisation: number of newly created municipalities, approval of a national decentralization policy and strategy, transfers as % of total municipal revenue, number of municipalities audited. Presently there exists a gradual transfer of functions and financing to local governments, but there is no common political agreement on what *gradualismo* means and how it should be carried out. One of the major problems is that it is difficult to make the assessments due to either lack of a sound data base or lack of coherent data. Performance criteria is therefore not used and when used negotiated but not on a factual basis that can be measured. There is an image of 'bad performance' in the field of "Governance" which has lead to cuts in or stagnated Direct Budget Support for central governments. Other donors, such as Sweden and Germany, have introduced a budget support element granted under the condition, that governance is improved and the mutually defined targets are met. An alternative model could be a local governance development fund model run by a para-statal organization, a common Fund, benefitting the sub national level (municipalities). Such a transfer model should be based on the criteria of legal status defining ownership, management, responsibility, accountabilities, and rules of access.

Summary of Discussion:

1. Thomas Hansen from Cowi consult commented on the problems related to funds for local governments and suggested that donors cannot hand pick local governments and provide separate support – they have to support the central government. They could help to create a system within the central government that could distribute funds instead of giving money directly to local governments. Anything else would be against the spirit of the Paris Declaration.
2. Bernhard Weimer suggested that Thomas's approach would come close to the way the Decentralized District Planning and Finance Programme (DPPF) in Mozambique has been functioning. Initially aimed at providing public infrastructure and services, the purpose of the Programme has politically been altered, with the focus now on support of livelihood projects, in which the local District Administration provides credits to beneficiaries. This has produces quite problematic results, a low inclination of beneficiaries to pay back the credit and has given the local administrations political discretionary power and the possibility to discriminate disbursements of credits to beneficiaries selected on a political basis. It has also undermined the rudimentary decision-making and control powers of local consultative councils.
3. A longer discussion concerning lack of proper data unfolded. As there is no systems is in place for data collection at local level, data collection took place at central level which formed part of securing central government's upper hand. Often there is no adequate banking infrastructure at place in municipalities and with the notorious lack of electricity, internet, and banks; this made it very difficult to transfer funds and provide accounts within the national System of Financial management (SISTAFE). In some cases, information and data has to be collected manually, due to low level of infrastructure. This is one of the arguments for why only 1 % of the budget is transferred to local municipalities and the districts. Part of the answer to the questions of transfers of funds to local governments would therefore be to bridge the knowledge and infrastructure gap but this not solely a technical issue but rather a political issues related to political will.
4. A discussion concerning rivalry between different state entities and different type's local governments partly drawing on C. Boones work regarding differences in how central governments

responds to local governments. Often local level governments are seen as rivals. When local governments are seen as potential rivals limited funds are often made available. It is often feared that local governments can produce new leaders with legitimacy that can challenge central governments.

These become rivals to the existing FRELIMO system as we presently see in Mozambique with Beira. 5. A question was asked regarding how to approach political tensions arising from the creation of local governments? Particularly when new leaderships and parties are formed, what could donors do if and when they want to support ongoing processes of democratisation? Obviously as donors work with central governments and according to the international political system cannot 'interfere' in internal political issues this poses some problems in an aid dependent context.

Bernhard Weimers former experience with a German political foundation suggested that such institutions, funded with public money, could be an answer, as they could, if accepted by central government, support, for example a new party, but only in the sense of capacity building, since direct support to a party is prohibited by German legislation. Donors cannot support a specific party, because donors cannot (ideally) take side in a tense political situation (but obviously they often do take side). But German Political foundations prefer to support their allied party, and not necessarily newly emerging parties. The only exception to this rule is the Dutch Institute for Multiparty Democracy (IMD), supported by nearly all political parties in the Dutch Parliament, which may give support for organizational capacity building and training to newly created parties on the basis of demand.

6. A longer discussion regarding whether donor funding creates different kinds of accountability measures and whether differences exist between how state funding and donor funding is spent? How does the local government deal with the different kind of fund they receive?

Bernhard Weimer drawing on experiences from Mozambique gave examples of differences and similarities that have existed in the way local government spend money received from donors and from central government. In many cases and in increasing numbers donors, including Denmark use the state planning, budgeting, accounting, reporting system ("alignment"). It is generally possible to see in the budgets where the different kinds of funds come from. But funds are not always 100% divided into donor projects and/or state run projects. The question is if differences in accounting systems make local governments more cautious due to the fact that throughout auditing will occur? Weimer argued that this is the case as some local governments see funds coming from the central government more like 'pocket money', and spend them less cautiously. Local accountability mechanisms were therefore needed, for the adequate use of the block fund from central government and if transgressions take place the local governments need to face consequences.

7. Part of the session was used to discuss a series of questions provided by Lasse Jensen (student CBS) who wanted to know about the possibilities for linkages between the levels of government; and what the future of local municipalities in Mozambique would be. In the discussion Weimer suggested, firstly, that the new membership organisation of local municipalities could be a good instrument for organising and developing the linking of different governance levels. Unfortunately, the initiative was at present not functioning very well, with members raising doubts about the effectiveness of the Secretariat. Secondly, international exchanges between local government representatives was important as local government representatives would be exposed to other ways of structuring and linking levels of governance. Thirdly, as local government elections have substantially increased the voter turnout they could gain in importance.

Therefore part of the answer to the future of local governments and the progress of municipalisation in Mozambique is related to the engagement of citizens. Here taxation matters, the planning and responsiveness of local governments in order to increase own income and thereby independence was crucial. As it is possible to double or triple the tax income and revenue stream local governments could have a bright future. Here the development of local and legitimate leadership is important for the survival and progress of local governments. In short, they are there to stay. They have constitutional guarantees.

8. Thomas Hansen from Cowi consult finally took up the question of 'sector budget support' for example provided by Danida in a number of countries. He suggested that some of the challenges were how to support local government and sector programs for example projects in the water sector. How to identify local agent for the sector budget support programs? Should that be done locally or centrally?

Bernhard Weimer was quite critical of using sector support mechanisms for municipalities instead of local government mechanisms. He argued that there is little effectiveness and transparency in some sector budgets and how support is used, giving the agricultural Sector Programme PROAGRI as an example. He argued that the system of sector budget support is important for key sectors such as health and education, but doubted their usefulness for support to municipal governments, and other sectors such as water and agriculture, which face a highly diverse local reality. Monitoring of progress and impact is often problematic since there are not always coherent data bases. There were known cases in which 'faked data was used in reviews and reports to central government and donors. The whole idea of "sector budget support" for local governments is as yet a difficult matter and based on the same type of guessing underpinning most local government support.

Thomas Hansen took this further and asked if it would be possible to support the existing delivery system to change the short term effectiveness of the present sector programs into long term support that was more effective? He mentioned that one of the challenges will be to incorporate the decentralization system into the sector budget program. The discussion suggested that territorial programs might be a solution to integrating sectors and local governments for example at province level.

3rd plenary session

There is no such thing as the state: discourse, effect and performativity

By Kevin C. Dunn, Hobart and William Smith Colleges in Geneva, New York

I believe it is safe to say that scholars in Development Studies have spent an inordinate amount of time theorizing the 'state' over the past several decades. This is understandable given its importance, if not centrality, to the field. And I would probably be one of the first to suggest that the *last* thing we need is further ink spilt on the topic of trying to rethink/reconceptualize/reimagine the state. Yet, after years in academia, I still find myself uncomfortable by how most scholars operating in my chosen fields of Development Studies, African Studies, Political Science, and International Relations continue to discuss this central concept. Admittedly, this may have something to do with my geographic placement, since American academia continues to be burdened by the dominance of Behavioralism, Positivism and Rational Choice models of thinking. While those approaches undoubtedly have some worth, I fear that they have limited our ability to critically investigation what they tend to take as a given. That is, they tend to posit an essentialized presence of the state. But I begin with Roxanne Doty's blunt and provocative observation: "There is no such thing as 'the state'" (2003: 12). Of course there are governmental bureaucracies, institutions, and men in uniforms acting in the name of a state. But these, neither individually nor collectively, are 'the state.' This as an excellent point of departure because the premise that there is no such thing as the 'state' forces us to stop and examine closely what it is we are actually seeing when we talk about 'the state.'

I conceive of 'the state' as a discursively produced structural/structuring effect that relies on constant acts of performativity to call it into being. Perhaps the most important aspect of my conception is understanding that what we regard as 'the state' is not an essentialized entity, but an-going process. Thus, instead of 'the state' I prefer to think about *state-making practices*. Taking my cue from Doty again, 'the state' is "nothing but a desire that is manifested in *practices of statecraft*, practices that can originate in government bureaucracies and institutions, churches, schools, corporations, theaters, novels, art museums, our backyards, our front yards, our kitchens, and living rooms and bedrooms. Practices of statecraft can come from anywhere and from anyone" (Doty 2003:12). In this paper I want to unpack the three parts of my conceptualization – discursive construction, structural/structuring effect, and performativity – in greater detail, with an eye for possible future avenues of inquiry.

It should be clear from my opening comments that I situate myself with that academic school of thought broadly labeled "Constructivism." I would argue that over the past two decades this approach (for lack of a better term for this groups of disparate thinkers) has greatly enriched the nearly moribund field of American International Relations. Constructivists in IR and Development Studies (which I believe has been more hospitable to these interventions) have provided critical investigations of how core concepts in our disciplines have been socially constructed, focusing our attention on process, and emphasizing fluidity over fixity and change over stasis. Over two decades ago, for example, Richard Ashley argued that agents (like the state) are always effects of discourse and should be 'decentered' rather than made the starting point for theory (Ashley 1987). While I, like most post-structuralists, agree with this proposition, I am still struck by how often our work on 'the state' either

falls back on assuming an essentialized entity or has implicitly assumed a conception of the state that has been under-theorized.

Both such moves are apparent in the following comparison of two examples of how the 'state' has been conceived within recent American constructivist IR literature: Alexander Wendt's *Social Theory of International Politics* (1999) and Thomas Biersteker and Cynthia Weber's *State Sovereignty as Social Construct* (1996). I employ these two texts as the oft-cited exemplars of what call 'thin' and 'thick' constructivism, respectively.

In Wendt's *Social Theory of International Politics*, he argues that states represent 'real actors to which we can legitimately attribute anthropomorphic qualities like desires, beliefs, and intentionality' (1999, 197; see also Wendt 2004). Wendt attempts to achieve this move by synthesizing three different conceptualizations of the state – the Weberian, with its assumption of the state as an organizational actor that is ontologically independent of society (see also Poggi 1990, 19-21), the Pluralist, which reduces the state to competing interest groups and individuals within society (see also Almond 1988), and the Marxist, which assumes the state is the structure that binds society to the structure of political authority (see also Althusser 1970). In Wendt's conception, 'the referent object of "the state" should be conceptualized as an organizational actor that is internally related to the society it governs by a structure of political authority, which in effect rolls all three views up into one' (1999, 201). But Wendt then shifts focus away from these different concepts to an acceptance of an 'essential state.' That is, he argues that 'there seem to be significant constraints on what we can plausibly call a state, which I take to be their essential properties' (1999, 202). One problem with this posture is that these 'significant constraints' are produced, in part, by what I regard as the constituting discourses of the state he just examined. These are historically and culturally specific discourses on the state, but Wendt mistakenly accepts them as ahistoric 'essential properties.' For Wendt, the state becomes a thing – and an anthropomorphic thing, at that – instead of a process.

On the other had, I find it significant that, in the introduction to their seminal collection *State Sovereignty as Social Construct*, Thomas Biersteker and Cynthia Weber regard the state as 'an identity or agent,' but then it more or less drops out of their investigation of sovereignty (Biersteker and Weber 1996, 11). This is largely understandable, given that the focus of their volume is on the concept of sovereignty as a social construction, yet it is regrettable because it leave much implicit in their approach. Looking at Cynthia Weber's earlier work, we find that Weber treats the state as 'a sign without a referent' existing within a 'system of symbolic exchange' (1995, 123 and 127). In the 'thick' constructivist approaches like Biersteker and Weber's, the emphasis is on historical contingency in construction of state and sovereignty, with meanings arising out of the interaction of identities and institutions (1996, 13). As such, they tend to emphasize the power of externally produced discourses on sovereignty in the constitution of 'the state' at any given moment. One problem with this argument is that it runs the risk of constructing a rigid international/domestic binary and then discounting the domestic realm entirely. A second problem is that their theory of the state that has not been elaborated sufficiently. How exactly do we go about talking about the state as a 'sign' or an 'identity' in our research designs? And, for that matter, are we to assume that 'sign,' 'identity' and 'agent' are interchangeable concepts, as they seem to imply?

While I identify myself with the 'thick' constructivist/postmodern approach (as much as such an approach can be said to exist), so my conception of the state is not too dissimilar to what I suspect Biersteker and Weber hold. In this paper, I hope to correct what I see as the problems with their discussions of the state by making what is implicit more explicit, and perhaps what is dense a bit more simple and accessible. And, in doing so, I want to underscore the idea of the state as a 'process' and

not a 'thing,' which I believe is a major mistake made by Wendt and others. As I noted earlier, I conceive of 'the state' as a discursively produced structural/structuring effect that relies on constant acts of performativity to call it into being. Thus, state-making processes involve three main elements – discursive production, structuring effects, and performativity – each of which I explore below.

State-Making Processes and Discourse

A discourse is a relational totality of signifying sequences that together constitute a more or less coherent framework for what can be said and done. Simply put, a discourse creates a truth-effect – it is a collection of representations about X that makes X 'knowable.' A focus on the discursive construction of the social world is antithetical to the 'traditional' schools of thought within IR, from Realism, Liberalism and their Neo- manifestations to the various permutations of Marxist thought. I begin with the belief that social reality is only intelligible inside discourse and its representational practices. Some representations become accepted as 'true' and others simply do not. Particular meanings and identities of objects become widely accepted as fixed and true; not because of the inherent 'truth' of those representations, but because of the strength of specific discourses. These discursive representations are not merely innocuous signifiers. They have very real political implications – they enabled actors to 'know' the object and to act upon what they 'know.' Certain paths of action become possible within distinct discourses, while other paths become 'unthinkable.'¹⁹ Thus, the concept of discourse has an explanatory role since social interaction can only be explained in relation to its discursive context. Unlike other approaches that focus on *structure* (either in a neorealist or Marxian sense), a discursive approach rejects the idea of an organizing center that arrests and grounds the play of meaning. As such, a discourse informs rather than guides social interaction by influencing the cognitive scripts, categories and rationalities that are indispensable for social action (see Torfing 1999, 81-82). Thus, it is through discourses that we come to know, understand, and make sense of the social world. And it is through discourses that we constitute our social identities.

So how is the state discursively produced? For the sake of brevity, I argue that there are currently two important dimensions of the state's discursive production: discourses about the state's identity vis a vis other states and 'international' society (*discourses of sovereignty*) and discourses about the state vis a vis a bounded 'domestic' society (*discourses of stateness*).²⁰ These two dimensions are clearly interrelated, and I recognize that maintaining the distinction between the two is largely a useful heuristic device for the sake of constructing an argument. Moreover, I do not believe that these are the only dimensions of the state's discursive production, or that these two have been or will always be the two most important. However, in the current state system, I maintain that they are the most significant to consider.

¹⁹ This approach has important implications with regards to social action and agency. It rejects approaches such as (neo)Realism and (neo)Liberalism, which argue that actors are motivated by inherent (universal) interests, rational means-ends preferences, or by internalized norms and values. Rather, it claims that social action and agency result because people are guided to act in certain ways, and not others by their sense of *self* and *other*, as defined at that particular place and time. Agency can only be understood by recognizing the various discursive narratives in which actors find themselves. This approach resituates power in history away from a focus on subject *positioning* (as reflected in the theories of (neo)Realism, (neo)Liberalism, and Marxism) to one of subject *construction*.

²⁰ These discourses should not be treated as synonymous with external and internal discourses. Discourses of sovereignty are produced both externally and internally, as are discourses of stateness.

Discourses of sovereignty

Within the fields of International Relations and Development Studies, sovereignty has traditionally been regarded as a static ahistoric concept, underpinning juridical claims to 'supreme authority' by states within international law. Within Western traditions, sovereignty was often regarded as a transcendent concept that provided for coexistence within the state system. While some current corners of academia may still cling to such an ahistoric understanding, much of IR and Development Studies now recognize that sovereignty is a highly normative concept, whose meaning has been contested historically (see Ashley 1988, Walker 1991 and 1993, Barkin and Cronin 1994, Bartelson 1995, Agnew and Corbridge 1995, Grovogui 1996, Ó Tuathail 1996, Krasner 2001).

Focusing on state-making processes (as opposed to assuming some naturalized entity of the state) allows one to see how discourses of 'sovereignty' have historically helped constitute 'the state' and, more importantly, how both concepts have been deeply contested. As Biersteker and Weber argue, 'The modern state system is not based on some timeless principle of sovereignty, but on the production of a normative conception that links authority, territory, population (society, nation), and recognition in a unique way and in a particular place (the state)' (1996: 3). They argue that 'Identities or agents like the state, then, are never the product of any one institution or discourse; their meanings arise out of the interaction with other states and with the international society they form' (1996: 13). This is an important insight, for it recognizes how the power of externally produced discourses on sovereignty work within state-making processes at any given moment. But as I noted earlier, their formulation runs the risk of constructing a rigid international/domestic binary and then discounting the domestic realm entirely. The meanings of states are not solely produced within the realm of the international society or through interactions with other states. The meanings of states are also related to their relationship vis a vis the domestic societies for which state leaders claim to speak. For example, the Weberian position that the state claims a monopoly on the legitimate use of organized violence is less a description of the reality and more a proscription of what states should be. As such, it functions as one of the most powerful discourses of stateness in modern Western society.

Discourses on Stateness

If discourses on sovereignty concern the process of producing and linking an identity within an 'international' society (in effect, producing that society and demarking boundaries within it), discourses on stateness are concerned with the linking of authority, territory, population, and recognition, not just within an international community, but within domestic political communities as well. If we understand discourses of stateness as proscriptions for the purpose/practice of state power, one can easily recognize the contestation over these discourses within modern society. For example, the type, extent, and focus of the role of the federal government in society is one of the more contested features of modern industrial politics, as is evidenced in the US where conservative Republicans have traditionally advocated a 'small' unintrusive federal government, recent neoconservative Republicans have advocated a larger federal government that is conditionally more intrusive and more militarized, while Democrats tend to want a federal government actively providing social welfare programs. What these positions represent are discourses on the role, purpose and practice of state power. Rather than innocuous debating points, these are discourses that help constitute the state from the domestic sphere. The state is, in part, discursively produced by authoritative claims to how much power representatives of the state can wield, when, where, and to what ends. As such, these are constitutive discourses of stateness and they come from multiple sources, such as international organizations (UN, IMF, WTO), development agencies, NGOs, domestic political parties, government representatives, individual citizens.

I have written on the historical production and contestation of state-making discourses as they relate to the existence of national parks in Central Africa (see Dunn 2008 and 2009a). I believe these empirical examples are quite relevant to the field of Development Studies, given that a discussion of national parks brings together such issues as economic development and sustainability, environmental conservation, and human (in)security, to name but a few. Therefore, let me briefly illustrate my above observation about state-making discourses as they have played themselves out in relation to Uganda's national parks. The majority of Uganda's national parks were created during Britain's colonial occupation of the country and, at that time, the state-making discourses centered around a Westphalian ideal of sovereignty in which most if not all political, social, and economic authority rested with those in control of the territorial units that made up the state system. This political-territorial foundation meant not only the division of the earth into discrete, quasi-independent territorial entities, but also the claim that the state has the power to control and *define* its domestic space.

This is evidenced by the example of national parks, which have been created by states (in both their colonial and post-colonial manifestations), first and foremost, for the protection and preservation of flora and fauna in specific territorially bounded landscapes. Discourses on sovereignty in the 18th and 19th century were linked with Western understandings of 'civilization' and 'progress,' and were fundamental for engendering Western practices of colonialism and conquest. During the 20th century, however, those colonially-scripted discourses increasingly became linked to newly developing Western cultural practices of conservation (see Jepson and Whittaker 2002). The discourses of sovereignty, stateness and conservation became intertwined in the 20th century in two significant ways. First, Europeans justified their colonial rule in part because Africans were incapable of managing the human-nature relationship. That is, Africans were accused of 'abusing' nature in ways that would lead to the possible extinction of game and the disruption of monuments of nature. By failing to inhabit new Western cultural logics of conservation, Africans were denied the ability to engage in official spatial representations and spatial practices. Instead, the authoring of spatial representations was claimed to be the right of the colonial power. And this is the second point: European powers were able to establish national parks in Africa because of the linking of discourses of conservation and colonial sovereignty. Europeans claimed the right not only to define the meanings of African landscapes, but also to manage human-nature relationships in Africa. Doing so necessitated the creation of protected spaces where human use was restricted or forbidden, with vast sections of the African continent established as centrally-controlled protected spaces in the name of the Western cultural practice of conservation.

But the production of discourses is a process, and these state-making discourses, like all discourses, are never complete or closed, but are always contested, offering spaces for maneuver and resistance. The example of Uganda's national parks illustrates how discourses of sovereignty and of stateness are contested by myriad actors. Specifically, the state's ability to define the meaning and use of that territory is currently being challenged by NGOs and IFIs in the name of 'international' (Western) conservation practices. International environmental lobbying groups such as the International Union for the Conservation of Nature and Natural Resources (IUCN), non-governmental organizations (NGOs), and international organizations like the IMF and World Bank currently employ state-making discourses to challenge the authority of post-colonial governments and their state-making discourses. In some ways, this is akin to the suggestions made by Hardt and Negri in *Empire* (2000, 35-37, 312-314) that the 'moral force' with which many NGOs operate in world affairs is substantially altering accepted discourses on modern sovereignty. Claiming to represent those who cannot represent themselves (in this case, the flora and fauna), these NGOs claim that their mandate comes from global and universal human interests. Thus, they claim to represent a universal morality that trumps all

else. These NGOs, and their IFI and donor allies, often employ the discourse of Western conservation to reconfigure modern sovereignty, circumscribing state power and disrupting attempts by governments to control domestic spatial representations (see Litfin 1993). The Ugandan government is representative in its experience with NGOs, IFIs and donor agencies who often require conservational conditionalities. In personal interviews with the author, several Ugandan Wildlife Authority (UWA) officials have noted that state policies in the national parks – many of which are contiguous with the country's international boundaries – are largely determined by the NGO/IFI/donor community.

Perhaps more importantly, dominant practices and discourses are contested, resisted, and reconfigured by the local population as well. The case of the national parks illustrates that local residents resist 'official' discourses of state, sovereignty, and human-nature relationships in numerous ways (see Neumann 1998, Brockington 2002, Igoe 2004). Significantly, the basic interpretation of land is deeply contested, with locals resisting not only claims to power and sovereignty, but spatial representations as well. Local residents, many of whom suffer from social exclusion and marginalization in numerous ways, have continue to resist and contest the various the state-making discourses employed in and around national parks – from smuggling and poaching to illegal squatting, grazing, and resource extraction (see also Ellis 1994).

My focus on African examples reflects my own interest and field research and should not imply that these state-making processes are somehow uniquely African. Clearly every case is shaped by their unique socio-economic and historical contexts, but one could employ a similar investigation of state-making discourses on sovereignty and stateness in other places. For example, Roxanne Doty has examined the conflictual state-making process in the immigration practices of contemporary Western democracies. Doty's discussion illustrates how modern state-making discourses are primarily driven by "a desire for order, a desire to overcome ambiguity and uncertainty" (Doty 2003: 74-5), which is so forcefully articulated around immigration debates. As she writes, "This non-place that immigration so insistently points us towards is precisely where desire lurks; within anxieties about order, divisions between the inside and the outside, insecurities over who belongs and who does not. This is where desire does its productive work. This is where we must look for 'the state'" (Doty 2003: 6).

Indeed, I have become convinced that the task of order inherent in the state-making processes has become increasingly volatile. As Bauman suggests, 'order as a task' is arguably the least possible among the impossible tasks that modernity sets for itself, but also the least disposable among the indispensable (Bauman 1991). I believe the current process of state-making is one that involves a constant double-move: illuminating ontological uncertainty (about identity, space, time, and meaning) and positing the sovereign state as the solution to that uncertainty. Thus, state-making processes rely on the production of ontological crises; producing anxiety about order and welfare, uncertainty about territory and space, insecurity about identity and who belongs. My recent work on the rise of autochthony in contemporary African armed conflicts attempts to investigate how the employment of this trope has become an easy, and dangerous, response to this crisis (2009b).

Focusing on the discourses of sovereignty and stateness helps us shift our attention away from a 'state' that is not there to the process in which 'the state' is called into being. I think this opens up important avenues for Development Studies to investigate not only the production and contestation of state-making discourses, but also the ways in which the ontological crises produced within contemporary state-making discourses engender challenges for development and security.

State-Making Processes and Structural/Structuring Effects

Some readers will be forgiven if they are troubled by conceptions of 'the state' that focus exclusively on discourses and discursive practices. They would understandably question whether or not a customs check-point, immigration agency or uniformed soldiers carrying lethal side-arms can merely be understood as a discourse. While such things are only intelligible within the field of discourse, are they not embodiments? Yet, it would be a mistake to equate these material manifestations with 'the state.' They are the material manifestations, physical traces if you will, of state-making discursive processes. But I treat them as extremely important features of the state-making processes for they are significant structural/structuring effects.

State-making discourses work together (though, at times, they can be uneven and conflictual) to produce structural/structuring effects. My understanding of state structural effects is informed by the work of Timothy Mitchell (1991), who argues that the state is a common ideological and cultural construct. For Mitchell, 'a construct like the state occurs not merely as a subjective belief, incorporated in the thinking and action of individuals. It is represented and reproduced in visible everyday forms, such as the language of legal practice, the architecture of public buildings, the wearing of military uniforms, or the marking out and policing of frontiers' (1991, 81). This does not mean that the line between state and society is illusory. Producing and maintaining the distinction between state and society – or between the domestic and international spheres – is itself a mechanism that generates resources of power.

Mitchell argues that the boundary of a state is 'a line drawn internally, *within* the network of institutional mechanisms through which a certain social and political order is maintained ... The appearance that the state and society are separate things is part of the way a given financial and economic order is maintained. This is equally true of the wider social and political order. The power to regulate and control is not simply a capacity stored within the state, from where it extends out into society. The apparent boundary of the state does not mark the limit of the process of regulation. It is itself a product of those processes' (1991, 90).²¹ As such, Mitchell argues 'The state needs to be analyzed as such a structural effect... it should be examined not as an actual structure, but as the powerful, metaphysical effect of practices that make such structures appear to exist' (1991, 94). The examples cited at the outset – customs, immigration, and military – reflect the important role of disciplinary power in producing structural effects within state-making processes. Again, it would be a mistake to equate these structural effects as 'the state.' Rather, they are structural effects generated by state-making processes. Their meaning is contingent upon the discourses employed within those processes.

But this is only half the story, for the discourses that produce structural effects also operate as *structuring* effects. Again, let me return to Mitchell and his Foucaudian-informed discussion of the state and disciplinary power. Mitchell notes that disciplinary power works 'not at the level of an entire society but at the level of detail, and not by constraining individuals and their actions but by producing

²¹ My only substantial quibble with Mitchell is his privileging of the internal construction of the state as a structural effect. As Richard Ashley (18987 and 1988), RBJ Walker (1991 and 1993), Cynthia Weber (1995 and 1998) and other scholars of discursive power have noted, the state is constituted from without as well as within. I argue that what is needed is an awareness of the work that both discourses of sovereignty and discourses of stateness do in state-making processes. To neglect one for the other produces a partial, though potentially useful, understanding. These two dimensions of the discursive construction of the state are deeply intertwined. Indeed, the inside/outside distinction is generated in part as a practice of power, and is itself a structural effect.

them' (1991, 93). Thus, the distinctive institutions of the modern state produce the modern individual as a political subject. This can be seen by referring to the examples of customs, immigration, and military, but it can also be seen by returning briefly to my examination of national parks in Africa. In a very physical way, discourses of sovereignty and of stateness tied in the creation of national parks produced substantial structural/structuring effects. National parks themselves can be seen as a structural effect of modern state-making processes: the physical demarcation of land to be protected and preserved for all eternity. Doing so necessitated the creation of protected spaces where human use was restricted or forbidden, with vast sections of territory as centrally-controlled protected spaces. Thus, these processes have also had a structuring effect in the production of modern political subjects as they have given governmental agencies the right to speak for the land and how people interact with that land, thus managing human-nature relationships in Africa and determining what the population can and cannot do within specific geographical limits. These discourses produce political subjects while establishing specific representations of space and spatial practices. Of course, the state-making processes that produce structural effects and structuring effects (producing modern political subjects) are never complete or closed, but are always contested, offering spaces for maneuver and resistance. This can be seen by the myriad ways in which individual government officials define their role and responsibilities within these structural effects (eg., how military and park officials engage in a wide range of practices based on very different understandings of their responsibilities), and how local individuals resist the structuring effects of these processes in their daily lives (eg., smuggling and poaching in national parks). Indeed, this observation leads me to my final point: the role of performativity within state-making processes.

State-Making Processes and Performativity

Understanding 'the state' as a discursively produced structural effect, one can observe the physical and symbolic actions that construct and reify the abstract concept of 'the state' (see Weber 1995 and 1998). These are the social practices that enable and are enabled by state-making processes. In Mitchell's understanding of the state, he notes how the state is 'represented and reproduced' in these everyday social performances, citing the examples of 'the language of legal practice, the architecture of public buildings, the wearing of military uniforms, or the marking out and policing of frontiers' (1991, 81). While Mitchell is prone to accept that there is a regular manifestation of the 'state,' I argue that these everyday social performances underscore the point that there is 'no such thing as the state,' but the processes that calls it (temporarily, impartially, and conflictually) into being. Thus, the process of state-making relies on constant performativity, what Cynthi Weber refers to as 'the ongoing citational processes whereby "regular subjects" and "standards of normality" are discursively constituted to give the effect that both are natural rather than cultural constructs' (1998, 81). Military parades, custom checks, tax collections, national press conferences are just a few examples of the multiple daily performances that help reify the 'state.'

This understanding of performativity draws upon the work on Judith Butler (1990, 1992 and 1993), who warns against reducing the notion of performativity to simplistic understandings of performance. She argues that while performance is 'a singular or deliberate act,' performativity refers to 'the reiterative and citational practice by which discourse produces the effects that it names' (1992, 12). Thus, one should reject the notion of the state as a natural thing, and focus on the complex citational processes that call it into being and give it materiality. Or, as Butler points out, we should be concerned with 'the notion of matter, not as a site or surface, but as *a process of materialization that*

stabilizes over time to produce the effect of boundary, fixity, and surface' (1993, 9; emphasis in original).

The meaning of the state can never be fixed because the state is forever 'in the realm of discourse and culture, not in the realm of the natural' (Weber 1998, 90). Thus, cataloguing the discourses of sovereignty and stateness is not enough; one must also examine the citational processes that produce the states they name. In short, performativity refers to the practices that link discourses of sovereignty and stateness to the structural/structuring effect known as the state. In addition to recognizing the role of these social practices in reifying the abstract concept of the state is the realization that the structural effects *require* these daily and on-going citational performances. These are the discursive practices that make the state 'real.' States are made and re-made daily, and state authority is embedded and engendered (and gendered) within these day-to-day practices. Thus, a focus on performativity is necessary because it uncovers the citational processes and physical performances, that reify 'the state'; that is, that call into being the abstract concept of the state.

To return to my example of national parks, the presence and activities of soldiers and park officials in and around the parks represent the daily physical practices that give the effect that the state and its sovereignty are natural and 'real.' For example, in the case of Uganda's Bwindi National Park, there used to be a tank just inside the park and every afternoon the soldiers would start it up and pivot its turret. The reason for this was to provide the appearance of state presence and power to visiting foreign tourists (unfortunately, it tended to have the opposite effect, making tourists nervous and aware of their 'vulnerability.' Authorities have since removed the tank). In Uganda's Mgahinga National Park, soldiers always escort foreign visitors in the park, and perform very public drills – again, clear public (and masculinized) social practices that are meant to call into being Uganda's stateness and sovereignty. The purpose of these troops is explicitly to protect foreign tourists in the parks, especially during their gorilla treks. They are not present to protect the international border (both Mgahinga and Bwindi are coterminous with Uganda's border), nor are they there for the protection of the local residents. In fact, personal observation suggests that these soldiers have little concern about controlling the highly porous borders where the flow of people, weapons, goods and resources is largely unrestricted. These drills are rarely enacted when there are no foreign visitors in the park, because it is often the foreign tourists, with their internalized assumptions and expectations of a Weberian state, who tend to need this type of performativity of state power and presence. In neighboring Rwanda, the military engage in a similar performance, manning roadside outposts almost every half mile along the highway in Nyungwe National Park. The justification for their presence is the very active infiltration by armed guerrillas throughout Nyungwe, which is contiguous with the Congo. Yet, it appears that the military rarely enter the forest itself, suggesting that the roadside presence is largely of a performative nature. Unlike the Ugandan example, I suggest that the intended audience for the performances is the Rwandan population and the international donor community. In the wake of the 1994 Genocide, the new RPF government has actively engaged in performative acts to shore up its claims to power and to strengthen domestic stability.

A focus on national parks not only shows the performativity of the state, but also reveals how these performances and under-pinning discourses are contested by myriad actors. Discourses on sovereignty and stateness, like all discourses, are never permanently closed and stable. Rather, they are always politically contested. I have discovered that, in the case of Central African national parks, dominant state-making discourses are openly challenged, resisted, and (in some cases) replaced by alternatives. There is, of course, a strong sense of irony here. The colonial government initially created national parks as structural effects intended as testaments to their sovereign power – depopulating entire landscapes of human habitation for the sake of nature preservation by and for the state. But

creating national parks often turned these landscapes into spaces where the state, its authority, and its sovereignty claims are now openly challenged, and this contestation occurs on many levels. State officials themselves frequently employ different discourses of sovereignty and stateness in and around national parks. Often this may be a manifestation of differences between state agencies (such as the Ugandan Wildlife Authority, army, local councils, and so forth), but often it is reflected in differences between individual actors themselves. Personal interviews with UWA officials, in Kampala and at various national parks, have produced a radically diverse array of opinions about the role and function of the state in general and the national parks specifically. To take one example, Lake Mburo National Park is a hotly contested space for officials, with some arguing that it exists for the protection of wild life, provides much needed revenue from foreign tourists, robs locals of valuable resources and grazing opportunities, attracts refugees to the area because of its porous boundaries, or merely serves as window dressing for the government's engagement with the international donor community. In part, this reflects a situation where there is no internalized socially dominant discourse of stateness or of sovereignty. The actual meanings and practices of the state-making processes are contested by the state officials themselves.

Conclusion: Further Thoughts For Development Studies

I hope I have made a convincing case for not treating 'the state' as a natural and essentialized entity, but as a complex process that is always on-going, conflictual, and contested. Beginning from the standpoint that there is no such thing as 'the state' has forced me to look more closely at exactly what it is that we are calling 'the state.' This has led me to an investigation of the discourses, effects, and social practices that call it into being. I think this provides fruitful openings for Development Studies and IR in general.

One useful starting point is to interrogate how these discourses are being contested, resisted and restructured/reconstituted. In this paper I have drawn from examples on my work on African national parks, but I have also found this approach extremely useful in examining guerrilla movements in Africa (see Bøås and Dunn 2007; Dunn 2009). In fact, the two are linked for, as many of the region's national parks have become 'contested state spaces,' armed groups have taken refuge in them. In addition to providing safe haven for armed insurgents, the region's national parks have frequently served as conduits for infiltration and invasion. Given the contiguousness of many of the region's national parks, armed groups have frequently exploited the national parks. During the Rwandan civil war that sparked the 1994 genocide, invading RPF guerillas from Uganda moved into Rwanda's Parc National des Volcans, from which they eventually launched their successful drive to Kigali and the rest of the country. The presence of Rwandan soldiers in Nyungwe National Park mentioned earlier is because the *Interahamwe* (the militia primarily responsible for structuring the genocide) infiltrate from neighboring eastern Congo into Rwanda using Nyungwe Forest and the Parc National des Virunga. It was inside Uganda's Bwindi National park (which also borders the Congo's Parc National des Virunga) that *Interahamwe* forces infamously attacked, kidnapped and murdered several Western tourists in March 1999. Uganda's Lord's Resistance Army frequently uses Murchison Falls National Park as a safe haven and transit route, and has recently moved into the national parks of neighboring Congo. These examples underscore the reality that state-making processes are deeply contested within and around these landscapes, with very substantial implications for development and human security.

The example of national parks offers a valuable lens by which to examine the state as a discursively produced structural/structuring effect that relies on ongoing performativity to call itself into being. I think Development Studies would be well served by looking closely at other cases where these processes are being resisted and contested. One can imagine the multiple ways in which the Neo-Liberalism theology has impacted discourses on sovereignty and stateness, and how these have impacted development globally. Given the dramatic failure of Neo-Liberalism in recent months, it may be fruitful to investigate the ways in which former advocates of Neo-Liberalism (from the IMF/World Bank to local development NGOs) have employed alternative discourses of state-making (though a cursory examination seems to suggest that Neo-Liberal discourses remain firmly entrenched in many places). My own focus on Africa has raised repeated examples of how state-making processes have been shaped by neopatrimonial discourses and practices, and how those processes have shifted quite dramatically (and often violently) in the wake of collapsing neo-patrimonial systems (see Bøås and Dunn 2007).

Of course, one can easily see the ways in which these processes are openly contested in so-called 'transitional' states. Though not without its drawbacks, in many ways the term 'transitional states' is far preferable to previous literatures that focused on so-called 'failed,' 'weak' and/or 'collapsing' states. Such approaches failed to recognize the constructed and contingent nature of discourses of sovereignty and stateness (see Zartman 1995, Mkandawire 1999, Herbst 2000). As such, underpinning the 'state failure' literature was an assumption that all states are constituted and function in the same way, based on the dominant Western discourses of state-making (see Inayatullah 1996, Grovogui 1996, Dunn 2001). But in practice, one can find that different actors within states have different interests and, as such, produce different discourses of stateness. Of course, what is good for some (such as informalized power structures that enable elite consolidation of power and profit) may not be good for others. In fact, the goal of the regime may be to create and sustain structures and power relations that are generally considered the consequences of state failure. Rather than assuming a pre-given, idealized description of the state's relationship with society, we are better served by investigating how different state-making discourses are produced, who is producing them and who is resisting them, and how certain ones become dominant and why. Such work would greatly enrich Development Studies and would avoid both the limits of uncritically treating 'the state' as a natural entity and the rather Western-centric and deeply-flawed impulses behind the 'failed state' literature.

By keeping in mind that state-making processes are conflictual and contested affairs, we can better interrogate the different forms and processes at play in various transitions to 'democracy'? Recognizing that 'democratization' is one of the most powerful discourses of stateness in contemporary politics, we would do well to critically examine how it is being defined and understood, by whom, and how those discourses are being contested and resisted from various angles. It isn't just that 'democracy' is being challenged, but that we see different discourses of 'democracy' circulating. As practitioners we should think critically and reflexively about exactly which discourses we are promoting, why, and to what ends. Likewise, we would do well to investigate what types of structural/structuring effects are being generated by these state-making processes in 'transitional states.' Finally, we would do well to recognize that much of the literature that focuses on 'state capacity' are really engaging in conversations about the extent to which specific discourses on sovereignty and stateness are being internalized, as well as the viability of specific structural/structuring effects. Some observers will no doubt like to see the internalization of specific discourses in the hopes that they will produce social and institutional stability. But failing to recognize that what they are looking at are state-making processes and not an essentialized 'state' will lead to frustrations, particularly for donors.

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Workshop 3: State in Transition and in Fragility

Conveners: Neil Webster and Irene Nørlund

Resource person: Lars Engberg

Participants: Kevin Dunn, Jens Müller, Alex Borchgrevink, Emil Fuglsang, Nina Lundbye, Martin Buch Larsen, Andre Dunholdt, Mads Pedersen, Daniel Flentø, Jørgen Anton Petersen

Session 1.

Neil Webster introduced the workshop, which aimed to look at research that has addressed states undergoing some form of democratisation, and states categorised as fragile states. In the case of the former, this might be a reform process facilitated from above (e.g. Bhutan), by civil war (e.g. Mozambique, Nepal, Sierra Leone, Uganda), by donors (e.g. Bangladesh, Mozambique,), by military returning to the barracks (e.g. Pakistan, Bangladesh, Thailand, Indonesia, Argentina, Chile, Ghana, Nigeria); but a complex and multifaceted process in each case, also including Vietnam, Ethiopia and Tanzania, cases discussed during the workshop, not in the above mentioned categories. Democratising states and so-called fragile states have potential similarities, but are not one and the same. The fragile condition factors that give rise to and characterise a fragile state are diverse and complex, and each case needs to be explored for its specificities and peculiarities. The inclusion of fragile states in the framework of the workshop lies in their fragility being either a cause for or an effect of democratic transition. For the workshop therefore, the interest lies in the potential of democratisation to strengthen a state.

Questions that the workshop will seek to address include:

What are the different forms and processes of democratic transition?

Under which conditions does a democratic transition lead to social and institutional stability? In which situations have donors contributed positively to democratic transition?

Under which circumstances may processes of democratisation prove dangerous for states in fragility?

Neil underlined that other causes and perspectives might be useful to include as well. There are different forms of transitions, some starts from the top like in Bangla Desh and others from below, like in Nepal.

Lars Engberg-Pedersen, DIIS, presented some of his research about 'Fragile States'. His presentation concerned 'Fragile situations and democracy: What are the links?'²² One of his points of departure is that fragile states are not directly linked to the process of democratisation. The fragile state discourse is developed by the donors. They see governance and state capacity as fundamentals. Since 1990, they changed the perception of the reasons leading to poor performance of the state, and the 'fragility' concept was created. Fragility lies in the state. It is seen as a social contract of what the citizens expect of the state, and what the state expects of its citizens. OECD looks at the participatory process, and democratization is covered in this perception. However, participatory democracy is the most unstable form of regime, he claimed. Mass participation must be anchored in strong democratic institutions.

²² Lars Engberg-Pedersen, Louise Anderesen and Finn Stepputat, *Fragile Situation. Current Debates and Central Dilemmas*, DIIS Report 2008-09

The fragile state concept also ascribe a role of the existing state as effective, and uneasiness about the term of fragile states occurred, because it embrace different forms of fragility that would often not be available in all respects. Moreover, it questions the independence and sovereignty of the state. This led to the preference of the notion of fragile situations.

The following discussion concerned a number of different issues. Particularly questions related to the difference between fragile situations and fragile states. Fragile situations seem to be a better concept than fragile states, it was suggested. However, both of them are discourses initiated by the donors.

OECD and DAC have looked at particular cases, and today most donors are applying the same approach to fragile states. When DAC writes about elites, they find that they should be contained. One of the new tendencies is, however, that donors are beginning to work with new partners, for instance with parties, which for a considerable time has not been seen as appropriate, and accordingly lead to search for NGOs and other partners outside the public sector.

Neil Webster, DIIS, presented his paper on 'The dangers of idealism in fragile situations'.²³ He took departure in good governance and beyond in fragile states in South Asia. He has worked directly with the Danida program on decentralisation in Nepal. During the increasing instability in Nepal after the seizure of power by King Gyanendra in 2005, donors started to withdraw their assistance. Bangladesh has installed a caretaker government to help the country thorough the election. The donors' engagement has continued and is now openly critical of the political situation.

The problem is that if the donors pursue a too broad governance agenda, they may increase the fragility rather than reduce it. Donors need to be very realistic and sensitive the pursuing good governance in fragile situations.

One of the problems in Nepal is that the state is only functioning in Khatmandu and not in the provinces. The question is: What is the state and where is the functioning state? After the election and the new constitutional assembly, they have acquired a sovereign state, an individual state and a citizen's state. However, it is producing exclusion rather than inclusion and robust institutions. The Medish People Party is strong in the low lands, which is also the richest areas. It is questionable that they will transfer funds to the poor mountainous areas. They are developing a Medish identity and learn from NGOs how to defend their 'rights' and develop their influence on 'rights based discourses'.

The Medish is mainly elites, and there is now a new focus to analyse elites, as Leftwich also suggested in his speech. The middle classes used to be necessary for democracy, and they are strong to challenge the elites, but they also fear the lower classes. The elites will often sign the programmes offered by the donors, but they will not necessarily implement them, as can be seen in Mozambique, Uganda, Tanzania, Nepal and Bangladesh. Neil stated however, that he was not very confident in the elites, but it is necessary to study them more detailed.

²³ Background materials can be downloaded at <http://www.diis.dk/sw66424.asp>

Session 2.

The session was opened to follow up on Kevin Dunn, Sterling University, Scotland, and Genève, New York, keynote speech: 'There is no such thing as the state: discourse, effect and performativity'. As the title indicates, he finds that the state is a discourse, and it is not possible to talk about 'a state', as it has to be seen as a process, a state making processes. He looks at three parts: the discursive construction, the structural/structuring effect and at performativity. As he said in his speech 'the state is made and remade daily'.

The workshop session discussed further the issue of the elites, how to define them, and how to relate them to the state or the 'non-state'. Adrian Leftwich had talked about the 'process of production of rules'. It is also a question of power or not having the power, that may depend on the collective actions and strategies, it was argued, and once you get the power, the situation may change.

Who are the elites and how do they get the power? The elites are usually consisting of few persons, perhaps 3 percent of the population. They may consist of high business, politicians, administrators, social elites like NGO and civil society organisations, and the military. They are crucial blocks in implementation of policies. According to Neil, is the focus on the poor taken up too much of the picture. Including participatory democracy, which, according to the donors today, is claimed to be the (preferred) way forward. Most countries have been implementing a reform agenda with decentralization, focus on the poor, civil service reforms, land reforms, fiscal reform, educational reforms, etc. participatory democracy is not enough, representative democracy is not enough, Adrian Leftwich is right in pointing at alliances of coalitions, was one of the positions.

Most elites are educated, they bring resources, but they are different in each case. Some alliances lead to democracy and other to fragility. In some cases they support the poor, in other cases, especially in fragile situations, they support only themselves, and they want to protect themselves from the 'rest'. Of course, it is generally recognised that process and history is important; Leftwich claims that only coalitions of elites lead to success. There is need for check and balances, and only a strong state can relinquish some kind of power. Decentralisation may lead to devolution. Strong states may become reform states, it was claimed.

Kevin Dunn was challenged that we need concepts to talk about the state as well as other things! The concepts do not always need to be contested! A different argument and reading of Dunn's paper from an anthropological point of view agree much more with his interpretation. Anthropologists are not talking about 'the state' (Radcliff-Brown). Why is this idea of the state so powerful? A third argument: What about the poor elites? Are they not elites when they are poor? What about other issues than national parks and the street, which were the main focus in Dunn's examples?

Dunn found that 'the state' is a position developed by Anglo-American scholars, mainly with a critical stand to the state. He found that this was not what he found important to look at. His focus is fundamentally different.

Session 3.

Session 3 was composed by three presentations. The first by Irene Nørlund 'State in transition. Vietnam: from national development policies to donor dialogues'. The second a presentation by Axel Borchgrevink 'Limits to donor influence, Ethiopia, aid and conditionality', and finally one by Jens Müller 'Technological transition in fragile state transformation (Tanzania)'.

Irene Nørlund, NIAS and Suhr's, Metropolitan University College, presented some results from a research project on 'Negotiating Foreign Aid', which aimed to compare a number of African countries and Vietnam as one of the few non-Asian countries. In the workshop, the issue was to approach an understanding of the process in Vietnam, and how much the donors had influenced it, and particularly whether they had in impact that leads to country in direction of increased democracy.

The purpose of the larger project was to analyse the government from inside, contrary to most of the donors, who are by and large creating and constructing their concepts and perceptions, with or without the understanding of the construction of the national government's perception of the transformations taking place. So the goal is here to look at the interaction between aid and policy – and the implication for democracy.

The discussions at the conference raised by Dunn and Leftwich about discourses of the state and the role of elites were taken as important to include in an analysis, and were contributing with new perspectives on the development in Vietnam. Vietnam is a case where the government is not democratic in a Western sense, and the government real motives and composition is difficult to penetrate for outsiders analysis. Vietnam is considered to be a successful case, and it can be interpreted in the frame of Leftwich suggestions, eg that the dominant and only party is seen as a broad alliance of elites. Moreover, it has acted on behalf on the poor to some extent at least, so it should be a success-story according to his criteria!

The problems appear when analysing the state. Besides being a Marxist-Leninist state, it is composed of all the elite elements mentioned earlier plus the intellectuals, who were not mentioned before. But the state is a very difficult concept to analyse, because there are so many different aspects of the governance and so many factions. The history has moreover a clear impact on the various phases. International discourses of development also have an impact, where specific phases can be distinguished in most countries at almost the same time.

Only in the late 1990s did the Vietnamese government (and party) start to cooperate positively with the large international donors, particularly World Bank and Japan, and it became eager to follow the Paris processes, with increased emphasis on budget support. Yet only a small part of the aid is given through budget support in spite of all the positive cooperation and wording, and the government is not giving in on issues that they feel are essential. For a number of years IMF has been standing on the sideline, because Vietnam has not followed its advice, and IMF stopped lending. On the other hand, some of the major issues, raised by the donors during the time of Western donor relations from the mid 1990s, are transformed into suggestions and changes coming from inside the Vietnamese system.

However, if the changes of the state processes are followed closely, it appears that changes in governance, administrative procedures and perceptions have taken place after advice from the international donors, thus in a more subtle way than usually perceived. And it is a conclusion that the

government and the system after all has democratised to some extent during the process of interaction with the donors.

Axel Borchgrevink, NUPI, spoke over a paper on 'Limits to donor influence, Ethiopia, aid and conditionality'.²⁴ There are a number of parallels between the Ethiopian and the Vietnamese cases; but the conclusion is apparently different: That Ethiopia is not much influenced by the donors, even if the country is much more donor dependent than the Vietnamese government.

The donors came to Ethiopia in the 1990s, rather late like in Vietnam, but there has been an almost extreme resistance against donor influence, eg the conditionality. In the 1990s, the new regime liberalised the economy in some respects, but on its own terms. At that point the donors reacted in mixed ways and the World Bank and IMF were not particularly happy about the situation. During the war with Eritrea 1998-2000, some of the donors tried to set conditionality, but without much success. After the war, the aid increased from the World Bank, now seeing Ethiopia as one of the allies against War on Terror. After the elections in 2005, the situation became more unstable and the government was accused of genocide. In spite of this, aid was not cut down, even if the donors tried various strategies to get their demands through with the government. Again they were not very successful.

The donors' explanation is that the government is very stubborn. The Ethiopian government's motives comprise: Firstly, that it does not believe the donors provide solutions to their problems. Secondly, it is very skilled in handling donor relations; and finally, Ethiopia is willing to let the donors leave, even in spite of the rather high aid dependency (23 percent of GDP).

Even if conditionality works best in high aid dependent conditions, donors have not been overall successful, and other explanations are necessary to complete the picture. First, it needs to be taken into account that the regime is thinking at survival in the first place and is not willing to give in if the regime is at risk. Secondly, the donors' willingness to work jointly is limited, which creates a lot of problems for the donors. It is the conclusion that the donors accordingly have not contributed much to democratisation in Ethiopia.

Jens Müller, AU, talked about fragile states from another angle than the other papers: 'Technological transition in fragile state transformation'. He followed up on earlier studies of the informal sector in Tanzania and related it to 'what the state is' in Tanzania. He showed a number of very illustrative and amusing photos of the informal sector production and related it to the earlier debate of what is indigenous and exogenous, as a parallel to the debate about donor influence on local conditions. He was calling on a broader theoretical outlook than the conventional euro/centric conceptual frameworks and suggested to 'formalise the informal', as a way forward. That leads back to the issue of the state and what state formula could support such change.

The presentations triggered heated discussions, which were also related to the morning plenum presentation by Sue Unsworth.

²⁴ Based on his article 'Limits to Donor Influence: Ethiopia, Aid and Conditionality', *Forum for Development Studies*, no. 2-2008, pp 195-220.

4th plenary session

Governance, Development, and the Responsive-Repressive State in Vietnam

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Context

The context of this paper is the emphasis on democracy and democratization by Western social scientists, aid and assistance programs, international NGOs, and governments interested in less developed countries. The conventional view since the late 1980s has been that democracy is the form of government necessary for good governance and development. "Good governance," broadly speaking, means appropriate public policies, authorities being accountable to the people, and people being able to influence policy makers. "Development" means the improvement of citizens' economic and social welfare. And "democracy," within this view about its necessity, means free and regular elections, a multiparty political system, multiple branches of government (legislative, executive, and judicial), freedom of press and speech, and robust civil society organizations.

For years I have been studying two Southeast Asian countries, the Philippines and Vietnam. The Philippines has had democratic institutions for nearly a century, beginning in the early 1900s during American colonial rule (1898-1946) with elections for a national legislature, many privately owned newspapers and radio stations, and copious organizations of workers, peasants, lawyers, doctors, and many other interests in society. Only during World War II, when Japan imposed military rule over the archipelago (1942-1945), and during the authoritarian government of Ferdinand Marcos (1972-1985) were the country's democratic form of government and civil society organizations expunged. Today in the Philippines, civil society organizations abound, newspaper and other media reporters say pretty much whatever they want, and regular elections with high voter turnout chose national and local government authorities. Vietnam, on the other hand, can scarcely be said to have a legacy of democratic institutions. Authorities during French colonialism (late 1800s-1954) repressed nearly all efforts to create them. After the defeat of French colonial military forces in 1954 and the temporary division of the country, Vietnamese governments in the south and the north had few democratic features and even those had little substance. Since the country's reunification in 1975-1976, after a horrendous fifteen-year war (1960-1975), the only authorized political party is the Communist Party, which dominates national and local government offices, the bureaucracy, the legal system, and mass media. Official "mass organizations" for workers, peasants, women, and other sectors of society are closely tied to the party and its government. Only in recent years have some civil society organizations emerged.

The point is, by almost any conventional standard, the Philippines is a democracy and Vietnam is not. Yet in terms of "development," Vietnam is doing relatively well. Citizens' welfare has improved considerably. Indicative are human development index figures from the UNDP between 1985 (the earliest available for Vietnam) and 2006 (the latest available). Not only have life expectancy, literacy,

extent of formal education, and purchasing power (the measures that compose the index) improved significantly during the past twenty years, but the improvement has been noticeably faster than in the Philippines. Indeed Vietnam is rapidly catching up with the Philippines (see Table).

Governance in Vietnam has also improved and in some respects is better than in the Philippines, an argument I've ventured elsewhere.ⁱ Wrestling with the apparent inconsistency between lack of democracy but positive signs of development and governance, I am inclined to think that democratic institutions are not necessarily required for improvement in people's well-being, accountability of authorities, and citizen's influence on policy makers. What is important is the relationship between the state and society – between governing authorities and citizens. If state officials have little regard for the majority of citizens and/or vice versa, economic development and governmental practices beneficial to the general population are unlikely, with or without democratic institutions. If relations between authorities and citizens are reasonably positive and interactive, development and governance can improve even with little or no democracy as conventionally understood. This resonates with arguments and analyses of Adrian Leftwich, among others, that the type of regime per se – democratic or something else – is not what matters. What matters is the nature of the state and of politics.ⁱⁱ

Now, maybe democratic institutions enhance the odds of positive and interactive relations between state and society. I am not in a position to assess that. But the case of Vietnam during the last few decades suggests that development and governance can improve in non-democratic political systems.

Possibly the concept “developmental state” would adequately summarize the nature of Vietnamese state today. The term has been applied to other non-democratic countries in which the significant economic and political development has occurred.ⁱⁱⁱ I am not prepared to use it, however, because we – at least I – do not yet know enough about the internal operations of the state to say how well Vietnam fits the criteria for being a developmental state. Research to date is inadequate to say, for instance, that government elites are autonomous from special interests or that key state bureaucracies are highly competent, powerful, and insulated from outside pressures. These are two features of a developmental state.

For now, I characterize the Vietnamese state as “responsive-repressive.” This conforms reasonably well to what we know about how the state acts, and it adequately captures relations between authorities and citizens. The term is borrowed from Harold Crouch's study of Malaysian politics, which he uses to summarize the simultaneous authoritarian and democratic trends and tendencies in that country's political system. The state in Malaysia exercises strong authoritarian powers to “preserve political stability and continued domination of the Malay elite.” But, countervailing social forces restrain its power and regular competitive elections, although heavily biased against opposition groups, make the Malaysian national government sensitive to popular pressures. Thus, it often responds “to challenges with a combination of repressive and responsive measures....”^{iv}

Vietnam does not have competitive elections, but social forces expressed in organized and un-organized ways restrain authorities' power and cause them to take notice, especially if coming from workers and peasants, the constituencies on which the Communist Party was built and on which it continues to rely for support and approval. At the same time, the Communist Party is extremely wary of anything that appears to threaten political stability or its dominance of the political system. Vietnam's government responds to challenges in responsive and repressive ways. “Responsive” here means to significantly accommodate or make concessions to concerns, criticisms, or demands coming from individuals, groups, or sectors of society. “Repressive” means to put down, quell, forbid – through

force or other methods – individuals, groups, or sectors saying or doing things objectionable to authorities.

In the next two sections I illustrate the responsive-repressive character of the state and its relationship with groups and sectors in society. Afterwards, I show that this responsive-repressive quality of Vietnam's political system poses dilemmas for Vietnamese who are highly critical of the Communist Party government and advocate democracy and democratization.^v

Responsiveness

Analysts have wrestled with how best to characterize contemporary Vietnam's political system: a top-down system dominated by a centralized Communist Party-run state with no room for societal influences and political activity; or an authoritarian system that is largely a Communist Party-run state but allows some citizen participation through its official "mass organizations"; or a system with considerable dialogue and negotiation between components of a somewhat decentralized state and various interests in society, including those not in the official organizations. There are data to support each of these three, hence no one is entirely wrong or correct. While some evidence of the Vietnamese state's responsiveness to societal pressures and demands supports the second characterization, much of it corresponds to the third because it often comes from unofficial, often unauthorized activities and groups.

A helpful way to cluster examples of responsiveness is according to how citizens have conveyed their views and concerns to authorities. In one cluster are ordinary people's everyday activities that are out of line with what authorities and official programs require or stipulate. Cumulatively and gradually, these subtle, unorganized, often unintentionally political activities, which I consider forms of "everyday politics," have contributed to changes in government policies.^{vi}

One example has to do with urban residents. From 1975 (the end of the war against the United States and to reunify the country) until the early 1990s, Hanoi city officials tried to maintain tight control over all housing. The city government insisted on being the planner, builder, and manager of all residences, most of them in large apartment complexes attached to state factories, offices, and agencies. The underlying rationale was to minimize inequalities in the size and condition of housing and maximize its availability for every resident. City laws greatly discouraged privately owned housing. Approval to build one's own house or apartment required numerous licenses and permits; and getting such documents required months, even years, of finding one's way through a maze of murky procedures.

Meanwhile, the demand for housing in the city grew far more rapidly than the supply. By the late 1970s, the city's economy had returned pretty much to where it had been before the late 1960s when many factories, cottage industries, schools, and government offices were dispersed to the countryside so as to evade U.S. military bombing raids on Hanoi and surrounding areas. As the city rebuilt after 1975, its population grew, drawing back residents who had scattered during the war and attracting thousands of additional people to work in new enterprises. By 1984 Hanoi had 2.6 million people, more than double its 1965 population.^{vii} Government-built housing could not keep up. During 1981-1985, according to one well-researched estimate, housing demand outstripped supply by 71 percent.^{viii}

Illegal, unlicensed housing in the city had occurred before, but it increased with a vengeance during the 1980s.^{ix} Some residents in government apartments converted balconies into tiny bedrooms and

bathrooms, extended exterior walls to protrude beyond a building's original ones so as to create a bit of additional space to accommodate an enlarged family or relatives who had recently arrived in Hanoi from the countryside. On open areas between apartment blocks, people erected makeshift structures. Sometimes local officials quickly destroyed those flimsy constructions. But when they did not, residents became more gutsy and built homes made of wood, bricks, and other durable materials. Within a few years, the illegal construction boom had overwhelmed authorities' enforcement abilities. Not only were families doing their own building, they were hiring groups of carpenters, electricians, and plumbers who had emerged to meet the growing illicit construction demand. People also began to buy and sell residences, marking the start of an illegal real estate market.

Of course city officials were aware of these unauthorized activities, and they took measures to stop them, sometimes using brute force. In some parts of the city, they succeeded. But generally speaking, enforcement agencies had only sufficient resources to interrupt, not halt, the process. Also impairing enforcement efforts were the numerous local authorities who turned a blind eye to the transgressions out of empathy for people in their neighborhoods desperate for a roof over their heads or in return for money or other favors.

Gradually, officials changed policies to accommodate people's spontaneous activities. In late 1987, the city announced that houses built illegally on vacant public land could remain provided the residents paid property taxes and promised to vacate should the government later need the land. In 1990, the city reduced the number of permits required to erect privately built housing. Soon thereafter it streamlined the process for obtaining permits. Meanwhile, the national government was revamping its entire economic policy and replacing the state-centered economic system with a market economy in which private enterprise, including building contractors, could legally operate. Hence, by the mid 1990s, Hanoi city officials no longer even attempted to dominate the housing industry. Their struggles regarding residential areas shifted from trying to stop private housing to insisting that families and construction firms comply with new building codes.

A second example of responsiveness to everyday deviations from official expectations comes from the countryside, where about 75 percent of Vietnamese live.^x During the 1960s-1970s, the Communist Party government required local officials to create collective farming cooperatives. These cooperatives encompassed virtually all peasants and agricultural land in northern Vietnam and, after 1975, much of the rural population and land in the south. Cooperative members were supposed to follow prescribed rules and procedures for every step in the farming process – plowing, sowing, weeding, irrigating, harvesting, etc. – and in related activities such as raising and caring for draft animals, acquiring and maintaining machinery and implements, and accumulating and distributing rice and other produce. Views and stances of peasants toward collective farming varied from place to place and over time. Some villagers were enthusiastic, at least initially. Generally speaking, however, a large proportion of rural people became unenthusiastic. But given the Communist Party government's tight surveillance and discouragement of contrary views and its prohibitions against organized opposition, villagers were unable to wiggle out of the cooperatives or openly criticize them.

Only in some cooperatives did virtually all members comply with what collective farming procedures required. In many cooperatives, most members did as they were supposed to some of the time but not all of the time. And over the years, a large proportion of members in about seventy percent of the cooperatives farmed in ways out of line with prescribed rules and procedures for collective farming. The deviations emerged as people “cut corners” so as to make their work easier or because they saw fellow cooperative members straying from prescribed methods. Sometimes deviations were more than that – they were forms of everyday resistance because villagers were angry with dishonest, self-

serving, or abusive cooperative managers and other officials or, especially by the late 1970s-early 1980s, had grown disgusted with the whole collective farming system.

A few illustrations of deviations: Unless a work team assigned to fertilize planted fields was closely supervised, many members did the work sloppily, such as dumping fertilizer in only few spots, so as to complete the task quickly and easily, rather than spreading it evenly, which would take more time and effort. Whether they did the job diligently or not, people reasoned, they received the same number of “work points.” Another illustration is peasants, when preparing manure from their pig pens to meet a quota each household had to contribute to collectively farmed fields, sometimes mixed it with banana stems and sand to add weight, thus satisfying their quota while retaining as much manure for themselves to use on their own garden plots. Frequently people did such acts because they figured that putting the manure in their own gardens would be a better use for it than letting work teams dump it in collectively farmed fields. Such reasoning came from not trusting fellow villagers’ diligence rather than opposing officials or the government’s collectivization policy. During late 1960s and 1970s, individual households in numerous cooperatives often secretly used as their own some portions of fields that were supposed to be farmed collectively. Sometimes such encroachments were acts of defiance against local and higher officials. Other times people took land for themselves out of a conviction that they could farm it better individually than collectively. In numerous cooperatives, members also stealthily harvested rice from collective fields. In some instances, they did so to quietly oppose egregiously bad officials – acts of everyday resistance. Sometimes they did it as preemptive measures – to get grain that they presumed other members would steal because people did not trust one another or were continuing long-standing hostilities and rivalries between neighboring villages even though they were now all in one collective farming cooperative and supposed to be working together.

On numerous occasions between the early 1960s and mid 1980s, authorities attempted to stop the deviations from prescribed production methods, land use, produce distribution, livestock handling, manure use, etc. They reorganized the cooperatives, reconfigured work teams, revamped work point systems, imposed penalties, punished corrupt officials, and took scores of other actions, which typically were effective only briefly. Short of using draconian, violent measures, which probably would not have achieved the desired results anyway, authorities ran out of options. Instead, they essentially gave in, incrementally at first – authorizing some of the adjustments cooperative members had initiated – but then fully by endorsing household farming. Collective farming was no longer policy and it vanished from Vietnam. Although peasants’ everyday modifications of and resistance to collective farming were not the only reasons for this major policy change, they were significant influences.

Large public protests are another way citizens have conveyed views and concerns to which authorities have been responsive. Illustrative are two cases, one involving peasants and the other involving workers.

In the mid 1990s, a few years after the end of collective farming and the redistribution of agricultural land to individual farming households, villagers in various parts of the country started to complain publicly that local government and Communist Party officials were imposing illegal taxes, stealing money from community funds, building fancy houses with their ill-gotten wealth, showing excessive favoritism to close relatives and friends, and in other ways abusing their power. The situation was especially bad in Thái Bình, a province at the southeastern end of the Red River delta, where villagers were inundating provincial offices with petitions and letters that detailed abuses and corruption of subdistrict and district officials. People wanted higher authorities to punish the culprits, but they received little or no responses.

Thái Bình villagers then began to step outside the formal channels to express their discontent in public protests.^{xi} Between late 1996 and the early months of 1997, nearly half of the province's 260 subdistricts had peasant demonstrations; at least forty more occurred in the provincial capital as well.^{xii} Often the protests had hundreds of people; some had thousands. Still no satisfactory responses from high up. Then in May 1997 thousands of villagers gathered in the main town of Quỳnh Phụ district and proceeded on foot and bicycle to the provincial capital some thirty kilometers away. As word spread, villagers from elsewhere in the province also converged on the capital, bringing the total to about 10,000 demonstrators.

Up to this point, the demonstrations had consisted mostly of people peacefully sitting or walking in front of government offices while pleading for investigations into abuses. But the huge May protest became violent. It included demonstrators throwing bricks and stones, smashing office windows, and wrecking a fire truck that had been sent to the scene; meanwhile police threw tear gas canisters at the crowds and clubbed and chased protesters. Although this clash soon subsided, others occurred elsewhere in the province. In some areas, villagers overwhelmed policemen, held several of them hostage, and set fire to local officials' homes.

Now national authorities acted. They did not, however, send in the army. National officials, according to most available accounts, used limited force to restore order. Their approach emphasized dialogue with the demonstrators and extensive investigations into what had happened and why. From their studies, national authorities concluded that many of the villagers' complaints about corruption and other abuses by local authorities were justified. They also found that provincial and local authorities were negligent for not responding promptly and thoroughly when villagers' first began to complain; and they said some villagers were provocateurs who make matters worse. In the aftermath, nearly 2,000 officials in the province were disciplined, removed from office, or imprisoned. Some protesters were also imprisoned for destroying property and other offenses, most receiving suspended or short prison sentences.^{xiii}

The most significant policy response was a May 1998 government decree aimed at making subdistrict officials accountable, their decisions transparent, and citizens participants in the planning, budgeting, and implementation of local projects. This began numerous government-directed "grass roots democracy" activities across the country. The outcomes thus far have been mixed, to say the least. Nevertheless, the policy to promote local democracy is a now standard to which officials are supposed to aspire and to which citizens can try to hold them.

Workers' protests, unlike most of those by peasants, have rarely been aimed at government and Communist Party authorities. Nevertheless, their public displays of discontent and anger have provoked government and party responses. The primary form of workers' protests are strikes against employers that have ranged from a few dozen to several thousand people each. Beginning with a few dozen strikes per year during the late 1980s as the market economy began to widen, the average number per year rose to 67 during 1995-2001, then to 127 in 2001-2005, and leaped to 445 in 2006-2007.^{xiv} The increasing frequency of strikes is broadly in line with the rising number of factories owned entirely or partly by foreign corporations. Even though these enterprises employ less than four percent of the Vietnamese working in non-agriculture and non-fishing industries, they have been the sites of about 70 percent of reported strikes between 1995 and mid 2007.

One of the two major reasons for strikes has been low wages. Workers protest that wages fail to keep pace with rising costs of living and do not cover basic needs. Often workers accuse employers of

paying even less than the amounts promised to them. Piecework employees also often object to managers increasing daily production quotas without increasing payments to them. Another frequent complaint is that employers refuse, for weeks and sometimes months at a time, to pay the wages employees have already earned. Employers also fail to turn over to Vietnam's social security system the money deducted from workers' wages for that purpose. Another common contentious issue is the annual bonus workers expect each New Year but which employers, especially foreign ones, often try to avoid or pay piddling amounts.

The second major cause of strikes is abusive treatment. Factory supervisors and managers kick, slap, and punch laborers, sometimes causing injuries requiring hospitalization. Many company authorities swear at and insult employees. Often employers dismiss workers for simply talking to each other on the shop floor or other reasons that employees deem unjustifiable.^{xv} Frequently enterprises even regulate how many times workers may go to the toilet and impose fines on violators.^{xvi} Another sore point is the horrible food in company canteens. Yet several enterprises prohibit workers to take meal breaks anywhere else or even to bring their own food.^{xvii} A final common objection to their treatment is the long hours workers must labor. Although laws say a work day is eight hours, many factories require employees to work 12-14 hours, even longer, for six, sometimes seven days a week with little or no additional pay.

Government repression against striking workers seems to be rare. Nor have authorities criminalized strikes and strikers.^{xviii} This is remarkable considering that all strikes to date have been unlawful. None have followed the process prescribed by law through which aggrieved workers are permitted to strike. In particular, strikes occur before negotiations between employees and employers reach an impasse.^{xix} Indeed, most occur before such negotiations have even commenced.

Some authorities have sympathized with companies, suggesting for instance that workers who strike illegally should compensate their employers for lost production.^{xx} A more prominent response from authorities, however, has been toleration, even support for aggrieved workers and to blame strikes primarily on companies, especially foreign invested ones, that violate labor laws and workers' rights. As several National Assembly delegates have said, strikes resulting from employer violations of the law should not be deemed illegal.^{xxi} Many other national and local authorities, including several officials in the state-authorized labor organization (VGCL, Vietnam General Confederation of Labor), put the onus on company managers and owners. They argue that employers should adhere to the labor code, particularly provisions about wages, work hours per week, treatment of employees, and workers' contributions to social security and health programs.^{xxii}

Officials have also deliberated ways to bring labor code provisions regarding strikes more in line with, as the Minister for Labor and others reportedly put it, "reality" and "life" (thực tiễn, cuộc sống).^{xxiii} Rather than trying to get workers to comply with existing laws, authorities modified the Labor Code in 1995 and 2006 to better conform with the conditions workers face.^{xxiv} Put another way, workers' public criticisms, especially their strikes, have significantly influenced national policy and the law making processes.^{xxv}

A third way for citizens to convey their views and concerns to authorities is through lawful channels, such as writing petitions and letters of complaints, meeting with officials, lobbying decision makers, and sending authorities ideas and information. Usually people do these things on their own initiative. Sometimes authorities invite particular individuals and groups to submit comments and research findings about proposed policies and laws.

A user of several lawful avenues is the Vietnam Chamber of Commerce and Industry (VCCI; Phòng Thương Mại và Công Nghiệp Việt Nam), a registered organization that the government recognizes as a representative of Vietnamese business interests. It began in the 1960s as an agency of the Ministry of Foreign Trade to promote Vietnam's economic interests around the world. In the early 1990s, VCCI declared its independence from the state and its commitment to represent members composed of entrepreneurs, private and state enterprises, and numerous business associations. In 1994 the National Assembly invited the VCCI to submit views on domestic investment legislation then being considered. This was the first of several occasions that the VCCI has been involved in legislation and policy deliberations, sometimes at the invitation of state authorities and often at the urging of its members. VCCI gathers comments, experiences, and data from its members; hosts workshops on topics pertinent to pending or existing rules and regulations concerning businesses; prepares reports for members, government ministries, and the National Assembly; and works with private and government institutes doing research on economic trends and policies.

In 1994-1995, the organization influenced government deliberations about the domestic investment law and subsequent implementing regulations. One of the issues of great concern to the organization was that economic ventures entitled to privileges from the state should include investors in labor-intensive projects and in research on and applications of new science and technology. Bolstering its arguments were other voices, as well; and the final legislation included both areas of investment. Another issue was tax incentives. Initial drafts of the legislation, observed the VCCI, denied domestic investors tax privileges that an earlier law had guaranteed to foreign investors. VCCI argued that domestic investors should have tax breaks at least equal to, if not more than, those allowed non-Vietnamese investors. This view had other supporters, including several National Assembly delegates. But objections came from other delegates and some strong interests outside the assembly. The VCCI's position did not carry the day. It did, however, make some impact. Provisions on tax incentives for domestic investors were better in the final legislation than they had been in various drafts. On some other provisions, too, the results for VCCI's positions were mixed. Still, over all, the VCCI proved to be an advocate for business community and had "articulated tough demands...over a wide range of issues."^{xxvi}

In 2000, the VCCI again participated in the legislative process.^{xxvii} This time, a VCCI representative was a member of a steering committee established by the government to make recommendations on a legal framework for the expanding private sector of the economy. The VCCI also had a representative on a committee that drafted possible language for what, after much debate within the National Assembly and elsewhere in the government, became the Enterprise Law. The VCCI wanted new legislation to make conditions easier for private enterprises to start and thrive. Particular provisions it advocated included streamlining the process for licensing enterprises, simplifying procedures that businesses had to follow when reporting to the government, and allowing entrepreneurs to do any business not prohibited by law rather than limiting businesses to what the law permits. While pressing these views, VCCI had some allies within the Communist Party and government, so it was not bucking the whole political system. It was playing a part in a continuing struggle within the state itself about the nature and extent of private enterprise in Vietnam's new market economy. Some high ranking party and government ministry officials argued vigorously that such provisions would grossly undermine the state's capacity to regulate, monitor, and manage the country's economy. Ultimately, this side of the argument lost ground. The Enterprise law has most of the provisions favored by VCCI and its allies.

Local organizations have also used legal channels to get helpful responses from authorities. Examples are community groups that have pressured authorities to enforce laws against

environmental pollution.^{xxviii} One such group emerged in the early 1990s among neighbors in a town near Biên Hòa City in Đồng Nai province, north of Ho Chi Minh City. Residents were upset with the continuous emissions of black smoke and soot from the nearby Dona Bochang textile factory, a joint venture between the provincial government and a Taiwanese corporation. The pollution dirtied people's clothing, blew into their houses, corroded the roofs of their homes, and caused respiratory illness for many residents. Also in Đồng Nai province is the Tan Mai paper mill, owned by a government ministry in Hanoi. Wastewater from the mill pollutes residents' wells, stunts rice and other plants growing in nearby fields, and poisons fish ponds. Initially people tolerated the pollution as a trade off for employment the mill provides for some residents, but as production accelerated and pollution significantly worsened in the early 1990s, neighbors organized to demand relief and compensation.

In Hanoi and in Việt Trì City (in Phú Thọ province) northwest of the nation's capital, residents mobilized against pollution from chemical factories in their neighborhoods. In the 1980s-1990s, Ba Nhat Chemicals, owned by the Hanoi Department of Industry, spewed toxic white powder and other pollutants into nearby apartment buildings and houses. That and the constant noise of grinding rocks provoked residents to start a campaign in the late 1980s to close the company or move it elsewhere. Việt Trì Chemicals, owned by a national ministry, emitted nauseous and toxic water and air that had long irritated nearby residents. In the 1990s, people, including many who worked at the factory, coalesced around demands that authorities must enforce environmental regulations against such pollution. In a district west of Việt Trì, villagers used legal channels in the 1990s to get the Lâm Thao fertilizer factory, also state owned, to stop releasing sulfuric acid and other toxins into the air and polluted water into their drinking water, irrigation canals, and streams. People were literally dying from these waste products, which also wreaked havoc with rice fields, fruit trees, and other crops.

In each of these five cases, people mobilized among themselves to convey their complaints to authorities. They wrote letters, circulated and signed petitions, and made appointments to meet with officials. Their appeals went to local authorities, managers and owners of the factories, as well as to provincial and national officials, including National Assembly delegates from their districts and executives in various ministries. They also brought their complaints to journalists who wrote newspaper stories and produced television programs about the environmental degradation and people's efforts to get relief.

In no case did these community groups get quick relief. But in three cases, after some years of pressure, the results were largely favorable. The Dona Bochang textile factory installed a filtration system to capture the polluted air, thereby significantly reducing emissions. The government moved the Ba Nhat factory to a rural area designed as a location for chemical production. And Việt Trì Chemicals invested in new methods that greatly reduced offensive emissions while even reducing its production costs, a win for the environment, the community, and the factory itself. Community pressure against the Lâm Thao fertilizer plant was partially effective. The state agency in charge of it has greatly improved the enterprise's water treatment system, thus drastically reducing pollution from that source. The plant's measures to stop emitting polluted air, however, has been meager. Community efforts to stop or at least drastically reduce pollution from Tan Mai Paper brought no significant results.

A combination of factors account for the different outcomes. Broadly speaking, according to Dara O'Rourke's analysis, a high degree of cohesion and persistence among residents pressuring authorities greatly enhanced the chances of success; divisions within communities noticeably reduced that outcome.^{xxix} Another factor is the extent to which community groups could find sympathetic and

influential allies within governmental officialdom. In all cases, reactions among officials included some avoidance, unwillingness to respond, and disagreement with residents' claims. But in successful cases, there were officials with enough concern and clout to overcome inertia within government offices and/or over-rule other authorities who were blocking the implementation of regulations and laws against environmental pollution.

Repressiveness

Repression against vocal, complaining, self-organized citizens readily fits with the view that Vietnam's political system is run by the Communist Party and allows no room for influences from outside the state apparatus. Repression also conforms with the interpretation that Vietnam has an authoritarian political system that allows citizen participation but only through official, authorized organizations.

Most repression is against people whom state authorities deem to be actually or potentially trying to disrupt social order, weaken national security, destabilize the political system, undermine the government, or dislodge the Communist Party from power. People whose activities do not cross these "lines," even if they criticize authorities and policies, are rarely at risk of repression. Those who do cross one or more of these lines are highly likely to suffer harassment, physical violence, arrest, and/or imprisonment. Sometimes people know that their actions are likely to anger officials. But other times, people are unaware that they have overstepped the bounds because authorities are the ones to define and determine the lines, often in secret.

On the 2nd of February 2001, three to four thousand people converged on Communist Party and government offices in Pleiku, the capital of Gia Lai province.^{xxx} The next day, thousands more marched from several directions toward Buôn Ma Thuột, the capital of Đắk Lắk, the province adjacent to Gia Lai. During the next few days, people staged numerous smaller demonstrations in several districts of the two provinces. Both Gia Lai and Đắk Lắk are in the Central Highlands, a region several kilometers inland from, and more than 500 meters above, the coast. The provinces, which lay along the Vietnam-Cambodia border, have had several public protests and demonstrations but the ones in early 2001 not only involved the largest number of people but also appeared to authorities to be the most organized and coordinated.

Nearly all the protesters were Jarai and Edê, two of the most numerous non-Kinh ethnic groups in the Highlands. (Kinh people compose about 87 percent of Vietnam's population; the remaining fraction is made up of over fifty minority groups, each usually concentrated in a different part of the country.) Lingering ethnic tensions are among the reasons for the occasional public protests. A more immediate reason in 2001 had to do with accelerated conflicts over land and other natural resources. To many Jarai, Edê, and other ethnic highlanders, Kinh migrants from lowlands and ethnic minority settlers from the mountainous provinces in northern Vietnam were taking, often with government help, their lands and forests. Population changes are indicative. In 1976, ethnic highlanders constituted half of the 1.2 million population of the Central Highlands. By 2001, the area had over 4 million people, but less than a quarter of them were ethnic highlanders. On the eve of the huge protests, 100-300 thousand more settlers were scheduled to arrive. Another immediate reason for the 2001 protests had to do with religion. Since the 1980s, large numbers of Jarai, Edê, and other indigenous people in the Central Highlands have become Christians, often as members of Evangelical churches. Although Vietnamese law allows freedom of religion, authorities have been highly suspicious of Evangelical groups. Local Communist Party and government officials, including police, often mistreat and abuse Evangelical

members. What sparked the flurry of large protests in February 2001 was officials in Gia Lai arresting on January 29 two ethnic minority men for their evangelizing activities.

Had the large protests in Gia Lai and Đắc Lắc been only about conflicts over land or even over Evangelical religious practices, national officials might have reacted rather peacefully and carefully, much as they did to the huge demonstrations in Thái Bình province in 1997. Instead, they sent in military troops to buttress provincial and district security police units that forcefully suppressed the protests within a couple of days. In the process, authorities reportedly destroyed several Evangelical churches, bludgeoned many citizens, and arrested dozens of people. A few months later, government courts found many of those arrested were guilty of being “masterminds” behind the demonstrations and sentenced them to prison. Only after restoring “peace and order” did authorities take some responsive measures and investigate underlying causes. And even while doing that, security forces in March scoured villages looking for more leaders of the demonstrations.

To authorities, the Central Highland protests were not just about land and religion. They were a serious threat to the nation and government. According to officials, Evangelicalism was a means through which people hostile to Vietnam were trying to destabilize the country and its political order. And those people were both inside and outside the country. Authorities linked the demonstrations’ leaders to organizations in the United States, composed mostly of people from the Highlands who had left Vietnam in the 1970s-1980s, that vigorously oppose the Communist Party government and seek an autonomous Central Highlands “homeland” for ethnic minority groups there. The organizations, according to authorities, were perpetuating the goal sought by “FULRO,” a small guerrilla movement composed of ethnic highlanders that the Vietnamese government had put down in the early 1980s. To authorities – and, as news spread and government versions of the events circulated, to many ordinary Vietnamese – the February 2001 protests were an attempt, supported by hostile foreign forces, to “break the Central Highlands away from Vietnam....”^{xxxii} This, Vietnamese leaders believed, justified the prompt use of force.

Less visible and not concentrated in one part of the country are other Vietnamese whom state authorities have intimidated, harassed, beaten, arrested, and/or imprisoned in recent years. They compose what some who are involved call a “democracy movement” (phong trào dân chủ). Public advocates for democratic institutions and the protection of free speech and other human rights have existed in Vietnam under Communist Party rule for decades, but they have been few in number and thus fairly readily silenced by authorities. Starting around 2005, their numbers have markedly increased. Not only that, about a dozen political parties and other organizations championing democracy and human rights have come out into the open. They have such names as Đảng Dân Chủ Nhân Dân [People’s Democratic Party, secretly formed in mid 2003; publicly announced in June 2005], Đảng Dân Chủ thế kỷ XXI [21st century Democratic Party, formed in June 2006], and Đảng Thăng Tiến Việt Nam [Vietnam Progressive Party, launched in September 2006]. They have not registered with proper government agencies – although some have tried – and hence have no legal standing. Nor do the newspapers that some pro-democracy groups in Vietnam have been distributing, primarily through the Internet, during the last half dozen years. Among these publications are *Điện Thư* [Electronic letter, published nearly monthly from April 2003 through June 2007], *Tập San Tự Do Dân Chủ* [Freedom and democracy journal, published about four times a year since September 2006], *Tổ Quốc* [Homeland, published twice a month since September 2006]; and *Tự Do Ngôn Luận* [Free speech, published twice a month since April 2006].

Some editorial board members of this last publication were instrumental in preparing and circulating a “Declaration of Freedom and Democracy for Vietnam” [Tuyên Ngôn Tự Do Dân Chủ cho Việt Nam].

Released on 8 April 2006 through the Internet, the statement accelerated the democracy movement because it was not just the work of a few people but over a hundred Vietnamese who endorsed it, each stating their name and where they live. The statement called on others favoring greater freedom and democracy in Vietnam to give their support. And indeed, within a few weeks, more than three hundred more people had added their names. By the end of the year, over 2,000 people had publicly endorsed the Declaration.^{xxxii} Although by then the list included some Vietnamese living abroad, the vast majority were in the country. This apparent ground swell of support for the democracy energized some activists to start several of the just mentioned political organizations and newspapers that are highly critical of the Vietnamese Communist Party and its government. One of them, Khối 8406 [Bloc 8406], takes part of its name from the date on which the Declaration was issued and claims to represent those who signed it.

Perhaps contributing to the spurt of pro-democracy advocacy in 2006 was the occasion of the annual meeting of Asia-Pacific Economic Cooperation (APEC), which the Vietnamese government hosted for the first time in November. The knowledge that international media networks were covering preparations for this prominent event and would send teams of reporters to cover the meeting itself emboldened advocates for democratic reforms. They may also have calculated that such international attention would inhibit Vietnamese authorities from reacting harshly against them.

Up until about August 2006, the repression was the usual harassment and intimidation of outspoken pro-democracy advocates by the national security police (Công An). But repression intensified the rest of the year and well into 2007. By mid 2007, a pro-democracy group's incomplete list of Vietnamese recently incarcerated for their political and religious views had three-dozen names.^{xxxiii} The list included several leaders of the political parties and the on-line newspapers referred to above, a number of leaders in religious organizations, and a few defense lawyers for pro-democracy and religious freedom advocates. Many of those incarcerated had signed the April 2006 Declaration for Freedom and Democracy. Harassment and intimidation against public advocates of democracy continue until now, punctuated by occasional arrests and imprisonments.

The crime for which pro-democracy activists are often convicted is violating laws against spreading false propaganda about the state. Frequently state prosecutors also argue that the accused have connections to foreign organizations, often composed of Vietnamese living abroad who are viscerally opposed to Vietnam's Communist Party, that are trying to overthrow the government and destroy the nation state.

Victims of state repression since mid 2006 have also included peasants and workers with little or no connection to the democratization movement. In late 2006 and early 2007, police forcibly removed (and in some cases detained for days) dozens, maybe hundreds of demonstrators from a public park in Hanoi that had become a popular place for villagers from around the country to congregate while protesting against a wide range of issues, especially corruption, abusive local officials, wrongful eviction from farmlands, and religious persecution.^{xxxiv} Authorities claimed that the demonstrators were disrupting social order. Intensive police patrols now prevent demonstrators from using that public park.

In mid July 2007, about 1,000 security police used water canons, batons, and brute force to disperse some 600 demonstrators.^{xxxv} Mostly villagers from provinces in the Mekong delta, the demonstrators had camped for days outside the Ho Chi Minh City branch office of the National Assembly trying to get the attention of delegates and other officials meeting there. They wanted authorities to address their complaints that local officials had illegally confiscated their farmlands, an issue that has provoked many demonstrations across Vietnam during the last dozen years. Most previous ones ended with

little incident, usually after authorities took steps to address people's concerns. In July 2007, some officials did meet with the demonstrators but apparently took no further steps to respond to people's charges. When security police officers eventually told the protesters to leave, they refused. After a lengthy standoff, policemen waded in. Forcing demonstrators into trucks and other vehicles, the police hauled people back to their home provinces. Some people were reportedly severely beaten and a few were arrested. The reasons for this use of force are unclear but appear to center on authorities seeing the large demonstration as disrupting social order and threatening national security.

Workers suffering the repressive side of the Vietnamese state have been leaders of two unauthorized organizations claiming to represent laborers' interests: Hiệp Hội Đoàn Kết Công-Nông Việt Nam [United Workers-Farmers Association (UWFA)] and Công Đoàn Độc Lập Việt Nam [the Independent Trade Union of Vietnam (ITUV)]. Both announced their existence in October 2006.^{xxxvi} By the end of 2006 authorities had arrested UWFA leaders, who were then tried and convicted of spreading anti-state propaganda, joining reactionary organizations, and committing other offenses.^{xxxvii} Police have harassed leaders of the other organization, the ITUV, some of whom have lost their jobs. One ITUV leader was arrested in 2007 and imprisoned, although apparently not for her labor union involvement but for other political activism that, a court ruled, had caused "public disorder."^{xxxviii}

Debates among critics

The responsive-repressive character of the Vietnamese state affects debates among critics of the regime about how to press for political change and democratization. Broadly speaking, there are two schools of thought. I say "broadly" because Vietnam has some ardent critics of the present government who fit neither of these. But the two schools do encompass most of the people whose criticisms I have read.^{xxxix} One advocates struggle (đấu tranh) through participation and engagement with authorities and state institutions. Such participatory struggle over time, they say, causes significant mutation and conversion (chuyển hóa) toward democracy. To the participatory school critics, the responsiveness of the state is evidence of governance improving in Vietnam. The other school advocates struggle that directly confronts authorities and institutions. This view pays little heed to the government's responsive actions. Instead critics in the confrontational school see the state as stubbornly opposed to significant change and highly prone to repression. Hence the only way for governance in Vietnam to improve is to replace the Communist Party government with democracy.

Before elaborating the differences between these two, I must point out that both advocate non-violent, peaceful struggle. This is widely shared among people openly critical of the present political system. Only occasionally do a few critics hint at armed struggle.

The basic orientation of participatory struggle is to engage particular state officials, actions, policies, and institutions on matters that directly affect people's lives. Where people – be they workers, peasants, students, intellectuals, entrepreneurs, businessmen/women, or anyone else – see that authorities and policies make life better for them and their communities, then show support. But where people deem authorities' actions, programs, and policies to be wrong or need modification, then struggle to stop or improve them. Such efforts, say these critics, further Vietnam's economic and social development. And, even though they are not directly attacking or confronting the political system, they also gradually and cumulatively contribute to political change and democracy. Indeed, it is better "not to politicize struggles about people's livelihood and welfare" [không nên chính trị hóa các đấu tranh dân sinh] otherwise authorities are apt to be repressive rather than responsive.^{xl} The

struggle, to paraphrase one critic, is not about overthrowing or bringing down the government. It is about stopping policies that hurt people and the nation.^{xli}

Evidence shows, these critics say, that struggles for better living conditions and other specific issues influence the Communist Party government and help the country to develop. They point to the remarkable rise of family farming, which the Communist Party had to endorse on account of persistent opposition among rural people to collective farming. Other evidence is the demise of centrally planned economy and the revival of private enterprise and a market economy. These were major concessions authorities had to make during the 1980s-1990s in the face of people's poverty and seething discontent. These and other changes also mean "communism" and "socialism" no longer have much importance or meaning among most Vietnamese, another reality to which the Communist Party has had to adjust. Thus, on the economic and ideological fronts, people's struggles for better living conditions have defeated some objectives of the Communist party government.^{xlii}

Associated with participatory struggle are some specific stances, although not all critics in this school endorse every one. One that is widely shared is to recognize the achievements of the Communist Party regime. These include the party's leadership in overthrowing colonial rule and reuniting the nation and the ability of party and government leaders to bend to pressures from the people. Critics in this school are wary of overseas individuals and organizations wanting to play significant roles in Vietnam's democratization movement.^{xliii} Among the reasons are their concerns that such people include Vietnamese refugees who are actually trying to restore the Saigon regime or something similar and that foreigners have inadequate understanding of dynamics and conditions in Vietnam. Critics in this school also tend to be dubious about trying to organize big demonstrations or even petition campaigns demanding democratic institutions.^{xliiv} Generally they favor instead dialogue and interaction with government and Communist Party authorities.^{xliv} Some within the participatory struggle school think that Communist Party regime could, in time, self destruct [tự vỡ] because of vast corruption, major conflicts and debates within the party, and loss of support among the people.^{xlvi}

Critics favoring confrontational struggle stress direct opposition to the Communist Party and its government. They say little about changes that have occurred from the bottom-up. Even if authorities in the past have made adjustments in the face of indirect and widespread pressures, these critics see no evidence that such engagement can force the Communist Party regime to change fundamentally the political system. And that change, in particular, a democracy, is what Vietnam needs now. Violent revolution is not a viable way to bring this about. The only way is through straight forward and open advocacy for a multiparty, pluralistic political system in which legislative, executive, and judicial branches of government are separated and free speech as well as other human rights are protected.^{xlvii} Critics in this school see little or nothing worth saving of the present political system. It should be, in the words of the Declaration for Freedom and Democracy, "completely replaced" [phải bị thay thế triệt để]; it is "incapable of being renovated or modified" [không phải được đổi mới hay điều chỉnh].^{xlviii} The replacement can come in a couple of ways: Communist Party leaders will see the handwriting on the wall of their inevitable demise and simply concede or a mass uprising that is largely peaceful will cause the regime to collapse.^{xlix}

Forms of direct confrontation advocated by various critics in the confrontational struggle include boycotting elections for the National Assembly unless opposition parties are allowed to run candidates freely, having an internationally supervised national referendum on whether the present government should continue or not, and encouraging nation wide mass demonstrations against the regime.¹ The type of confrontation about which there is the most agreement is the establishment of organizations that publicly criticize the Communist Party government and demand democracy. Besides confronting

the regime, say these critics, such organizations will give the democratization movement continuity and sustainability even though the regime suppresses, arrests, and imprisons individual activists. Whether to have many organizations or to consolidate them into one or two is a question critics are discussing.ⁱⁱ Another issue is the role of Vietnamese living abroad and of other foreign organizations. Some critics in this school see them as vital. One even says the leadership should be outside Vietnam until the democratization movement in Vietnam becomes strong.ⁱⁱⁱ Others say that material and moral support from abroad is helpful but the movement in Vietnam must rely on its own resources and leadership.

Underlying the two schools are differences about the relationship between development and democracy. Critics in the participatory school tend to emphasize development – meaning especially improved living conditions, welfare, and happiness of citizens across the country. Implicitly (explicitly for some) democracy is an aspect of development. The two are linked, but development is, as Lê Hồng Hà says, overarching and comprehensive – democratization is an important aspect of development, not independent from it. Hence, fighting for democracy by itself does not make sense. The struggle is for the development and democratization of Vietnam [đấu tranh vì sự phát triển và dân chủ hóa đất nước Việt Nam].ⁱⁱⁱ Thinking along similar lines, Lữ Phương says democratization in Vietnam need not start with a multiparty political system. Indeed, he says, a multiple party system is likely to come in the late stages of the whole democratization process.^{iv} For the confrontational school, democratization is primary. Development cannot happen until Vietnam has democratic institutions, especially multiple political parties competing for government positions in free elections. Without such institutions, they argue, corruption will continue, creative thinking and innovation will remain stifled, and human rights will be suppressed.^{iv} And without such political institutions, Vietnam cannot catch up with the development that neighboring countries such as Thailand, Malaysia, and Singapore have achieved.^{vi}

Next?

No one knows how the debate among critics of the Vietnam's Communist Party government will play out. I suspect the discussion will continue, perhaps even become frenzied and poisoned with personal animosities. Also, a wider, more inclusive reading of the growing volume of essays and other material critics produce will likely reveal multiple debates across a number of issues.

In any event, I suspect the relationship between development and democracy will remain a prominent issue for those criticizing and opposing Vietnam's government. Just as social scientists continue to wrestle with the problem without reaching a definitive conclusion, Vietnamese political activists and writers will not likely to reach a consensus. A major reason for inconclusiveness within social science is that the empirical evidence about the matter is complicated and mixed, to say the least. For critics of Vietnam, some of whom are familiar with the social science literature on the topic, a major reason for a continued discussion is the responsive/repressive character of the Communist Party regime. As long as the regime continues to be responsive to pressures for improving the welfare of citizens and their country and avoid resorting quickly to heavy handed repression, its critics will be divided in their analyses of governance in Vietnam and in their methods to improve the political system.

Table: Human Development Index Trends, Philippines and Vietnam, 1985-2006

	<u>1985</u>	<u>1990</u>	<u>1995</u>	<u>2000</u>	<u>2005</u>	<u>2006</u>	<u>Change (1985-2006)</u>
<u>Philippines</u>	0.649	0.694	0.711	0.725	0.743	0.745	+ 15%
<u>Vietnam</u>	0.559	0.597	0.645	0.688	0.714	0.718	+ 29%
<u>gap betw. VN and Phil.</u>	0.090	0.097	0.066	0.037	0.029	0.027	- 70%

Data source: UNDP, *Human Development Report 2008*, Table 1, pp. 26-27.

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References

- ⁱ Benedict J. Tria Kerkvliet, "Political Expectations and Democracy in the Philippines and Vietnam," *Philippine Political Science Journal*, no. 49 (2005): 1-26.
- ⁱⁱ Adrian Leftwich, "On the Primacy of Politics in Development," pp. 6, 18-21, in idem, ed., *Democracy and Development* (Cambridge: Polity Press, 1996). Leftwich, taking a broad view of politics, says it includes all activities of cooperation, conflict and negotiation in the use, production, and distribution of resources in both public and private domains. I agree, and would just add that politics also includes the values underlying these activities.
- ⁱⁱⁱ Chalmers Johnson, *MITI and the Japanese Miracle* (Stanford: Stanford University Press, 1982); Adrian Leftwich, "Two Cheers for Democracy? Democracy and the Developmental State," pp. 284-89, in idem., ed., *Democracy and Development* (Cambridge: Polity Press, 1996); Meredith Woo-Cumings, ed., *The Developmental State* (Ithaca, NY: Cornell University Press, 1999).
- ^{iv} Harold Crouch, *Government and Society in Malaysia* (Ithaca, NY: Cornell University Press, 1996), p. 244; also see 5-7, 245-47.
- ^v I am indebted to Phạm Thu Thủy, a research assistant in the Department of Political and Social Change, Research School of Pacific and Asian Studies, The Australian National University (ANU). She collected many of the Vietnamese materials that I have used to prepare this paper. I am also grateful to the ANU and the Australian Research Council for financial support to my research on politics in Vietnam.
- ^{vi} Everyday politics involves people embracing, complying with, adjusting, or contesting norms and rules regarding authority over, production of, or allocation of resources and doing so in quiet, mundane, and subtle expressions and acts that are rarely organized or direct. Everyday politics has little or no organization, is usually low profile and private behavior, and is done by people who probably do not regard their actions as political. It can occur in organizations, but everyday politics itself is not organized. It can occur where people live and work. Often it is entwined with individuals and small groups' activities while making a living, raising their families, wrestling with daily problems, and interacting with others like themselves and with superiors and subordinates. Everyday politics also includes production and distribution within households and families and within small communities in ways that rely primarily on local people's own resources with little involvement from formal organizations.
- ^{vii} Nigel Thrift and Dean Forbes, *The Price of War: Urbanization in Vietnam 1954-85* (London: Allen and Unwin, 1986), pp. 145-49.
- ^{viii} David W.H. Koh, *Wards of Hanoi* (Singapore: Institute of Southeast Asian Studies, 2006), p. 213.
- ^{ix} This and the next two paragraphs draw on Koh's informative discussion, *Wards of Hanoi*, pp. 204, 223-39.
- ^x Mostly this discussion draws on my own research [Kerkvliet, *The Power of Everyday Politics: How Vietnamese Villagers Transformed National Policy* (Ithaca, NY: Cornell University Press, 2005)], but other studies have indicated that local deviations created bottom-up pressures that influenced policy change: Chủ Văn Lâm, et al., *Hợp Tác Hóa Nông Nghiệp Việt Nam: Lịch Sử, Vấn Đề, Triển Vọng* [Agricultural cooperativization in Vietnam: History, Issues, and Prospects] (Hanoi: Nxb Sự Thật, 1992), pp. 52, 78-79; Adam Fforde, *The Agrarian Question in North Vietnam, 1974-1979* (Armonk, NY: M. E. Sharpe, 1989), pp. 80-81, 85-86, 205; and Lê Huy Phan, "Mấy Suy Nghĩ về Cơ Chế Quản Lý Kinh Tế ở Nước Ta từ Trước đến nay và về Phương Hướng Đổi Mới Cơ Chế Đó" [Thoughts regarding our current economic management mechanism and a way for renovating it], *Nghiên Cứu Kinh Tế* [Economic research] 146 (8) (1985), p.14
- ^{xi} Unless otherwise indicated, the following account relies on a report commissioned by the Prime Minister and written by Trương Lai, head of the Sociology Institute of the National Center for Social Sciences and Humanities, entitled "Báo Cáo Sơ Bộ về cuộc Khảo Sát Xã Hội tại Thái Bình cuối Tháng Sáu, đầu Tháng Bảy năm 1997" [Preliminary report of a sociological investigation in Thai Binh in late June and early July 1997], 8 August 1997; a serialized story published in the newspaper *Tiên Phong* [Vanguard, a newspaper] 2, 4, 7, and 9 October 1997; an article in *Đại Đoàn Kết* [Great unity, a newspaper], 23 February 1998, p.6; and Hy V. Luong, "The State, Local Associations, and Alternate Civilities in Rural Northern Vietnam," pp. 132-34, in Robert P. Weller, ed., *Civil Life, Globalization, and Political Change in Asia* (London: Routledge, 2005).
- ^{xii} A subdistrict encompasses a few villages and is the smallest government administrative unit in rural Vietnam.
- ^{xiii} The information about punishments comes from the Associated Press, 11 November 1997; AFP, 25 August 1998; *Vietnam Economic News*, 23 September 1999; *South China Morning Post*, 25 September 1999; and *San Jose Mercury News*, 31 October 1999. One source claims that authorities later used common criminals to kill numerous villagers who had joined the 1997 demonstrations: Dương Thu Hương, a writer in Hanoi, Transcript of interview by Việt Tide, par. "Trong các nhà tù....," 10 April 2006, from Đàn Chim Việt [Viet flock] website, <http://www.danchimviet.com/php/modules.php?name=News&file=print&sid=1523>, accessed 2 February 2007.
- ^{xiv} The averages are based on annual figures for strikes as reported in Vietnamese newspapers and the Vietnam General Confederation of Labor (VGCL; Tổng Liên Đoàn Lao Động). For details, see the table in Benedict J. Tria Kerkvliet, "Workers' Protests in Contemporary Vietnam (with some Comparisons to those in the pre-1975 South)," *Journal of Vietnamese Studies* (forthcoming, 2010).

^{xv} See, for example, VietNamNet, 12 April 2007 <http://www.vietnamnet.vn/xahoi/laodong/2007/04/683865/>, accessed 19 April 2007; and *Lao Động* [Labor], 28 March 2006 [http://www.laodong.com.vn/pls/bld/folder\\$.view_item_detail\(152616\)](http://www.laodong.com.vn/pls/bld/folder$.view_item_detail(152616)), accessed 4 May 2006.

^{xvi} For examples, see *Báo Đồng Nai* [Đồng Nai province newspaper] 25 July 2007 <http://www.baodongnai.com.vn/default.aspx?tabid=585&idmid=&ItemID=20918>, accessed 7 August 2007; *Lao Động*, 21 July 2006 [http://www.laodong.com.vn/pls/bld/folder\\$.view_item_detail\(134903\)](http://www.laodong.com.vn/pls/bld/folder$.view_item_detail(134903)), accessed 4 May 2006; and *Lao Động*, 12 April 2007 <http://www.laodong.com.vn/Home/congdoan/tranhchapld/2007/4/31748.laodong>, accessed 17 April 2007. /C\W\

^{xvii} Two enterprising journalists, after investigating food issues regarding several factories in and around Ho Chi Minh City, found that the money employers spent on food provided to workers was well below what nutritious meals would cost. The journalists also estimated that a quarter of the nearly 40 strikes in the city during the first half of 2007 were related to food issues. *Người Lao Động* [Worker], 2 July 2007 <http://www.nld.com.vn/tintuc/cong-doan/194162.asp>, accessed 5 July 2007. Also see Angie Ngoc Tran's account of workers refusing to eat bad meals that a South Korean owned factory served: "Ties That Bind: Native Place, Gender, and Tradition in Vietnamese Migrant Workers' Responses to Capital," conference paper, 2006, p.16.

^{xviii} Tellingly, officials rarely say, at least in public, that the strikes are "illegal" (không hợp pháp, không hợp lệ, or bất hợp pháp). Instead they describe the strikes as "spontaneous" (tự phát).

^{xix} *Pháp Luật* [Law], 18 May 2006 <http://www.congdoanvn.org.vn/printdocument.asp?MessageID=440>, accessed 20 October 2006; Trương Giang Long, "Giai Cấp Công Nhân Việt Nam - Thực Trạng và Suy Ngẫm [Vietnam's working class], from *Tạp Chí Cộng Sản* [journal of the Vietnam Communist Party], 17 December 2007 http://www.tapchiconsan.org.vn/details.asp?Object=4&news_ID=171239103, accessed 5 May 2008.

^{xx} See discussions about a communiqué from the Ministry of Labor regarding such compensation: Radio Free Asia, 6 June 2008 <http://www.rfa.org/vietnamese/vietnam/xa-hoi/Strike-in-vietnam-NTran-06062008122012>, accessed 22 June 2008.

^{xxi} See, for example, the report of comments by delegate Nguyễn Đình Xuân of Tây Ninh province during a National Assembly debate in June 2006 about revising the labor code. *Nhân Dân* [The people, a newspaper], 7 June 2006 <http://www.nhandan.com.vn/tinbai/?top=37&sub=130&Article=64235>, accessed 23 October 2006.

^{xxii} See, for example, *Lao Động*, 9 June 2006 <http://www.laodong.com.vn/new/congdoan/index.html>, accessed 13 June 2006; and *Tuổi Trẻ* [Youth, a newspaper], 28 October 2006, <http://www.tuoitre.com.vn/Tianyon/Index.aspx?ArticleID=169444&ChannelID=3>, accessed 2 November 2006. For an interview with the government's chief inspector for industrial relations, see *Lao Động*, 27 April 2006 [http://www.laodong.com.vn/pls/bld/folder\\$.view_item_detail\(155037\)](http://www.laodong.com.vn/pls/bld/folder$.view_item_detail(155037)), accessed 28 April 2006.

^{xxiii} *Nhân Dân*, 1 June 2006 <http://www.nhandan.com.vn/tinbai/?top=37&sub=50&Article=63688>, accessed 24 October 2006.

^{xxiv} For some evidence, see Jonathan Stromseth, "Reform and Response in Vietnam: State-Society Relations and the Changing Political Economy" (Ph.D. dissertation, Columbia University, 1998), pp. 207-26; and Kerkvliet, "Workers' Protests...."

^{xxv} Saying essentially this is a statement from the VGCL's Legal Department (Ban Pháp Luật Tổng Liên Đoàn), 10 March 2006 <http://www.congdoanvn.org.vn/printdocument.asp?MessageID=275>, accessed 20 October 2006.

^{xxvi} Stromseth, "Reform and Response....," p. 173. Other material I use in this and the previous paragraph comes from this dissertation, pp. 86-99 and 140-75.

^{xxvii} This paragraph is based on two studies: John Stanley Gillespie, *Transplanting Commercial Law Reform: Developing a 'Rule of Law' in Vietnam* (Hampshire, England: Ashgate, 2006), 228-33; and Jonathan R. Stromseth, "Business Associations and Policy-Making in Vietnam," pp. 88-92, in Benedict J. Tria Kerkvliet, et al., eds., *Getting Organized in Vietnam: Moving in and around the Socialist State* (Singapore: Institute of Southeast Asian Studies, 2003).

^{xxviii} Material about these groups comes from Dara O'Rourke, *Community-Driven Regulation: Balancing Development and the Environment in Vietnam* (Cambridge, Mass.: MIT Press, 2004), chapters 3 and 7.

^{xxix} O'Rourke, *Community-Driven Regulation*, pp. 101-105, 222-27.

^{xxx} This and the next three paragraphs draw heavily on An Independent WriteNet Researcher, "Vietnam: Indigenous Minority Groups in the Central Highlands," WriteNet paper no. 05/2001, Centre for Documentation and Research, UNHCR; and Oscar Salemink, "Enclosing the Highlands: Socialist, Capitalist and Protestant Conversions of Vietnam's Central Highlanders," paper, June 2003. I have also consulted *Repression of Montagnards: Conflicts Over Land and Religion in Vietnam's Central Highlands* (New York: Human Rights Watch, 2002) and *No Sanctuary: Ongoing Threats to Indigenous Montagnards in Vietnam's Central Highlands* (New York: Human Rights Watch, 2006).

^{xxxi} An Independent WriteNet Researcher, "Vietnam," p. 20.

^{xxxii} Statement from Khối 8406, 8 December 2006, in *Tự Do Ngôn Luận* [Free speech], 15 December 2006, p. 4.

^{xxxiii} Khối 8406, "Thư gửi Tổng Thống Hoa Kỳ George W. Bush [Letter to President Bush], 16 June 2007, in *Tự Do Ngôn Luận*, 15 June 2007, pp. 7-8. An earlier source says that Vietnam has "hundreds" of prisoners of conscience: "Thư ngỏ gửi Tổng Thống Hoa Kỳ George W. Bush" [Open letter to President Bush], signed by over two dozen Vietnamese in Vietnam, 14 November 2006, in *Tạp San Tự Do Dân Chủ* [Freedom and democracy journal], 14 December 2006, p. 8.

^{xxxiv} Among several sources are Vũ Thanh Phương & Lê Thị Kim Thu, “Thư kêu cứu khẩn cấp” [Letter calling for urgent help, addressed to UN Human Rights Commission and others], 14 November 2006, from Tiếng Dân Kêu [Cry of the people] website <http://www.tiengdankeu.net>, accessed 15 November 2006; Nguyễn Khắc Toàn, “Những người dân oan Việt Nam bị đàn áp và hội nghị APEC-14 tại Hà Nội” [The repression of mistreated Vietnamese and the APEC conference in Hanoi], 22 November 2006, in *Tập San Tự Do Dân Chủ*, 14 December 2006, pp. 10-15. Nguyễn Khắc Toàn’s article refers to reports that police beat to death some of the removed demonstrators.

^{xxxv} Sources include accounts in *Tự Do Ngôn Luận*, 15 July 2007 and 1 August 2007, by this publication’s editors; the Liên Minh Dân Chủ Nhân Quyền Việt Nam [Vietnam alliance for democracy and human rights], whose spokespersons include two Ho Chi Minh City residents; and Nguyễn Đan Quế, a physician in Ho Chi Minh City.

^{xxxvi} ITUV’s announcement, 20 October 2006, is posted in the Đàn Chim Việt website <http://www.danchimviet.com/php/modules.php?name=News&file=article&sid=2523>, accessed 16 January 2007. UWFA’s founding announcement, 30 October 2008, is on the *Tự Do Ngôn Luận* website, <http://www.tdngonluan.com/tailieu.htm>, accessed 23 February 2007.

^{xxxvii} *Điện Thư* [Electronic letter], July 2007, 4-5; VietnamNet, 3 May 2007 via Steve Denney e-mail to the Vietnam Studies Group, 4 May 2007; Radio Free Asia, 18 May 2008 <http://www.rfa.org/vietnamese/HumanRights/Nguyen-Tan-Hoanh-political-prisoner-set-free-VHung-05182008134432.html>, accessed 27 May 2008.

^{xxxviii} *Đàn Chim Việt*, 22 April 2007 <http://www.danchimviet.com/php/modules.php?name=News&file=article&sid=3276>, accessed 15 June 2007; Committee to Protect Journalists, Press release, New York, 4 February 2008; account by Đào Văn Thụy in *Tự Do Ngôn Luận*, <http://www.tudongonluanonline.com/pages/tp.asp?TID=1857 &CID=2&SID=3>, accessed 15 January 2007.

^{xxxix} I have read more than a 150 essays by some two dozen prominent critics and transcripts of interviews they have given to radio journalists. There are 10 or 15 times that number of relevant pieces I have not yet read by another 100 or more known critics. In addition, there is the large number of accounts by or about other Vietnamese who are not well-known but also castigate authorities and sometimes the entire political system. Their views are not yet included in my analysis but eventually will be.

^{xl} Hà Sĩ Phu, transcript of phone interview with the BBC, 22 August 2007, par. “Tất nhiên...,” from BBC Vietnamese website http://www.bbc.co.uk/vietnamese/vietnam/story/2007/08/070822_hasiphu_interview_shtml, accessed 24 August 2007. Hà Sĩ Phu lives in Đà Lạt, a city in central Vietnam.

^{xli} “Đây là một cuộc đấu tranh nhằm chấm dứt những chính sách sai lầm của Đảng Cộng sản cầm quyền, những chính sách phân dân hại nước nhưng không phải là một cuộc đấu tranh để lật đổ chính quyền hiện nay.” Lê Hồng Hà, “Đấu tranh vì Phát triển và Dân chủ hóa Đất nước” [Struggle for national development and democratization], 10 March 2007, par. “Vấn đề thứ hai...,” from Diễn Đàn [Forum] website <http://www.diendan.org/viet-nam/le-hong-ha-111au-tranh-vi-phat-trien-va-dan-chu-hoa-111at-nuoc/>, accessed 11 July 2007. Lê Hồng Hà lives in Hanoi.

^{xlii} Lê Hồng Hà, “Đấu tranh...,” 10 March 2007, section “Gọi tên...”

^{xliii} Trần Bảo Lộc, “Góp ý với tác giả Nguyễn Gia Kiểng” [Sharing opinions with Nguyễn Gia Kiểng], 14 July 2007, from Đối Thoại [Dialogue] website http://www.doi-thoai.com/baimoi0707_332.html, accessed 2 August 2007; Hà Sĩ Phu, transcript of interview by Đoàn Giao Thủy in Đà Lạt, June 2007, from Diễn Đàn website <http://www.diendan.org/viet-nam/gap-ha-si-phu-o-111a-lat>, accessed 11 July 2007. Trần Bảo Lộc also resides in Đà Lạt, central Vietnam.

^{xliv} Lê Hồng Hà, transcript of interview by Việt Tide, 1 February 2006, from Đàn Chim Việt website <http://www.danchimviet.com/php/modules.php?name=News&file=article&sid=1144>, accessed 2 February 2007.

^{xlv} Trần Bảo Lộc, “Góp ý...,” 14 July 2007. Also see Hà Sĩ Phu, public letter to Nguyễn Minh Triết and Nguyễn Tấn Dũng, President and Prime Minister, respectively, of Vietnam, 9 September 2008, from Talawas website <http://www.talawas.org/talaDB/showFile.php?res=14174&rb=0401>, accessed 29 October 2008.

^{xlvi} Lê Hồng Hà, “Đấu tranh...,” 10 March 2007, par. “Một, cuộc đấu tranh...”

^{xlvii} “Tuyên Ngôn Tự do Dân chủ cho Việt Nam,” 8 April 2006, part III. This “Declaration of Freedom and Democracy for Vietnam” is on numerous websites, e.g. Mạng Ý Kiến [Opinion net], <http://www.ykien.net/>, accessed 12 May 2006. For an English version, see Lê Phải [Justice] website <http://lephai.com/uni/n2006/dt20060720h.htm>, accessed 28 July 2006.

^{xlviii} “Tuyên Ngôn...,” 8 April 2006, par. “Mục tiêu cao nhất...”

^{xlix} Đỗ Nam Hải, public letter to national authorities in Vietnam and other people, 10 December 2004, in *Điện Thư*, no. 34, December 2004, p. 3; Đỗ Nam Hải, “Về việc ‘Chấm dứt Hợp đồng lao động’ của tôi” [My ‘work contract stoppage’], in *Điện Thư*, no. 43, April 2005, p. 4; and Hoàng Bách Việt, member of the Đảng Dân Chủ Nhân Dân [People’s democratic party], “Những Chiến Sĩ Dân Chủ Chuyên Nghiệp” [Professional fighters for democracy], in *Điện Thư*, no. 51, October 2005, pp. 1-2. Đỗ Nam Hải and Hoàng Bách Việt live in Ho Chi Minh City.

^l Chân Tín and three other Roman Catholic priests, essay calling for election boycott, in *Tự Do Ngôn Luận*, 15 April 2006, pp. 3-4; Nguyễn Văn Lý, Roman Catholic priest, “Vi sao Tây Chay Quốc hội Độc Đảng 2007 Đủ sức Giải thể Chế độ CSVN hiện nay?” [Why can boycotting the 2007 election for the single party national assembly bring down the Communist Party regime?], from *Tự Do Ngôn Luận* website http://www.tdngonluan.com/tailieu/tl_visaotaychay.htm, accessed 31 January 2007; Minh Chính, secretary of the Đảng Dân Chủ Nhân Dân [People’s democratic party] in Ho Chi Minh City, Public letter to

Nguyễn Minh Triết, Secretary of the Communist Party in Ho Chi Minh City, 26 April 2006, in *Điện Thư*, no. 58, May 2006, pp. 51-50; Trung Hiếu, “Thấy gì qua Bài viết...của Nhà văn Hoàng Tiến?” [What do we find in writer Hoàng Tiến’s essay?], from *Thông Luận* Online <http://www.thongluan.org/vn/modules.php?name=News&file=article&sid=1282>, accessed 5 January 2007. Chân Tín, Minh Chính, and Trung Hiếu were writing in Ho Chi Minh City. Nguyễn Văn Lý, who is from Huế, was arrested and imprisoned in February 2007.

^{li} Huỳnh Việt Lang, member of the Đảng Dân Chủ Nhân Dân [People’s democratic party], “Dân chủ và văn hóa tổ chức” [Democracy and the culture of organization], in *Điện Thư*, no. 58, May 2006, pp. 39-40; Lê Quang Liêm, member of Phật Giáo Hòa Hảo Thuận Túy [Hoa Hao Buddhist religion], “Làm thế nào Tiến đến Dân chủ hóa Việt Nam?” [How to progress to democratization in Vietnam], in *Tự Do Ngôn Luận*, 15 May 2006, p.10; Nguyễn Vũ Bình, “Tương lai nào cho Phong trào Dân chủ Việt Nam?” [What’s the future of Vietnam’s democracy movement], part 3, point 3, from Mạng Ý Kiến website <http://ykien0711.blogvis.com/2008/02/29/t%c6%b0%c6%a1ng-lai-nao-cho-phong-trao-dan-chu-e1%bb%a7-vi-e1%bb%87t-nam/>, accessed 6 March 2008. Huỳnh Việt Lang, a resident of Ho Chi Minh City, was arrested in August 2006 and, so far as I know, is still in prison; Nguyễn Vũ Bình is in Hanoi. Lê Quang Liêm is in Vietnam but I do not know where.

^{lii} Phạm Quế Dương, “Một bài viết có Tầm Chiến Lược cho Phong Trào Dân Chủ” [A strategy paper for the democracy movement], *Thông Luận*, September 2007, p. 15. The writer lives in Hanoi.

^{liii} Lê Hồng Hà, “Đấu tranh...,” 10 March 2007, par. “Với vấn đề thứ nhất...”

^{liiv} Lữ Phương, Transcript of interview with Đoàn Giao Thủy, June 2007, par. “Dân chủ hóa...,” from Diễn Đàn website <http://www.diendan.org/viet-nam/trao-111oi-voi-ban-111oc-dien-111an/>, accessed 31 August 2007.

^{lv} See, for instance, Đảng Dân Chủ Nhân Dân [People’s Democracy Party], “Tuyên Ngôn” [Declaration], 1 January 2005, especially pp. 1, 5-6, in *Điện Thư*, no. 48, July 2005, pp.1-7; and Đảng Thăng Tiến Việt Nam [Vietnam Progressive Party], “Chương Lính tạm thời” [Provisional policy outline], 8 September 2006, parts I and II, from *Tự Do Ngôn Luận* website http://www.tdngonluan.com/tailieu/tl_dangthangtienvietnam_sept8.htm, accessed 29 September 2006.

^{lvi} Several Vietnamese critics of the Communist Party regime lament their country being far less developed than other Asian countries, especially these three Southeast Asian ones, and argue one-party political system and other non-democratic features of Vietnam’s political system is a major reason. See, for instance, Đặng Văn Việt, public letter to the 10th Congress of Vietnam’s Communist Party, 12 February 2006, p.15, in *Điện Thư*, no. 55, February 2006, pp. 13-22; and Trần Anh Kim, “Lời Cảnh Báo” [Voicing an alert], par. “Đảng man lại...,” from Mạng Ý Kiến website <http://www.ykien.net>, accessed 7 April 2006. Đặng Văn Việt is in Hanoi; Trần Anh Kim is in Thái Bình City, Thái Bình province.

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Workshop 4: State and citizens in multi-level governance

Session 1. Citizen-government relations – democracy and governance

1. Ben Kerkvliet, elaborate on a few points from his key note presentation.
2. Discussants: Anders Baltzer Jørgensen (DANIDA) and Iben Nathan (CU LIFE)
3. Plenum discussion of Kerkvliet's thoughts and writings about states and development

Ben Kerkvliet gave a short presentation on his research in Vietnam and the Philippines in relation to governance, development, and the state, where he highlighted a few points for comparison of the two countries.

Some highlights from the presentation:

-Political systems in the Philippines have democratic institutions but those are not serving the people well.

-Vietnam has elections but it is only possible to vote for one party, namely the communist party.

→ Paradox: the notion of democracy is an important ingredient for development, yet authoritarian states seem to work better.

-The general security level:

The Philippines: a lot of rebellions, Muslim liberalisation fractions, and other indigenous guerrilla formations. The phenomenon of private armies e.g. large landowners, politicians hire these to fight one another over scarce resources. In general there are a lot of guns that are out of control of the government. This creates unease in the society.

Vietnam: after the war ended there has almost been no internal violence or conflicts in Vietnam (North versus South). Externally, wars have been fought with Cambodia and China, yet Kerkvliet's focus is on internal uprisings. Vietnam has very few private armies; it is hard to own a gun for private use.

-Kerkvliet points to the fact that it is hard to say which system is better; over the last 7-8 years in a particular area of the Philippines around one hundred persons have disappeared and later found death. Those persons were known to be critics of the local government and might have been perceived as leftist by the local government. In Vietnam there is no evidence of such a phenomenon.

-Corruption: in both countries very serious; in the Philippines the government has not been successful in fighting corruption; in Vietnam there has been government officials that have been sentenced.

-Reforms:

Vietnam: with the land reforms initiated by the Vietnamese government (1950) 70% of the rural population benefitted since they got land; in terms of corporative reforms these were carried out in a very top-down manner and had limited success; the redistribution of land (1970) was quite well distributed among farmers.

The Philippines: It has had modest success with its land reforms; it is still a few that have the most; it is still a share-tenet system, which has not changed in the last 40 years. In terms of poverty reduction Vietnam has had a drop of 38% in the last 10 years (numbers from 2003) and the Philippines a 28% drop.

-Historical origin: there is a significant difference between the two countries. Vietnam has historically had more concern for peasants; the political system is rather focused on workers and peasants; The

Philippines did not come out of a mass revolution, but instead as a post-colonial power and business/economics elites, therefore the role of workers and peasants etc. has never been important in the process of forming the government. The Philippines does not have very deep rooted political parties, in fact not many political institutions, whereas in Vietnam the Communist party and the government are very interactive.

In the end of his presentation Kerkvliet notices that socio-economic development and democracy does not necessarily go hand in hand. Finally Kerkvliet labels Vietnam as a responsive yet repressive state.

Questions from the two discussants:

Iben Nathan: are elections enough for a democracy? When is democracy relevant? In which context?

Anders Baltzer Jørgensen: when you divide poverty reduction up, the ethnic Chinese and Vietnamese are very successful but ethnic minorities are not really that significant in reducing poverty. Filipinos are a minority group with high influence world wide not the same for the Vietnamese.

Kerkvliet: historical accounts are important, but how do we overcome the future. Both Cambodia and Vietnam were left in disaster after civil wars. However, the Vietnamese communist party was far from as extreme as the Khmer Rouge in Cambodia and therefore it might have been easier to move forward jointly. In Cambodia there has been no legal after play e.g. to persecute war criminals.

As Leftwich emphasised earlier today in his lecture: growth is one thing, development another – you can have growth but no development. In regards to the minority issue in Vietnam: minorities have been ignored for centuries. In the case of the Philippines there is a response with policy but not much implementation.

As a response to Iben Nathan's question: democracy has to be responsive – if not a new government is elected. The Philippines has elections but the government is not responsive! Vietnam: one party state, still there are different fractions within the party.

Session 2. Governance and law – state and citizens

1. Iben Nathan and Karin Buhmann: Decentralised forest governance in a multi-level governance perspective: the role of the state in Vietnam and Cambodia (explorative research presentation and discussion). The paper can be accessed on www.fau.dk
2. Håkan Hydén (law and development and the changing role of the state)
3. Discussants: Ben Kerkvliet, Anders Baltzer Jørgensen
4. Plenum discussion of points from both presentations

Session 3. Agenda: Governance – global and local

1. Kristina Jönssen: Global governance vs. local governance in the field of HIV/AIDS –the case of Cambodia. The paper can be accessed on www.fau.dk
2. Discussants: Anders Baltzer Jørgensen, Jens Lehrmann Rasmussen
3. Plenum discussion of workshop topics from the two days

5th plenary session

Unorthodox approaches to creating more effective public authority

By Sue Unsworth, IDS, Sussex

1. Introduction

This paper has been prepared as an input to a workshop that addresses the question of how policies and reforms to the public sector should be implemented to achieve administrative and productive capacities in poor countries. There is widespread agreement among development actors that effective and accountable public authority is crucial for development prospects. The World Bank, for example, now devotes one sixth of its lending and advisory support to the reform of central governments (World Bank 2008a). UNCTAD identifies the need for "enhanced state capacity rather than state minimalism", meaning (among other things) administrative, judicial and law enforcement systems that are honest, impartial, and competent; and a civil service and agencies capable of drawing up and implementing coherent development programmes. Similar requirements are reflected in the Paris Declaration, which calls for results-driven development strategies; administrative arrangements for managing aid that are effective, accountable and transparent; public management reform; and an enabling environment for public and private investment.

However, evaluations of public sector reform interventions repeatedly suggest that the results are at best "mixed" (World Bank 2008a). Reforms to strengthen public expenditure management and tax administration have worked better than attempts to improve human resource management, perhaps because the former produce more readily observable results, and are seen as more technical and therefore less politically threatening (Levy 2004). Performance improvements in the civil service have been very hard to sustain, and direct measures to reduce corruption -- such as anticorruption laws and commissions -- have rarely succeeded (World Bank 2008a). Pay reform and rule of law reforms have been particularly problematic. Evaluations of reform interventions tend to end with a familiar litany of recommendations: for more realism about what is politically feasible; less ambitious timetables; incremental approaches, rather than comprehensive reform; more attention to sequencing, and to communication and information strategies.

Donors are beginning to respond to these messages. There is less emphasis on "best practice". Comprehensive approaches to public service reform are going out of fashion. A small number of donors including DFID, Sida, and the Dutch Ministry of Foreign Affairs have embarked on political analysis, with mixed results (Unsworth forthcoming). Others are starting to address the political economy of governance and sector reform. The European Commission, for example, is developing political economy tools (EC 2008) with a focus on "integrating democratic governance throughout its work". The aim is to "systematically analyse the core governance issues at sector level, and in particular how power and politics influence sector performance". Policymakers from the World Bank (Odugbemi and Jacobson 2008) emphasise that technocratic solutions to improving governance must be accompanied by strategies to understand and address obstacles to reform by applying "innovative communications approaches". Another strand of work in the Bank (World Bank 2008b) recognises that "a political economy lens broadens operational considerations beyond technical solutions to

include an emphasis on stakeholders, institutions and processes by which policy reform is negotiated, and played out... Understanding the relationship between policy-induced changes in incentives and sanctions on the one hand, and changes in behaviour and interests on the other hand, allows development practitioners to engage more effectively in "pro poor" policy reforms... by considering stakeholder perspectives". Researchers concerned with aid effectiveness are also highlighting the importance of politics, underlining the need to identify and build the incentives and accountability systems that underpin development (Joseph and Gillies 2009). There is increasing focus on how donors themselves can undermine governance, and the search is on for aid modalities that would strengthen domestic accountability and public expenditure management systems (ODI 2008).

All this work has the potential to stimulate more politically intelligent approaches to strengthening public authority and development performance. Questions about why particular reforms are proving so difficult can offer insights into deeper issues influencing incentives for progressive change. Thinking about political process can help identify some 'room for manoeuvre' even in unpromising situations. But there is also a risk that better political economy analysis might become the latest development fashion that ultimately reinforces conventional practice.

The starting point for these initiatives is a specific development agenda: sector reform, democratic governance, more effective aid. So the process is driven by a vision (often externally driven) about how a particular country or society should develop. Most of the suggested analysis is unclear regarding the underlying assumptions about how more effective, accountable public authority can be created. The analysis of context tends to focus on political processes that can promote or constrain a specific reform agenda, and the relations/behaviour between key stakeholders within that sector (for example, World Bank 2008b). This helps to make the analysis operationally relevant for the policymakers undertaking it. But it risks overlooking factors (for example in the global environment) that fundamentally shape local incentives. And it may unduly constrain the menu of options under consideration, and thus the potential for very informal institutions and relationships a) to affect the way reform plays out, and b) to provide the basis for progressive change.

This paper draws on research being conducted by the Centre for the Future State (CFS) at the Institute of Development Studies, University of Sussex that explores how developing countries can create more effective, accountable states which are responsive to the needs of poor people²⁵. The paper argues that policymakers need to *start where a country is, not where they would like it to be*. In particular, they need:

- A more explicit working hypothesis about the political processes involved in creating effective public authority.
- Better diagnosis of the underlying causes of weak state capacity in different contexts, as a basis for identifying strategic priorities.
- A more in-depth understanding of the political context and dynamics at work in particular circumstances.
- A more open mind about how to make progress, including the potential for very informal relationships and institutions to provide short-term benefits as well as a basis for moving towards more rules based arrangements in the longer term.

²⁵ The author works as a dissemination adviser to the Centre for the Future State research programme.

2. A more explicit working hypothesis.

Most development practice, including the conventional good governance agenda, is underpinned by the (often implicit) assumption that the problems encountered in implementing public sector reform are primarily lack of resources, organisational capacity, technical expertise and "political will" of key individuals. The solutions are therefore seen as lying in essentially technocratic interventions to transfer institutional models (particularly ones that have worked well in OECD countries) and policy advice, accompanied by dialogue and conditionality to influence behaviour, and support to strengthen civil society pressure for government accountability and responsiveness.

As seen above, evaluations of such approaches to reform consistently point to the need to take more account of local political context and process. They less often challenge the underlying assumptions on which those reform attempts are based. The CFS research is underpinned by the concept of relational governance – an understanding that effective public authority evolves through interaction, bargaining and conflict between and among state and societal actors. Historically this took place within the framework of states, and resulted in the creation (broadly in sequence) of: territorial control; legitimate rule that relies on consent not coercion; institutionalised co-operation around common interests; and the gradual institutionalisation of constraints on state power. Taxation was an important focus of such bargaining. The current global context is in many ways very different (see below), and modern states face the challenge of managing a much more complex set of relationships that cross the public-private divide. Nevertheless, the basic proposition (well known to political scientists but less familiar to many policymakers) remains valid: that effective public institutions evolve through dynamic interaction between state and society and cannot be constructed just by transferring institutional models or building the capacity of formal institutions (IDS 2005).

This has quite radical implications for policymakers, explored in section 6 below. It puts the focus on state – society interaction, not just on 'supply' and 'demand' pressures for better governance; on the function rather than the form of institutions; on common interests between key stakeholders as the basis for progressive change, not just on how to navigate around vested opposition; and on informal relationships, rather than on formal arrangements and 'best practice'.

3. Better diagnosis, more strategic priorities.

More effective approaches to public sector reform also require better diagnosis of the underlying causes of weak public authority in a particular context. Earlier phases of the IDS research helped to inform the concept of "global drivers of bad governance" found in the British government's 2006 White Paper (DFID 2006). More recent CFS research has focused on the particular problems of a group of weak (fragile, failed, failing) states, where weak governance and continuous internal conflict seem to have become routine. Part of the explanation relates to some well-recognised historical, structural causes, including the creation (especially in Africa) of colonial states with artificial boundaries and little sense of nationhood; the post-World War II international regime that has reduced the likelihood of failing states being eliminated by conquest; relatively weak incentives for governments to extend their reach into sparsely populated, remote areas; and the fact that weak states tend to weaken their neighbours. Another, more contemporary explanation of weak states is less familiar and concerns the impact of globalisation processes on incentives of political and economic elites. In particular changes in the global economy from the 1970s onwards have given elites in poor countries unprecedented opportunities for personal enrichment by gaining control of rents from the export to much richer

countries of oil, minerals and natural gas; smuggling of diamonds and other mining products; and illegal trade in narcotics. Global financial liberalisation has made it increasingly easy to transfer large financial assets abroad, while elites have been able to protect themselves at home by hiring military force on global commercial markets. Where public institutions are already weak, they can be further undermined by high aid inflows that reduce the need for domestic revenue-raising.

These findings apply in particular to fragile states but have wider relevance. They highlight the scale and fundamental nature of the challenge faced by many poor countries. The problem is not just vested interests against reform (which is common to any political system), but weak incentives for basic state building, or for nurturing economic growth; and indeed very perverse incentives to by-pass or even destroy institutions that create effective public authority. In the light of this it is unsurprising that conventional reform approaches – for example anti-corruption measures - have had such little impact.

Instead the CFS research points to prioritising a small number of strategic global initiatives that are central to regulating global financial flows, oil revenues and the narcotics trade. The aim would be to counter perverse incentives that encourage elites to focus on personal enrichment rather than on creating effective public institutions, bargaining with citizens over tax or public policy, and nurturing the economy. Action on international tax evasion, money laundering, stolen asset recovery, and control of financial flows from international crime, terrorism, narcotics trading and corruption is central to changing elite incentives and has assumed greater urgency in the context of the current financial and economic crisis. On a more positive note, multi stakeholder partnerships (for example the Kimberley process, the Extractive Industries Transparency Initiative and the Forest Law Enforcement, Governance and Trade action plan) that build on common interests between governments, private sector producers, consumers and international NGOs also have the potential to change the rules of the game if they are well designed and managed. (Moore and Unsworth 2006).

The research points to the sources of government revenue as being central to incentives of political elites to engage with citizens (Moore 2007). At national and sub-national level in poor countries, interventions aimed at strengthening the capacity of governments to collect and administer tax in more transparent, less coercive ways are potentially strategic for improving governance and deserve priority. Work by the OECD / DAC on taxation and governance has been pursuing the operational implications of these research insights (OECD 2007).

4. Detailed understanding of local context.

Different approaches by development practitioners aimed at getting a better understanding of politics (section 1 above) all emphasise the importance of context. The CFS research repeatedly illustrates this, showing how specific reforms (for example the introduction of autonomous revenue agencies) play out differently in different contexts (Moore and Fjeldstad 2009); or how economic structures and formal political institutions shape opportunities for political coalitions around management of the budget (Mejia Acosta and de Renzio 2008). More significantly, the research highlights the need for detailed analysis to understand the diversity and complexity of different contexts, and their implications for policy-making. This goes well beyond understanding the interests of key stakeholders. For example:

i) Detailed village level surveys in Karnataka and Rajasthan in India, and in the Pakistani Punjab illustrate the continuing influence and huge diversity of informal local governance institutions. In

particular there are significant variations between informal institutions²⁶ in Karnataka and Pakistani Punjab, explained in part by contextual factors. The Punjab is characterised by high levels of land inequality, and social, economic and political dominance of large landowners. By contrast, Karnataka has undertaken extensive land reforms, and its politics are far more competitive and pluralistic. This has implications for how informal institutions currently interact with formal governance structures (see section 5 below). The research in Punjab is especially interesting in highlighting the way variations in the history of land settlement, and the types of local governance structures this gave rise to, have created different development pathways for villages within the same district. The provincial government in Punjab is drawing on this research to help identify the causes of "backwardness traps" at village level, and to improve targeting of development programmes. (Cheema A. and Mohmand S. forthcoming)

ii) Research from Peru (Arellano 2008) shows how standard remedies for mitigating the resource curse can backfire when they take insufficient account of local context and political dynamics. Peru has followed orthodox prescriptions for managing the impact of a huge recent boom in mining revenues, including decentralisation, increased citizen participation and public-private partnerships. But against the background of a weak but highly centralised state, high levels of inequality and discrimination, a history of exploitative relationships with mining companies and weak local capacity to manage resources, the results have been highly counter-productive. The presence of mining companies with their own parallel development funds has fuelled local conflict; weaknesses in decentralised budgeting, exacerbated by huge increases in transfers from the tax on profits from mining, have led to excessive fragmentation and poor management. The result has been poor quality spending, growing inequalities between regions, undermining of the capacity and legitimacy of local government, and increasing conflict.

5. Can informal relationships support progressive change

A question underpinning much current CFS research is whether and in what circumstances informal, incremental, unorthodox approaches can provide a basis for making progress in the short term, but also contribute to creating more effective, accountable public authority and rules based arrangements in the longer term. For example the orthodox view about what makes for a good investment climate includes legal protection of property rights and enforcement of contracts as central elements. While desirable in principle, such reforms are difficult to implement and may not lead to significant increases in investment and growth. Moreover, some countries (notably China) have made dramatic progress without these formal institutions in place, relying instead on transitional, informal relationships to give investors confidence. The research sees relations between those who control political (and military) power and those who control capital as pivotal to stepping up investment. In OECD countries competition between public authority and private capital takes place within widely accepted formal rules, and relationships are relatively indirect and institutionalised. But these arrangements cannot be quickly or easily replicated. So the question becomes in what circumstances the more informal, highly personalised relationships between private investors and public authority in poorer countries can lead to productive investment (rather than crony capitalism) in the short term, and provide the basis for transition to more rules based systems in the longer term (Moore and Schmitz 2008).

²⁶ Informal institutions are defined as "socially shared rules, usually unwritten, that are created, communicated and enforced outside officially sanctioned channels".

The first example below is drawn from the CFS research into how public action can stimulate productive private investment; later examples come from other, related research programmes. They are of interest not because they offer models to follow but because they provide insights into the kind of informal processes that might provide stepping stones to more rules based arrangements.

i) CFS research in Egypt suggests that, following a change of government in 2004 and the appointment of businessmen to ministerial positions, informal relationships between politicians / policymakers and investors played an important role (alongside regulatory and other changes) in increasing levels of productive private investment in some sectors with good profit potential (for example, the food industry). However investment was much lower in other sectors with lower profit potential (for example, most of the furniture industry). Those informal relationships created a broad level of credibility and trust in government, thus compensating in the short term for weaknesses in more formal, rules based governance. Benefits - including protection of specific property rights and the introduction of sector specific policy changes - were initially exclusive, but subsequently had a positive impact on the sector as a whole where this was well organised, with a well-developed value chain (for example, the food sector). While initial relationships between policymakers and investors were informal, they became more institutionalised over time. The wider political economy environment was important in containing the potentially negative effects of "crony" relationships, because ministers had incentives to deliver on investment and job creation, and were subject to media scrutiny (Abdel-Latif forthcoming).

ii) Another strand of the CFS research investigates the potential, where formal accountability systems are weak, for collective action by civil society groups to make service providers more accountable through informal channels, including by imposing political and reputational costs on providers by making state failures public. Focusing on reforms to health care and social assistance programmes in large urban centres in Brazil, Mexico and India, the research looks specifically at what stimulates collective actors to demand ongoing accountability (as opposed to making more ad hoc demands or protests). Findings suggest that different types of public service reform (for example 'voice' versus 'choice') can themselves change the opportunities for collective action by or on behalf of poor people; and that involving collective actors in formative stages of reform can enable them to shape institutions in ways that facilitate their longer term engagement. This challenges the assumption often made that the autonomy of civil society groups is important in order to avoid co-optation, and underlines the importance of their ongoing access to policy processes and information. The research emphasises that establishing participatory mechanisms is not by itself sufficient to ensure collective action: what matters is the dynamic between state and society actors (Houtzager et al 2008).

iii) CFS research in São Paulo, Brazil suggests that new, unorthodox concepts of representation are emerging within participatory governance structures. These structures have opened up new opportunities for collective civil society actors, including community associations, advocacy NGOs, and service nonprofits. They claim to be "representing" their respective publics, based not on membership or operation of formal electoral mechanisms, but on a variety of other factors including the mediating role they play to help connect excluded populations to the state and the political-electoral arena. The research suggests that such 'assumed' representational activity is indeed taking place and should not be dismissed or ignored, but explored on its own terms before assessing its legitimacy and compatibility with democratic norms. Implicit in the mediating role is that such activity should be seen as additional to, not an alternative for, traditional institutions of political representation. (Houtzager and Gurza Lavalle 2009).

iv) It has often been assumed that informal, caste-based village councils in India are a) hierarchical and repressive, and b) would disappear with the introduction of elected village councils (or panchayats). However, CFS research in Karnataka suggests that the informal village councils remain active, interact intensively with the elected panchayats, and play a role in negotiating and mediating the interests of villagers with the elected bodies, as well as monitoring their performance. In the process, the informal councils have become more pluralistic in composition; have taken on a wider range of functions, including providing collective goods and services that are valued by villagers; and provide channels for poor people to access formal structures and the resources they offer. By contrast, informal local governance institutions in Pakistani Punjab have remained largely hierarchical institutions with authority concentrated in landowning families and kinship groups. They are involved in dispute resolution, control access to jobs, and create and manage vote blocks. This helps to explain why the 2001 local government reforms have not been more effective in strengthening accountability and service delivery: universal services have continued to be neglected in favour of targeted benefits channelled by village leaders to their own supporters. (Anathpur K. and Moore M. 2007)

These cases all point to ways in which more effective public authority can be created through informal, incremental steps rather than through more direct attempts to build the capacity of formal public institutions. There is no suggestion that such informal processes are always positive: research into resident welfare associations in Delhi for example shows how collective action by the middle class can crowd out poor people (Chakrabarti 2008); informal village institutions can be repressive and hierarchical; personalised relations between politicians and investors may not result in productive investment. Nor is it being suggested that formal political and market institutions should not be the long term goal. But in the short to medium term, where building best practice institutions has proven problematic, more informal arrangements may offer a way forward. Moreover whether their impact is positive or negative, informal relationships have a powerful impact on formal institutions and public policy interventions, and policymakers cannot therefore afford to ignore them.

6. Implications for Policymakers and Researchers

The essential starting point for more effective implementation of public sector reforms is to think differently about the problem. This is not just a question of better understanding the politics surrounding a particular reform agenda (although this in itself is long overdue, and might help). It means re-examining the assumptions that underpin most conventional development assistance. The long-term goal may well be a transition from highly personalised, informal arrangements to more rules based arrangements that resemble formal political and market institutions in OECD countries. But the primary means of getting there is not by transferring institutional models and building the capacity of formal institutions, but by recognising and engaging with the political processes of bargaining and conflict that underpin the creation of different kinds of public authority, within and outside the state.

This has some big implications, particularly for international donors. It means changing the way they see their role: not as experts bringing solutions, nor as politically neutral "partners", but as politically aware contributors to a local process. This would involve much more rigorous diagnosis of the underlying causes of weak governance and public sector performance; much better understanding of context that goes well beyond stakeholder interests and encompasses very informal, local relationships and institutions; more focus on incentives and less on capacity; more interest in state-society dynamics, not just in "supply" and "demand" for better governance; more focus on common

interests of stakeholders, and less on vested interests; and much more concern for the impact of external interventions and money on local political processes and incentives. It also implies big changes to the staffing, organisation and values of donor agencies (Unsworth forthcoming).

All this is a far cry from the normative approaches embedded in the 'good governance' agenda, that assess the performance of (mainly formal) institutions against a Weberian ideal; or from the Paris Declaration with its implicit contract of exchanging better behaviour and more predictable finance from donors for action by 'partners' to reform public institutions.

The CFS research to date offers only fragments of evidence about different ways in which public authority is being created in incremental ways, through very informal, unorthodox approaches. However given the mounting evidence about the difficulty of constructing formal, conventional public institutions in the short to medium term in many poor countries, the search for alternative approaches seems well worth pursuing. In particular intra-country comparative research that holds at least some variables constant (eg the general legal and policy context), and looks at the differing experiences of regions or localities within a country, could be particularly worthwhile. Since informal relationships and highly personalised arrangements continue to hold sway in so many situations, it would be well worth understanding more about the circumstances in which they can lead to more productive use of resources in the short term, and to more rules based governance in the longer term.

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Workshop 5: The bureaucratic state and implementation

Session 1.

Presentation Anne Stine Jørck – Combating Child Labour in Zambia

Thomas and Grindle (1990): Model of *interactive* implementation

- Implementation => resource requirements

Thesis subject:

- Time Bound Programme (TBP): Government framework to combating child labour
- District Labour Committees: are to organise the programme, thus they are not themselves taking part in the implementation
- Child Labour Unit: implement the programme, supervising unit, supposed to be 4 (in reality only 2)

Model applied – findings (what affect implementation):

- Resources required, Bureaucratic resources:
 - o Financial: no funding however, due to poor districts
 - o Managerial: poor leadership due to lack of education of the members; people do not realise the role of the committee or their mandate. Moreover, opportunistic behaviour: committees set up by NGOs: members seeking to source funding for their own NGO
- State capacity:
 - o Ability of government bodies
 - o Lack of funding + cutbacks
 - o Lack of capacity building (training)
 - o Mistrust
 - o Lack of transparency in transfer policies of civil servants
 - o -> lack of political will: you need to reengage the people who work with the policy, not only in the initial stages
 - o -> or basically just a matter of lack of resources
- Organizational capacity: (internally in the programme)
 - o Low education
 - o Overburdened
 - o Opportunistic behaviour – members compete amongst each other
- Informal institutional – neopatrimonialism
 - o Difficult to detect, easier to spot in agendas rather than actions
- Elites

Key findings:

- The model may be useful due to its interactive approach and by making the implementation dialectical rather than linear
- Trial and error must be recognised
- Importance of resources
- Capacity issue (state + organisational) important
- Weak state -> mistrust
- The programme/policy must be realistic

Implications of findings:

- So many factors influence implementation negatively: so which are the most crucial ones?
- Neopatrimonialism is difficult to operationalise, but is it really that important when so many factors affect implementation

Questions/discussion:

- Dyrskjøt:
 - o Local ownership: Is it really all about resources? It may not be a question of lack of political will, but how effective are the policies when they can never be implemented. It may also be a matter of lack of local ownership. When donors keep donating aid, local governments will never be forced to deal with the issue themselves.
- Joughin:
 - o Transparency in budgets: the process with the budget is made is not irrational, but rather a sophisticated process, so how can some of these rather strange activities be budgeted? How do you manage to motivate the energy to argue for the things that you want through?
- Unsworth:
 - o Grindle's framework of strategic choice looking for room for manoeuvre but need to be launched on a more strategic level. Political and institutional context shape the implementation, thus, analysis must not only be at micro-level, but should be seen within the larger macro-environment (political competition etc)
 - o Informal institutions need not be negative! They can actually be positive, therefore there may be a need for a different approach to child labour
- Therkildsen:
 - o international dimension must be included when conducting this type of analysis. Further, bodies such as ILO have their own idea of how policies should be designed (and often seek 'blueprint'-solutions)
- Joughin:
 - o What about the church, what is their say? If you can't get the church to care, you will not get the government to care due to their strong position
- Jensen:
 - o have they implemented the programme elsewhere successfully? It may be a question of the design of the programme and not the implementation of the programme.
 - o Jørck: Uganda + Kenya or Tanzania

Session 2.

James Joughin and Anne Mette Kjær: The Politics of agricultural policy reform: the case of Uganda

Agricultural policy reform process in Uganda has stumbled – argument based on Lindberg

- Patron-client relations
- Elections reinforce clientelism

Background

- Agriculture vital to prosperity
- 1986 beginning of NRM regime, ideology based on military past
 - o Government prioritised policies to facilitate growth
- However, 1990s government engaged in privatisation agenda
 - o Developed programmes: e.g. Poverty Eradication Action Plan (PEAP, Uganda PRSP), and Plan for Modernisation of Agriculture (PMA),

PMA:

- seven pillars, one of them: National Agricultural Advisory Services (NAAS), independent institution, aim to deliver a demand-driven, client-oriented, farmer-led agricultural extension
- Implementation was technically and politically difficult
- Some positive results, despite the partial implementation
- But also outside pressures:
 - o Transformation of economy not happening
 - o Decrease in real growth in agriculture
 - o Number of people who are food insecure has increased
 - o Average yields stagnated or falling

PFA:

- Due to the above, government changed their approach and implemented the Prosperity For All (PFA):
- New initiative derived from the NRM manifesto 2006, established with Secretariats of NAADS and PMA
- Overall, little substance

MAAIF officers are essentially interventionist by nature

The agricultural sector has generally been overlooked and neglected as e.g. donors often prioritise the social sector

Situation now:

- NAADS suspended, resumed as 'new NAADS'
- PFA continues to operate

Some critique from e.g.:

- Rukiga MP Jack Sabiti
- Bidaandi Ssali, former Minister for Local Government

Donor response:

- They threatened to suspend disbursement over new NAADS
- Faced with the threats from donors to withdraw funds, Gov has agreed to allow existing NAADS model to continue and provide additional funds for the 'new NAADS'
- This meant face saving for all parties.

2009:

- Economy has still not undergone structural transformation aimed for
- Failure of agriculture to grow is not due to lack of political will
- Political processes is reinforcing clientelism as patronage machine demands ever more resources
- Worry now is that the new strategies compromise the more sustainable development

Discussion:

- Unsworth: Interest vs. Influence: 'Our circle of interest is larger than our circle of influence', but there seem to be overlapping interest
- Dyrskjøt: how will you measure neo-patrimonialism
- Therkildsen:
 - o is it 'too little, too late'?
 - o Why is agriculture so important when it is declining? Why does the president supporting a few people in agriculture will help?
 - o Much of the power is within the Ministry of Finance, therefore, what we have seen may be a result of some technocrats
 - o Donors are more keen on social sectors: yes, for the reason that you can use these sectors to convince the public in donor countries that interventions in these areas will really make a difference

Kari Dahl: Educational policies and practices in Kenya

Background of the study:

- Phd-study in Kisumu, Kenya. 2 years of teaching in the rural area
- Hierarchy of schools: 'elite'-schools -> 'just-trying'-school -> 'blow-down'-schools

TTC study:

- Education For All (EFA)
- 3 aims:
 - o Empirically
 - o Theoretically
 - o Normatively
- Theoretical frame:
- Background for study (1):
 - o EFA internationally consented educational strategy. EFA has led to shift in educational visions
 - o Some studies point to negative consequences of implementing EFA
 - o Principles of EFA
 - Universal
 - Child-centred
 - Inclusive

- Background for study (2)
 - o Current educational practices:
 - Performative, measurable skills & performances
 - Competitive & hierarchical
 - Focus on technological and academic knowledge
- Findings: EFA affect different fields/paradigms (discourses)
 - o National intentions (donor driven discourse)
 - o Formal curriculum (often put forward by ministerial leaders, consultants etc)
 - o Institutional structures (bureaucratic structures, regional and local educational leaders)
 - o School life
 - o Everyday life
- Teacher's life – how did EFA affect the teachers: case study of four teachers
 - o Conclusion: teachers were different but also had to work under various structures which made it paradoxically for them

Discussion:

- Mette: relating the case to implementation: e.g. the role of street level bureaucrats in the implementation of an Education for All policy.
- Why do they become teachers:
 - o 80%: Because my family couldn't afford more – but they wouldn't change it now and they are highly estimated in the local community, independent from traditional gender and age hierarchies.

Session 3.

Ole Therkildsen: Are PRSPs implementable? A case study on Tanzania

Conclusions:

- PRSP II does not guide implementation -> not useful for assessing impact on poverty and growth

But then, what do other countries do? How have they reached growth?

- Little evidence, and even disagreement
- But planning takes place under very different conditions, and in the DC context you face challenges (e.g. institutional framework, lack of reliable data and uncertainty)

PRSP II key features:

- Planning government in Tanzania not a strong body, little power
- Participatory approach (at local level, in districts, in villages, at national level, NGOs, ordinary people, ministries), but: line officers not very active and the private sector not very active (because they did not find it relevant for their business)
- Limited donor involvement
- Weak prioritisation
- No political direction from the party, government etc– they were free to plan it
- No budget constraints

Results – evidence that PRSPII does not guide implementation:

- Ambiguous goals: Creating growth rather than reducing poverty
- No real priorities: mismatch between what is on the political agenda and what is included in the PRSP
 - o E.g. subsidised fertilisers for agriculture – not in PRSP
 - o E.g. secondary schools at ward-level – not in PRSP
 - o E.g. primary health clinics in each ward – not in PRSP
- Conflicting donor interests
- Weak links between planning and budgeting: budget does not give you the a clear picture of allocation (budgets are not good guidance of what is happening)
- No institutional mechanisms to make implementation happen

Reasons for implementation irrelevancy of PRSPII

- Participatory approaches without political prioritisation and budget constraints will be inefficient, as everything will be written into the paper
- When e.g. line officers were not really active in the plan it will not be effective, as they know what is actually feasible, what will be implemented, budgeted etc.

Remedies?:

- Plan before priorities or vice versa: planning before prioritising will lead to a paper which will serve many interests, therefore:
- The PRSP planning exercise (and its comprehensive multi-stakeholder approach) is not conducive as it diverts people's interests, it must be less ambitious, and more specific.
- Rather, we should start with the budgets and work from there (look at budget, budgetary process and the budget plans)

Discussion:

James:

- PRSP in Uganda did work therefore, the PRSP may be useful. It is the responsibility of the government to prioritise.
- Therkildsen: medium-term plans should focus more on budgetary processes, it is a necessary condition for advanced planning. Further, government need to have priorities.

Esbern:

- Participatory approaches at sub-district level in planning phases, implementation at donor level – what is the politicians' interest in not engaging?
- A way to get a more predictable budget could be accountability rather than planning

Søren:

- Key to policy implication is how the policy is designed.
- A symbolic act less likely to actually be implemented
- Budgetary process makes it difficult to change
- General comment: Many actors with different interests and at different: you must understand these levels and the actors incentives to engage
- Therkildsen: we also need to know more about our own context, before we go abroad. If we understood more on the planning processes, budgeting etc in e.g. DK it would improve our work in the South

Jeanne:

- -> Unsworth's point: how do you include informal institutions as they are difficult to detect etc.
- Therkildsen: informal institutions are not a necessarily problem...

Kate:

- Regarding link between budget and planning:
- Local governance experience from Ghana: Although they had great plans, they did not have the budget to implement them. So to start with the budget may be a good solution. However, if you do so, the budget will be so small that the planning will be coloured by this – then it looks less 'prioritised' in the eyes of e.g. NGO
- Therkildsen: planning is important because it is a way to mobilise funds. However, donors prefer these papers but they push too much for these considering their costs and the relation between the efforts of producing the paper and what is actually implemented

Mette:

- Assumption if something is budgeted, then it is implemented?
 - o Therkildsen: not necessarily, but it is a stepping stone

Unsworth:

- Yes PRSP are over-ambitious and somewhat irrelevant
- Budget and budget processes are a good way into politics
- Yes, feasibility is important
- Informal institutions are difficult yes, but it is durable. There are some studies of informal institutions which are good

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