

# Globalisation, the State and other Actors: Revisiting 'Relative Autonomy'

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## Introduction

With such far-reaching changes in the organisation of political and economic power as have been taking place across the globe in recent decades, it is a timely idea to revisit the notion of 'the autonomy of the state', specifically with respect to the so-called 'developmental state'. A good deal might in fact be learnt about the changing fortunes and prospects of 'the state' through a focus on the once much-used concepts of 'autonomy' and 'relative autonomy', re-examining what these were meant to convey at earlier points in time, and what they might imply at present. When doing so, it will be important to look not only at what has been happening in terms of the state's shrinking 'autonomy', which almost certainly is the first qualitative shift that will come to mind, but also at shifts in the levels at which autonomy has been exercised, namely from the state on to other actors. Moreover, there have been significant discrepancies between the attributed and actual extents of state autonomy enjoyed by the 'developmental state' in particular. For a better appreciation of the changing fortunes of the concept, as well as the contextual changes around it, these various connotations and discrepancies need to be taken into account.

This paper will discuss the field of changing assumptions about state power and autonomy that have informed recent development discourses, seeking to highlight some of the key factors that have been underlying these shifts in perspectives. The paper comprises three parts, the first offering a general overview and background to the questions raised, the second taking a

closer look at the complex of inroads and its effects on 'state autonomy' which have been emanating from the external context, while the third explores the shifts in levels of autonomy that appear to have been taking place in various contexts, often located in the institutional 'grey area' between state and non-state.

## Shifting Perspectives

For a preliminary exploration of the questions raised, a brief glimpse back into the post-colonial 60s and 70s will be useful. At that time, reference was frequently made to the notion of the autonomy or relative autonomy of the state, especially in respect to countries in Africa and Asia. From that period, for example, dates Hamza Alavi's influential 1972 article on the 'relative autonomy' of the state, but other scholars, too, albeit sometimes in different words, referred to this concept. Why was this done? How was 'autonomy' understood at the time, and why was it considered an important dimension of post-colonial statehood? What specifically did one want to illuminate?

Not surprisingly, when looking back at this, one runs into a mix of perceptions, different understandings, and expectations entertained about the role of the state. These might not tell us exactly what this role was concretely, or how 'autonomous' the post-colonial 'developmental' state actually was, but such perceptions of how the state was constituted and what it was believed to be engaged in, naturally constituted key elements in the debates.

Evidently, therefore, it is important to disentangle different strands of ideas about the state, state power and state autonomy. When doing this, the first thing to note might be that 'the state' was fairly generally seen as a central and powerful actor in most countries of Africa, Asia and Latin America: one dominant image was that of the state, specifically the post-colonial state, as 'prime mover', enjoying a fair amount of latitude and autonomy, and embarking on major strategies of social and economic transformation. The leadership of many of the states concerned likewise saw themselves as quite powerful and 'in command'. In many cases they posed as largely 'autonomous' from the majority of their respective populations, on the untested assumption that through their vote 'the people' had bestowed upon them a historic mission to lead the nation into new and modern futures. Vis-à-vis the outside world, meanwhile, another dimension of autonomy, namely that of freshly gained and precious 'sovereignty', tended to be jealously guarded.

Again, such 'strong state' notions abounded whether they were factually correct or not: important early qualifications, for example, came

from Gunnar Myrdal, who in his *Asian Drama* (1968) pointed to 'weak' or 'soft' states, unable to implement what they aspired or claimed they would. Many other such voices would follow, together constituting a broad stream of critical counter perspectives that has proliferated ever since.

Two sets of distinctions were important, though: in the first place, notions of the state as a strong, key player comprised both 'mainstream' perspectives, basically supportive to see the state take the lead in social and political transformation towards 'nation-building', but also including various critical positions (Doombos, 1990). The latter underscored the other side of the coin of the 'developmentalist' state: its arbitrariness, its exploitative tendencies, and its lack of neutrality in discharging its roles, - all attributes which in the course of time would more strongly be highlighted. Basically, the post-colonial state in not a few situations thus constituted a major target for critique from 'the left' while largely enjoying the support from 'the right'; nonetheless, in both perspectives it tended for a long time to be seen as 'strong' and 'autonomous'.

Second, as regards the notion of 'autonomy' per se, in addition to the distinction between internal and external dimensions, two other aspects of the concept played a role in the perceptions concerned. These are per definition still valid, namely, first, autonomy as 'autonomy of action' or 'autonomy to', and second, autonomy in the sense of 'autonomy from..'. Janus-faced, these aspects are closely connected, though analysts may choose to emphasize one side or another, depending on what particular aspects they seek to highlight. Thus, 'prime mover' notions of the state would stress the 'autonomy of action' dimension, while (neo-)Marxists were more likely to focus on the extent of the state's 'autonomy from..', i.e., from other powerful interests within the society and economy. Yet, both these notions of autonomy were state-focused, one viewing the state as the central initiator and instrument of development strategies, the other meant to explain the state's role and position vis-à-vis different class forces and class contradictions. Both aspects are again important when assessing the transformations the state has been subject to within the context of global forces in more recent years: in not a few instances autonomy in either sense has shrunk to a bare minimum.

Now, in the light of these parameters, many post-colonial states especially in Africa, but also elsewhere, have run into severe problems. High expectations versus low performance, exalted promises versus low capacity, forcefully maintaining state power vs demands for 'voice', preserving 'unity' vs 'diversity', and many other discrepancies, have all tended to restrict and bleaken many states' claims to 'autonomy of action' as well as their 'autonomy from..', the latter now from external as well as internal organized interests, or

from 'above' as well as 'below'. From 'prime movers', many state structures began to be seen as key 'obstacles' to meaningful development and change. It should be noted, though, that the contradiction was essentially one between expectations and reality, rather than between a reality and its erosion.

The subsequent story hardly needs reiterating. The constraints on autonomous state performance and state action, especially in the case of the post-colonial 'developmental state', soon proved formidable, and the margins for autonomy, in both above senses, appeared to shrink substantially or to have been far more modest in the first place.

Still, these discrepancies did not become immediately visible, which to a large extent was due to the Cold War. In fact, the Cold War in a curious way propped up and prolonged the idea of state autonomy. As the world became divided into blocs of client states plus other that remained 'non-aligned' (which was good for the idea of autonomy), client governments could count on substantial support from one of the major powers, often enabling them to maintain a very 'autonomous' position vis-à-vis their own population, to the point of notable arbitrariness in a variety of cases. It also would seem that this situation enabled some of the governments concerned to do a bit more in terms of public policies in the social sector (education, health, welfare) than might otherwise have been the case. Besides, except for the relationships with the key global powers concerned, 'autonomy' vis-à-vis the external world was often kept up with particular keenness: sovereignty was sacred. Ironically, though, for all this display of 'autonomy', the 'dependency' on global powers with which this came hand in hand was insufficiently appreciated.

By and large, this constellation continued until in fact quite recently, i.e. hardly more than ten years ago. By then this particular motivation for external support disappeared, and made room for other - quite contrasted - forms of external attention: there were deliberate external efforts to push back the autonomy which the 'developmental' state, especially in Africa, had retained, and to have it conform to the directives set for its role by external agencies, the International Financial Institutions (IFIs) in particular - and all 'for its own good'.

As we shall see, the stipulating of political conditionalities, the 'good governance' agenda among them, played a key role in these transitions. What suffered most as a result of the withdrawals of external backing up, however, was the 'public side' of state action: health, education, and social welfare programmes. The latter by necessity became candidates for 'privatization', meaning, in practice: better quality, but accessible only to those who can afford.

When considering the ensemble of these transitions, all aimed at 'rolling back the state', several points are worth noting with respect to the notion of the relative autonomy of the developmental state:

- basically, an altogether different discourse was introduced, structured around key terms like 'civil society', 'human rights', 'democracy', 'multi-partyism' and 'globalisation', which provided little room for concern with the 'autonomy' of the state; rather, its implication, if not intention, was to 'de-throne' the state from its dominant position in the thinking about development issues and strategizing.
- a related underlying motive was to get political liberalism to match economic liberalism, the latter constituting one of the basic driving forces for global reforms.
- a more specific objective appears to have been to remove dominant parties from the scene, perhaps not only, or primarily, because they were not 'democratic' (by conventional Western standards), but because they were seen as prime obstacles (still with some political clout) to the kind of reforms demanded by the IFI's and major donors.
- quite novel and almost unprecedented, in the wake of this, were the conditionalities prescribing donor-dependent states how to (re-)structure their internal organization and management procedures, - in not a few instances turning independent state status into something of a joke.
- at the same time, active encouragement was given to the promotion of 'autonomy' elsewhere, i.e. vested in non-state institutions with substantial powers to intervene within specific sectors or sub-sectors.
- most far-reaching of all, probably, has been the reduction of the ability of independent states to do their own policy thinking, planning and formulation to an absolute minimum: donor-dependency has come to imply being subjected to numerous criteria and demands developed elsewhere (which amongst themselves could well be in contradiction), and having to accept (or let go) many ready-made packages of policy and project proposals.

Probably the most serious critique of the phenomenon of donors running the show that has been observable particularly in many parts of Africa in recent years is indeed that it stifles and erodes away responsibility and initiative in policy formulation towards basic development strategies from where it belongs, namely with the relevant government and planning departments and authorities. If sovereignty and 'autonomy' are in question in Africa today, this is probably due more to the massive external inroads into the policy-

making arena than to the loss of control over their own territory as suffered by some states.

Now, while we may thus conclude that a number of things have changed with a bearing on the realities of and scope for autonomous state action, two caveats seem in order. One is that, just as during an earlier period there may have been a perception of state autonomy which did not necessarily correspond with realities, today we need to guard against the opposite pitfall, namely of assuming 'complete' erosion of state autonomy which is not sufficiently backed up by evidence. The second, related point is the need to further consider both specific contexts and aspects of 'autonomy', avoiding undue generalization.

An illustration of the first point is a recent debate on Uganda, triggered off by a co-authored article in the *Review of African Political Economy*, in which Uganda was said to have become so utterly dependent on donor support that it was depicted as a puppet-regime and labeled a new-style Bantustan (Himbara and Sultan, 1995). Uganda was singled out in this respect as an example of a country that had emerged from major internal war, but had now fallen prey to external forces which were basically running the show. The article predicted that other countries emerging from comparable havoc - e.g. Somalia, Liberia, Sierra Leone - would soon face a similar fate.

In my view, the problem with this perspective was not the point about Uganda's donor dependence. This is pervasive and hardly needs to be disputed. One point in need of correction, though, seemed the suggestion that Uganda was exceptional in this regard: it is not, as there are numerous other countries in Africa where donor agencies are heavily involved in public policy making processes. The main point, however, concerned the contradiction that Uganda was here singled out as particularly dependent on external directives, while actually the Ugandan state has demonstrated its 'autonomy' by holding on to its own 'no-party' political and electoral representative system in the face of persistent donor pressures to go multi-party according to the conventional model. In sum, therefore, the dispute was about perceptions of autonomy, and about the conditions under which it would be justified to generalize about its presence or absence (Doornbos, 1996).

Closely related to this is the second caveat, namely the need to appreciate further differences in complexity and context (cf. the contributions by Helge Hveem and Mick Moore in this collection). The tale of conditionalities and compliance with donor directives is particularly true for many African contexts. It does not appear valid in the same way or to the same extent for countries like India or Pakistan, for example, - now both autonomous possessors of atomic bombs - , though even here it seems that the

state has been forced to surrender a notable degree of its former latitude of action. When contemplating the presence or absence of 'autonomy' or 'relative autonomy' of the state with reference to Africa or India, therefore, it is quite likely that the phrase would be used to highlight different kinds of variables in these different cases: external versus internal; autonomy 'from' as opposed to autonomy 'to', as well as other contextually derived differences. When researching on these questions, both when skimming the literature and in observing 'reality', it is of first order importance to bear this in mind.

To explore this further, we might first look more closely at the impacts of 'conditionalities' on state re-structuring in various countries (in Part II), and then return to notions of autonomy and relative autonomy in their present configuration (in Part III).<sup>7</sup>

## The New Political Conditionalities

External involvement with the processes of public policy formation in independent countries of the Third World has been present for a long time, usually from the very inception of the decolonised states concerned and thus virtually by definition. In connection with the question of state autonomy, however, it is of special interest to explore the extent to which various forms of external, that is, international preoccupation with the *internal* policy frameworks and the structuring of political processes in formally independent Third World countries have come to be intensified and exemplified in recent years. These tendencies imply a crystallisation of an increasingly explicit tutelage relation vis-à-vis the countries concerned. Discussion of these issues has developed largely around the adoption of political conditionalities and the recently rediscovered, though by no means unequivocal, concept of 'governance' by the global organisations and the major donor governments. Essentially, in donor parlance, 'good governance' has to do with the nature and effectiveness of institutional structures and processes, allowing questions to be raised about their relevance in the context of overall development strategies. The 'good governance' theme has been closely related to strategies of institutional globalization: its re-launch appeared intended to provide a handle for the formulation of political conditionalities by external actors

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<sup>7</sup> Part II is distilled from my chapter entitled "State Formation Processes under External Supervision: Reflections on 'Good Governance'", in Olav Stokke (ed.), *Aid and Political Conditionality*, London: Frank Cass, EADI Book Series 16, 1995, while Part III is based on the concluding chapter of my forthcoming volume entitled *Institutionalizing Development Policies and Resource Strategies in Eastern Africa and India: Developing Winners and Losers*, Basingstoke: Macmillan.

which previously did not dispose of such 'politically oriented' instruments for intervention and direction. It should be noted, again, that this discussion is generally more directly relevant with regard to the weaker and more vulnerable state frameworks of Africa than for those of, say, India and other major Asian countries.

Now, the new strategy of externally-led political reform should not be confused with earlier examples of external political pressures to demand particular policy positions. There have been numerous instances of this. From the very beginnings of the phenomenon of development aid, it has been recognised that aid without strings attached is illusory. Aid-receiving countries have been expected to display loyal behaviour in the international arena, such as with respect to voting patterns within the UN system, the granting of military facilities, or by safeguarding a receptive climate for foreign trade and investment. Moreover, setting conditionalities of appropriate economic management before new loan applications would be discharged by the IFIs had been common for some time already. With the imposition of the IMF/World Bank structural adjustment programmes, these kinds of conditions have become very detailed and severe. However, the posing of demands on theoretically sovereign states regarding the manner in which they should organise their institutional apparatus, policy-implementing procedures, and indeed their political systems, evidently goes a step further and touches on 'delicate issues', - in the phrase used by World Bank President Connable when introducing the Bank's new policy in this regard at the 1991 World Bank Annual Conference on Development Economics. The 'classical' type of political conditionalities, therefore, are by no means a novelty: but conditionalities regarding the manner in which countries should be structuring their political and administrative frameworks, certainly are. Especially since 1989, the international donor community, led by the IFIs, has begun to set increasingly specified conditions with respect to the formation of institutional structures of 'client' states. This is motivated, among other things, by the conviction that African states and their economies in particular had been suffering from 'overdeveloped' and inefficient state structures - a viewpoint, incidentally, previously advanced by critical researchers (Doornbos, 1990). It also reflects a simple belief that 'liberalising' the market requires 'liberalising' the state.

Conditions have been proposed by the major international organisations and the main donor governments which, if implemented, should together produce different, more flexible and open, and more efficient state organisations. Among other things, there has been encouragement to slim administrative establishments, privatize government services and using non-



governmental organisations in aid operations. There is advocacy of the establishment of autonomous, 'non-bureaucratic' organisations with wide jurisdiction over particular policy areas; and of engagement in 'policy dialogue' with donor representatives about the way policy is given shape in particular sectors. There is also increasingly detailed specification of external instruments of evaluation and of instructions with respect to the formulation and elaboration of national budget chapters and policy priorities. Wide-ranging and substantial decentralisation of government functions is encouraged, paralleled in several countries by donor policies to concentrate their aid efforts in specific 'adopted' districts or regions. There is a general call for measures to make government bodies more accessible, while simultaneously ensuring their accountability; and, last but not least, multi-party systems have been called for in order to promote mechanisms of political accountability and control.

The emphasis placed by donors on the adoption of this package of measures, in full or in part, has been motivated by a variety of factors, including: dissatisfaction with the role of governments in Third World countries generally; concern about the lack of institutional capacity for absorption of donor-initiated development programmes; a desire to enhance efficiency and effectiveness in the public sector generally; the determination - strongly increased since the termination of East-West rivalry - to reduce the influence of political factors, often considered arbitrary and in the last instance held responsible for failing government interventions and inadequate public policy; and, more generally, interest in the initiation of political reforms which might break the hegemonic control by particular political strata or coalitions. Within the general package of instruments and conditionalities for political reform, it is particularly the demands with respect to the adoption of multi-party systems and democratisation which have attracted widespread attention. However, other interventions directed at the internal functioning of state structures are no less significant.

Discussion of these issues, in particular the question of democratisation as a conditionality, has evolved rapidly in recent years, closely following changes in policy and practice (see, for example, Anyang'Nyong'o, 1992; Barya, 1992; Healey and Robinson, 1992; Moore, 1993; ROAPE 1990, 1992; Sorensen, 1993). I will not discuss here the question of recipient governments' compliance with political conditionalities, nor of donors' problems and dilemmas in enforcing them. Suffice it to say that the record so far is a mixed one, especially as regards the demands for the adoption, let alone sustainability, of multi-party systems. It should be noted, though, that a positive correlation between political conditionalities and democratisation

has not as yet been demonstrated (Healey and Robinson, 1992; Sorensen, 1993). Moreover, there are very substantial differences with respect to the expectations and objectives in this regard between external actors on the one hand and a whole range of different democratisation movements on the other (Rudebeck, 1992). The external interest generally appears to offer little or no support for democratisation movements 'from below' and in principle keeps itself focused on one particular, i.e. liberal model, on the simple assumption that a multi-party system holds the key to democratisation.

From a donor's perspective, promotion of this model may be viewed as a way of complementing structural adjustment programmes, in which the 'rolling back' of the state and the creation of open markets have been central objectives (Gibbon, 1993). A political-ideological element is thus added to the economic vision of a liberal capitalist society. Significantly, however, with a reduced role of the state, the actual role of political parties within multi-party systems must be expected to be a relatively limited one, while at the same time leaving considerable scope for external influence and direction over various branches of the state machinery and the economy. In this light, the idea of relative autonomy of the developmental state becomes a far cry indeed.

For all the heightened concern with the promotion of 'good governance' in countries of the South, however, it is quite conceivable that one effect of the various external initiatives and involvements in this regard is to reduce rather than strengthen Third World governments' capacity for policy-making and implementation. At the micro-level the externally induced creation of autonomous institutions for improved management often undermines local government capacity. Diversion of aid flows via NGOs similarly weakens government departments charged with responsibility for the areas concerned. Above all, it is in the essence of conditionalities that the setting and assessment of standards of proper policy management is shifted to various donor headquarters across the globe. Finally, donor co-ordination increasingly sets limits and targets for national policy-making, leaving the governments concerned with little space for autonomous action. The price of enhancing external accountability thus is the progressive erosion of national policy-making capacity, the most vital political function of any government. "All things considered, it is most unlikely that good governance can be introduced from outside" (Martin, 1991:20).

A second point concerns the nature of external preoccupations with the promotion of transparent organisation and management. 'Good governance' is put forward as a way of providing an 'enabling environment' for 'development' ('development' in this context usually meaning the totality of

donor-led development programmes). By implication, the basic responsibility for the lack of a favourable 'enabling environment' is placed with the host governments concerned, ignoring the co-responsibility which international donor organisations may carry. The inverse argument is kept entirely outside the scope of debate: namely, to what extent does a global 'enabling environment' allow and support 'good governance' and what conditions should receive priority attention in this context? This is the question which was raised in the report of the South Commission (1990), in the Manifesto of the Stockholm Initiative on Global Security and Governance, Common Responsibilities in the 1990s, in the UNDP Human Development Report 1992, and in many other fora. It underscores the importance of subjecting the elaboration of the concept of 'good governance' to continuous critical assessment. The 'good governance' debate must not be de-linked from the emerging 'global governance' debate.

Discussion and practice of external involvement with the development of 'good governance' undoubtedly will continue to draw attention in the years to come. Debate will continue on the tension between externally initiated, 'universal' standards for political management on the one hand and the specificities of the role and position of state structures and cultural variations in different contexts on the other. Significantly, ethical issues are increasingly being made explicit in this connection. In the final analysis, the question which connects these different issues is: what agents determine the direction of future institutional interventions processes in various countries concerned, and on the basis of what moral ground?

## **Revisiting Theoretical Perspectives on the State**

It will be obvious from the above that theoretical propositions in which the state, specifically the 'developmental' state, played a key role, are up for revision. Significantly, however, the fact that certain theoretical approaches tended to be 'state-focused' does not necessarily make them obsolete: in some instances, in fact, part of their baggage may be as relevant today as before, or possibly even more so, if one shifts the focus to other institutional levels than that of the state.

To illustrate this, it may be instructive to return to the themes of the relative autonomy of the state, and of dependency. Though clearly leaving their imprint on development research, each of these themes, and their related debates, has tended to dissipate over time, perhaps largely because,

at the level of the state, too many divergent variables and political forces were identified which seemingly undermined some of the basic tenets in the debates. When revisiting these earlier debates, for example, that of the relative autonomy of the state clearly was a much discussed issue at the time. The discussion as it was initiated by Hamza Alavi (1972) focused on the relative autonomy of the state vis-à-vis different powerful interests: rural landlords, the urban industrial bourgeoisie, and an absentee (metropolitan) ruling elite. According to one version of the hypothesis, the state was able to exert itself, mediate some conflicts, and play its own autonomous role precisely because of latent conflicts of interest. Another version stressed the overdeveloped bureaucratic apparatus of post-colonial states relative to representative politics as an explanatory factor of the relative autonomy of the state. However, the hypothesis, though drawing considerable attention and running the risk of becoming reified, in the end seemed unable to account for many of the complexities and variations of contemporary Third World states and consequently became eclipsed by newer debates (Cf. Fox, 1993).

Yet, if brought one level further down, the notion of relative autonomy retains a certain heuristic value. When considered with reference to non-market, sector-oriented institutions, for example, the notion of relative autonomy does seem to grasp some essential characteristics of their operations. To a remarkable degree, this tendency - and capacity - was demonstrated, for example, by the mega institutions responsible for India's dairy development programme Operation Flood, namely the National Dairy Development Board (NDDB) and the Indian Dairy Corporation (IDC), which had strategically placed themselves between 'metropolitan' aid-giving institutions like the European Union and its predecessors, the World Bank and numerous other donors on the one hand, and India's agricultural sector, urban consumers, metropolitan dairies, state governments and the federal government on the other (Doornbos et al, 1990). It is important to note that this positioning already occurred during the 70s and 80s, a period during which the Indian government saw itself as basically 'in charge'. Today, several other bodies, each with their 'own' external linkages and sphere of 'autonomous' operation within India or other countries, could similarly illustrate the position. Among others, the Bangladeshi mega NGO BRAC and the much publicized Grameen Bank similarly appear to have attained positions of considerable autonomy vis-à-vis the state and other key actors.

In the case of the Indian dairy organizations (for decades handling the single largest dairy development in the world), relative autonomy partly emerged through the managerial-technical elite of the Operation Flood programme, the NDDB, whose authority and autonomy increased over time in

relation to the representative organs of the dairy cooperatives and the state. Moreover, the intermediary position that officials of the NDDDB occupied between metropolitan donor agencies on the one hand and Indian state governments and dairy federations on the other, pointed to another crucial aspect of their relative autonomy. Besides brokering and manoeuvring between these interests, the NDDDB actively participated in influencing sectoral policy at the centre. The institution managed to turn any possible constraints to its own advantage by exploiting the room for manoeuvre these still entailed - thus recreating, in Alavi's phrase, a 'relative autonomy of the state', though now at its own, sectoral level (Doornbos et al, 1990).

Similarly, as regards the related dependency debate, this essentially revolved around assessing the extent to which structural determinants in the world economy which are controlled by hegemonic powers restrict the room for manoeuvre, policy options and growth potential of Third World economies. The debate remained at a highly generalised level, referring to whole states and economies and leaving little room either for differentiation among them or for possible alternative routes. This allowed it to be bogged down in intricacies, specificities and exceptions, until it finally dissipated without addressing the possibility of alternative routes not only *out of* but also *into* dependency.

A sector-specific approach may provide a stronger basis for examining dependency relationships, and again the Indian dairy development case seems to offer a good illustration. Regardless of whether India is 'generally' in a state of dependency, India's domestic market is crucially important and basically able to defy the question of dependence. Within the dairy sector, India's old milk culture has over time developed numerous solutions to the demands imposed on it, and today again is technically in a position to meet the country's essential requirements from its own resources (Baviskar and Terhal, 1990). Structural determinants, in this case of the world market in dairy commodities, *need* not have any effect on this basic capacity. However, there appear to be ways, rarely explored in research, whereby institutions operating on behalf of particular sectors of the economy can themselves initiate a dependency relationship. This does not imply that the mediating institutions become dependent, but that by creating linkages they expose particular sectors of the national economy to external conditions. Over time, as vested interests develop around such arrangements, the structural ties will be increasingly difficult to cut, despite, as in the present case, India's potential to produce enough milk for herself.

This particular example, which could be amplified by others from comparable 'linking' organisations in other sectors and countries, is significant

in several respects. One is that it calls for important revisions to the theoretical perspectives with which we look at political and institutional processes, specifically that we should learn to perceive the world around us as one in which not only 'states' but other key actors play the primary roles. Second and closely related is the need for a fuller appreciation of the changed global context within which new types of institutional linkages and interventions are being devised.

## **Institutional Transformations and the Global Context**

The need to modify state-focused theories in development studies invites further exploration of the largely uncharted territory defined by the unfolding of new state and non-state forms of political management and control. Within that context, moreover, it will be important to look at the proliferation of new kinds of partnerships and/or patterns of competition between state and non-state agencies. In part, this involves an exploration of shifting boundaries: not of state boundaries in any conventional sense, but of the changing boundaries of state functions and the state's 'reach', coupled to an interest in exploring what lies beyond those boundaries.

There are indeed numerous signs that pervasive processes of transition are occurring in this regard, essentially leading up to changing forms of organisation of collective activities in many parts of the world. The 'visible' side of these processes are patterns of 'top-down' deregulation and de-institutionalization, the disintegration or fragmentation of political entities, and the proliferation of arms among non-state political actors. Other levels of manifestation of these processes include 'everyday forms of state formation', referring to the micro-world of 'bottom-up' shifting allegiances to alternative power-holders (state, anti-state, and non-state forms as locally represented). At yet other levels, again, there is ample evidence of supra-state realignments, of pervasive integration and incorporation of transnational institutional structures, and of a rapidly widening scope of organizational devices. In short, the transitions around us invite re-examination, among other things, of what states are about, and of degrees or kinds of 'state-ness'.

That the range of these transitions is vast and with far-reaching implications is beyond dispute. Nonetheless, it will be important to avoid any premature teleological perspectives, either about the future of the state or its possible successor-bodies, or about the nature of the transformation processes (e.g. 'democratization', 'liberalization') to which it is being

subjected. While the future of 'the state' as we have known it may be uncertain and evidently deserves a question-mark, it would be unwise at this stage either to read the signs as pointing to its demise, or alternatively to underestimate their potential significance. In a dynamic perspective, for example, we might see the state as a 'project', expanding or contracting at different time intervals, to be succeeded or superseded by other such 'projects' in due course. Such an approach might possibly have some merits in examining current tendencies. But actually we cannot even be sure about the validity of such a dynamic perspective, that is, if this were to presuppose a kind of iron cyclical movement in which the state might temporarily recede but would inevitably be expected to come back in (Azarya, 1988). Instead, we may need to be more alert, as suggested above, on 'changing forms of organization of collective activities'. New institutional 'grey zones' appear to be opening up, which it will be important to try and map out.

In this connection, it is not just that the state in most parts of the world has been forced to surrender a good deal of the space it occupied in favour of markets and civil society. What is of equal importance is that states, markets and civil societies alike have themselves all become largely dependent upon larger and more powerful forces at the global level. These linkages and pressures are by no means single-directed, but often pose contrasting demands on states and institutions at the receiving end - such as of market-oriented efficiency versus global security.

While the final outcome of these processes remains indeterminate, therefore, one question they underscore is whether time has not come for a substantial re-assessment of the traditional ensemble of concepts of 'state' and 'state formation'. Again, it is by no means suggested here that these concepts have had their day. However, the vastly changing global context within which they figure does call for critical reflection on the properties and capacities that can and cannot be associated with them. The growth of new political and institutional linkages globally and the establishment of new norms for the reorientation of state structures by dominant global centres, may themselves be viewed as processes of institution-building and of 'state' formation, but now on a kind of mega-scale. Formally sovereign state structures are increasingly becoming integrated within larger regional and global supra-state frameworks, in the process shedding several layers and attributes of their erstwhile autonomy. Trends towards globalisation in this respect, with increasing emphasis on the introduction of a kind of standard institutional norms and structures, many of them derived from Western models, are unmistakable. States themselves, in Europe as well as in other world regions, are subject to significant shifts in their primary functions.

Globalization, the State and Other Actors

Generally, though, such trends should primarily be viewed as affirmations of newly emergent global power relations rather than as any evolution towards global unity or the emergence of a democratic political world order. A priori they imply neither cultural homogenisation nor democratisation at the level of global institutions, however desirable the latter may be held to be (Held, 1992). In many respects the trend instead goes together with increased tension and manifestations of diversity, and appears to comprise tendencies towards what might be termed global 'de-democratization' as well as 'democratization'. Democratization at a global level could refer to the strenuous efforts being undertaken in numerous instances to try and make institutions operating in the transnational orbit more responsive and answerable to representative bodies and the popular voices of global citizens. 'Global civil society' constitutes a key phrase and focus for the relevant debates (Waterman, 1993). 'De-democratization', on the other hand, comes with the rapid proliferation of new institutional constructs that assume or are given power and authority over vast areas of international public policy and concern, though often with surprisingly limited accountability to constituent national governments, let alone to civic representations (Scholte, 1998). The two trends parallel those exemplifying the creation as well as the destruction of social capital at a global level: on the one hand the creation of social capital as the attainment of new and meaningful institutional structures with clearly laid out civic accountabilities, but on the other the destruction of social capital through the erosion of once relevant institutions into redundant entities in the wake of the introduction of supra-level bodies of institutional command. Trends towards 'global' civic democratization and de-democratization may thus be found in a continuous race and competition, with democratizing forces trying hard to catch up with de-democratizing tendencies, but on balance, as it appears, more often losing out than catching up in the process.

When considering the role and performance of particular development institutions in the 'grey zone', therefore, the context is evidently no longer one defined by a simple state-society paradigm, but one in which external agencies and global processes play decisive roles. (Shaw, 1996). At the same time, international agencies themselves should not only be looked at in terms of their relation to the state. One of the most significant and revealing aspects of their current role concerns the particular manner in which they seek to extend their institutional identities, competing for the control over 'functional' global territories and spheres of involvement. Indeed, a certain shift in emphasis from the classical kind of state territoriality to functionally defined 'territories' claimed by global agencies, each with their



characteristic claims and different kinds of boundary demarcations, appears to be one key dimension in what goes under 'globalization' today. The implications of these tendencies for understanding relevant political relationships and interactions, and indeed for spotting and locating the political element in the first place, are momentous but appear as yet to have been insufficiently recognized and studied.

If these various transformations in the significance of the 'national' and the 'international' demand corresponding adjustments in our research foci, current shifts in the major analytical perspectives likewise tend to put political and institutional linkages in a different light. Actually, one possible consequence of the relative demise of the major paradigms, which had accorded a central role to the state and had attached a particular normative quality to their respective perspectives, is that development-oriented institutions and institutional arrangements of various kinds may come to be assessed more 'autonomously', so to speak, and possibly with greater regard for their intrinsic merits, than was often the case previously when their role was largely judged in terms of the broader political-ideological context they formed part of.

Nonetheless, any enhanced autonomy with which we might thus focus on the role and performance of institutions does not necessarily imply increased autonomy of action for the institutional actors concerned. In fact, one of the implications and contradictions of the changing political context on a global scale is that development institutions may find themselves pulled in quite opposite directions. Development agencies of various kinds may thus find themselves caught between conflicting demands: their sponsors may want them to check on compliance by their clients or counterparts with criteria of efficiency and other conditionalities, while the latter (many of them voluntary and self-help organizations) expect basic support and space for experimentation in a spirit of mutual trust (Fowler, 1997).

Institutional ambiguity and role conflicts may thus arise from either the initial or the acquired charters of development institutions, and become part of their institutional design. Among other things, these ambiguities may help explain the increased attention which actor-oriented approaches have recently been drawing for purposes of analysing different institutional roles in complex chains of interdependent social and economic transactions (Long, 1988). Still, it is important to note the apparent paradox of some key development institutions being able to achieve a relatively comfortable position of 'relative autonomy' vis-à-vis various key actors they have to contend with (as in the example of the Operation Flood institutions discussed earlier), as opposed to others which may get squeezed between the conflicting

demands imposed upon them from various sides. In the end, this suggests that these varying fortunes may largely depend on the relative strength of the institutions concerned, perhaps on the political skills of their managers, and on the specific features of their respective situational contexts, and that it may be difficult to attach too much predictive value to these new constellations.

When attempting to appreciate the nature and impact of development interventions, therefore, it is essential to situate them within the wider global context, itself subject to continuous and pervasive change. At the level of specific policies and programmes, nonetheless, one may note various instances of deliberate strategies of institutional concentration and integration at play. With more limited time-spans, fairly concretely spelled out objectives and, in particular, quite a keen idea as to what parts or aspects of a production or marketing cycle are earmarked for closer co-ordination, compliance and control, many policy designs in essence are strategic programmatic statements meant to establish or deepen integrative or incorporative linkages. Implicit or explicit incorporation strategies underlay various development projects and programmes that emphasize technological innovation and economies of scale and establish new centres of co-ordination and control.

Other tendencies concerning the institutional development of development institutions in the global context appear to point in similar directions. One is a notable tendency to grant extensive autonomy of action, if not of jurisdiction, to strategically placed sectoral institutions in various developing countries. This approach appears to be favoured internationally as a way of safeguarding the institutional centres from the vagaries of local politics. On the face of it, this strategy appears to strengthen autonomy, promote 'capacity-building', and favour administrative decongestion and decentralization. By the same token, it facilitates these institutions becoming incorporated more easily into broader, transnational structures. While such tendencies may entail the development of transnational institutional chains, enabling closer collaborative rapport between different levels and segments, they may also signify the extension of pervasive powers through the mechanisms which connect different institutional levels. None of this is commonly very visible, but these incorporative linkages form a crucial element in ongoing processes of a kind of 'grey globalization'. Among other things, the latter may entail the reshuffling of institutional hierarchies and patterns of differentiation that tend to be associated with them.

As the scope of intervention of the institutions and institutional arrangements concerned can be extremely vast, there is clearly a need for a

proper understanding of the contextual conditions as well as the modalities of their operation. The drastically changed role of the developmentalist state and the surrender of its primacy in the delineation and execution of development strategies, must surely be a point of departure (Ellis, 1996). Besides, any autonomy of action bestowed upon new development oriented institutional constructs needs to be assessed against the possibility that institutional self-preservation and aggrandizement may lead to new supra forms of entrepreneurship, which might possibly be effecting a diversion of the revenue further away from the production base to new central institutions. Often operative within the grey area between public and private management, some of the programmes concerned represent quite novel institutional variations within the non-state public sphere. Thus by implication they tend to raise additional questions about the relativity of the public/private dichotomy, as well as about the changing role and position of the state. Evidently, this underscores the need for a theory of institutions in the context of shifting political parameters within the global context.

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