

cues about how much they can trust others from the behavior of officials. If officials deliver on their obligations to provide services, maybe others can be trusted as well. The Ugandan survey turned up hints that the effectiveness of the courts has such an effect, and the influence of government performance on trust may have a similar interpretation.

In either case, attention to the kinds of service delivery that matter most to ordinary people is likely to bolster trust and the predisposition to participate, as well as attitudes such as voluntarism that depend partly on levels of interpersonal trust.

### *Creating Societies of Joiners*

Finally, the analysis suggests that policies which generate a denser associational life are helpful. People take cues from trends in their communities. Where others seem to be joining together to do things, individuals become more willing to help solve community problems. They are even more inclined to do so if they are already members of a voluntary organization. The kinds of associations foreign donors have helped to inspire are not necessarily those that are important. These groups have had narrow urban bases in past years. Instead, donor effort needs to promote local Red Cross societies, the equivalents of 4-H clubs, and PTAs—something the Botswana government has encouraged, but which are less common elsewhere. The effect of participation in associations is not as pervasive or as strong as much of the current literature implies, but careful investments in this sphere may help boost the kinds of attitudes that will sustain postconflict reconstruction.

### Notes

1. The Ugandan data come from Jennifer Widner, "Social Capital and Institutional Performance Survey" (1995-1996). Conducted ten years after the cessation of conflict in southern, central, and eastern Uganda, the survey is based on a multistage area sample in which final-stage respondents were randomly selected from central village lists. The Zambian data come from Michael Bratton, "Democratic Attitudes and Participation Survey" (1996), a multistage quota sample. The Botswana data come from Jennifer Widner, "Social Capital and Institutional Performance Survey" (1996).

2. Robert Putnam, *Making Democracy Work* (Princeton, 1988).

## *Eleven*

### Civil Society and the Reconstruction of Failed States

DANIEL N. POSNER

CIVIL SOCIETY IS said to possess almost magical qualities for improving governmental performance—from promoting good health, reducing crime, and generating economic growth to facilitating political reform and easing the reintegration of ex-combatants after civil wars.<sup>1</sup> Given such (alleged) beneficial powers, one might inquire whether civil society could play a useful role in a context where the state is not simply underperforming but is unable to provide even the most basic services that people reasonably expect from it. This is precisely the situation in failed states. The purpose of this chapter is to explore whether civil society might serve as an effective lever for rebuilding state capacity in such a context and, if so, how its ability to play such a role might be encouraged and strengthened.

Civil society is the reservoir of formal and informal organizations in society outside of state control. As such, it is an empty vessel. It can be filled with groups that foster social cooperation and improve peoples' lives, or with groups that sow distrust and foment violence. Warlord gangs, Mafia organizations, and paramilitary groups are as much a part of civil society as churches and women's associations. It goes without saying, however, that organizations of the former sort will have a negative impact on restoring state capacity and providing public goods. Thus, in working through the logic of how civil society might play a useful role in strengthening government institutions and improving peoples' living conditions in failed states, I focus on organizations that are not explicitly bent on destroying the state or profiting from its weakness.

The chapter begins by reviewing the received wisdom on why civil society is thought to promote good governmental performance in the first place. As this volume's opening chapter explains, governmental performance entails the provision of fundamental public goods like security, basic infrastructure, education, sanitation, and public health. Civil society employs two different mechanisms to foster these ends. The first, "advocacy," is irrelevant in a failed state context, but the second, "substitution," may be precisely what is needed in an environment where the state has ceased to play its usual order- and public goods-providing role.

The problem, however, is that state collapse tends to go hand-in-hand with the atrophy of civil society. So, if civil society is to make a positive contribution to rebuilding a failed state, it must itself first be rejuvenated. I review the literature about how the groups, organizations, and associations that make up civil society can be encouraged to develop. Then I show how the logic behind these arguments is altered when we apply them to understanding civil society formation in a context where the state has failed. Finally, I suggest what donors interested in rebuilding failed states might do to encourage the growth of civil society.

### How and Why Does Civil Society Do Good Things?

Two quite different mechanisms are offered in the literature to explain the link between a robust civil society and good governmental performance. The first emphasizes how the autonomous organizations located within society articulate social interests and hold state decision-makers responsible for their actions. This “advocacy” or “watchdog” model posits an adversarial relationship between civil society and the state. Public (political) goods are provided because civil society groups monitor the behavior of state officials and confront them when they fail to provide the public goods in question. If crime becomes rampant, community groups lobby the government for more streetlights and police officers. If roads become so pot-holed as to be impassable, truckers’ associations and market sellers’ organizations demand that the government make infrastructure improvements. If bureaucrats request outrageous bribes to file simple paperwork, business groups insist that the government take measures to curb corruption. The articulation of such demands does not guarantee that they will be met, but bringing the problems to the attention of state decision-makers, and making clear the political costs that they will face if the problems are not taken seriously, almost certainly improves the likelihood that they will be. Through such pressure from civil society groups, outcomes can be achieved that would not have been possible otherwise.

This advocacy mechanism is by far the most common way in which civil society’s contribution to good governance and public goods provision is conceptualized by scholars of developing societies.<sup>2</sup> So dominant is this understanding of civil society’s effects that it even finds its way into definitions of the concept itself. Stepan’s oft-cited definition of civil society as “the arena where manifold social movements . . . and civic associations . . . attempt to constitute themselves . . . so that they can express themselves and advance their interests” is a case in point; the advocacy mechanism is built into the definition.<sup>3</sup>

In the second, “substitution,” model, civil society contributes to social welfare by furnishing the organizational infrastructure and human and financial resources to provide the order and public services that citizens desire. Thus, neighborhood watch groups compensate for the absence of police protection by organizing nightly security patrols. Rotating credit associations make up for the lack of state-sponsored credit by providing small business loans. Clan elders substitute for weak or corrupt courts by setting up tribunals and dispensing justice. Community organizations compensate for the lack of state-provided public services by fixing roads, staffing clinics, building schools, and providing sanitation services. Sometimes such activities operate parallel to, and serve to support, similarly directed activities of the state (as, for example, when community watch groups work with the police to reduce crime). Other times, however, the activities of civil society groups serve as *substitutes* for the state that, due to its weakness or the indifference of its leaders, fails to provide the public goods in question. Either way—as complements to or as replacements for state action—civil society groups operating through this mechanism contribute to improving the quality of life in the community.

The advocacy and substitution models describe distinct but complementary mechanisms through which civil society may generate superior social outcomes and improved governmental performance. Both causal pathways are probably at work in most functioning political systems. But what about in failed states? Are both mechanisms likely to be at work there too?

It is first useful to distinguish between three analytically distinct moments in the process of state failure and reconstruction. Figure 11.1, which traces the trajectory of the collapse and reconstruction of state capacity in a hypothetical state, identifies these moments as points labeled 1 to 3. The first corresponds roughly to what Rotberg, in the introduction to this volume, terms “weak states.” Here, state capacity is still relatively high but the beginnings of its decline are evident. Many developing countries (for example, Pakistan, Kenya, Indonesia, and Colombia) find themselves in this position. At point 2, the state has fully collapsed and has ceased, or very nearly ceased, to provide basic services or to control the use of force outside of the capital city. Over the past decade, Liberia, Sierra Leone, the Sudan, Somalia, and the DRC have met this description. In the third moment, the process of reconstruction has begun and, while state capacity is still weak, the trajectory is toward increasing capacity and authority. Uganda, Ghana, and Chad passed through this phase during the past few decades.

I distinguish among these three different phases because civil society plays a somewhat different role in each. In this chapter, I draw out the logic of what it can do at point 2, when the state has completely collapsed. The contribution that civil society might make to stemming state decline

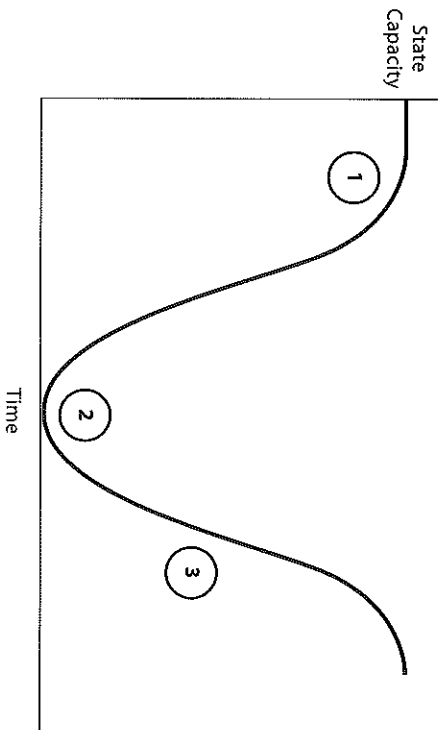


Figure 11.1. Three periods in the process of state failure and reconstruction.

in its early stages (that is, in Rotberg's terms, when the state is failing—i.e., when it is between points 1 and 2), or to facilitate the reconstruction of governmental institutions and capacities once the process of state rebuilding is already underway (in period 3), follows a different logic.

In a context of full-blown state failure, advocacy is unlikely to play more than a minor role because this mechanism depends on the existence of exactly what, by definition, has ceased to exist: a viable state to which civil society groups can direct their appeals and through which their demands can be implemented. In periods 1 or 3, civil society groups might play a useful watchdog role. But in circumstances of state collapse, their direct impact as advocates of good governance or public goods provision will be nil.<sup>4</sup>

In the substitution mechanism, by contrast, civil society's contribution to public goods provision does not depend on the existence of a viable state. Indeed, since, in this model, civil society *substitutes* for absent or weak institutions of central authority, its positive effects are likely to be greatest when state capacity is closest to zero. Thus, if we want to understand how civil society might contribute to improving governance and public goods provision when the state has completely collapsed, the substitution model needs to be the focus of our attention.

For civil society to play a positive role in state reconstruction, it must itself be strong. Groups must be in a position to mobilize human and financial resources for collective ends. Yet, state failure tends to coincide with the collapse of the cooperative capacity of most social groups—or, at any rate, of those groups that might contribute positively either to rebuilding the state or to substituting for it as a provider of public goods. When

public order breaks down, people become more concerned with their own survival than with cooperation, and civil society groups that depend on mutual cooperation become greatly weakened. Moreover, the conflicts that emerge when the state collapses often lead to the crushing of whatever civil society may still be operating. As Reno emphasizes, political authorities in failed states cannot rely on bureaucratic institutions to control people, so they rely on violence. Civil society, where the capacity to organize against power-holders resides, is usually a principal target of this violence.<sup>5</sup> Thus, precisely when civil society is needed, it is likely to be too enfeebled to be of much use in rebuilding or substituting for state capacity. The central task is therefore to address how civil society can be encouraged to develop—and to do so in a context where governmental institutions have failed. The first step is to explain, in general terms, how civil society emerges and can be encouraged to grow. The next is to explore how such growth might be fostered in the particularly inhospitable environment of a collapsed state. The latter is no easy task. For, as we shall see, the same factors that lead to civil society's decay present obstacles to its resuscitation.

### How Does Civil Society Emerge?

All civil society organizations face a central collective action problem.<sup>6</sup> Warlords and owners of private security services aside, everyone in society will benefit from the order, governmental accountability, and public service improvements that active civil society groups might bring. Such benefits are public goods, enjoyable by everyone irrespective of whether or not they contribute to the group activities that generate them. Given this fact, people should have little incentive to volunteer their time and energy to sustaining group activities, and both the benefits of such activities and the groups that generate them should be underprovided. Yet, despite this logic, we still observe functioning civil society groups that provide public goods. Why? How is the collective action problem overcome?

The literature suggests three different answers. First, people might volunteer their labor for collective endeavors if levels of trust and norms of reciprocity in society are sufficiently high as to make them confident that their cooperative efforts will be met in kind.<sup>7</sup> Second, public-goods-providing groups might emerge and be sustained if members enjoy sufficient selective incentives—prestige, respect, financial remuneration—for getting the organization off the ground and keeping it going despite the free-riding of the vast majority of the group's beneficiaries.<sup>8</sup> Finally, the collective action problem might be overcome if the state or some other powerful agent were to compel social cooperation by threat of sanction against those who shirk.

### *Trust and Norms of Reciprocity*

High levels of trust and norms of reciprocity—together commonly referred to in the literature as “social capital”—facilitate the emergence and perpetuation of civil society groups by giving confidence to those who might otherwise be hesitant to volunteer their time and energy that the contribution they make to the group’s activities will be met in kind. For example, if, having agreed upon a time and place to meet one’s fellow community members to fill the potholes in the road leading to the central market, a community member suspects that she will be the only person to show up with shovel in hand, then she will not be likely to come. If others make the same calculation, then no one will show up and the potholes will go unfilled. If, on the other hand, the person in question lives in a community with high levels of trust and strong norms of reciprocity, then, having agreed to meet to fill the potholes, she will have confidence that others will make good on their promise to come, and she will not shirk. The presence of reciprocal trust thus allows the community to achieve a beneficial outcome (in this case, a smooth road) that would have been unattainable in the absence of the collective effort. Other sorts of public-goods providing organizations like neighborhood watch groups, agricultural cooperatives, and rotating credit associations also succeed or fail based on a similar logic: people will contribute their time and labor to such groups only if they trust their fellow group members to do the same.

The problem is that trust and norms of reciprocity do not simply emerge spontaneously. They are themselves the by-products of interaction within civil society groups. They are cultivated through the experience of successful cooperation with other members of the community. They are formed when people extend themselves (e.g., show up at the agreed-upon time with shovel in hand) and are not disappointed with the results (i.e., find that they are not the only ones to show up). Such experiences generate the trust that makes cooperation in the future possible, and thus the perpetuation of the public-goods-providing group itself.<sup>9</sup>

An aspect of this mechanism that is worth underscoring is that the purpose of the group should be irrelevant to its ability to generate trust among its members. Trust and norms of reciprocity are formed as a positive externality of collective activities undertaken for other purposes. It makes little difference whether the group itself was explicitly formed to promote effective governance or whether it was an informal organization set up to coordinate cultural activities, build membership in a particular religious group, or organize sports events. Since what generates the trust is the act of successful mutual cooperation, all of these groups should be equally beneficial. This fact has important implications for how the generation of social capital might be promoted in failed states.

But if trust is necessary for sustaining group interactions and if group interactions are, in turn, the principal means of creating trust, then we face a hen-egg problem. How can cooperation be sustained (or even initiated) if community members lack the mutual trust to cooperate in the first instance? If they do not cooperate in the first instance, how is the trust to be inculcated? The problem is that trust and norms of reciprocity constitute a social equilibrium, and this fact makes them very difficult to generate when they do not already exist. Thus, while we can easily explain why societies with lots of social trust tend to have robust networks of associational involvement, it is a far more difficult task to figure out how to develop either trust or networks when the other is lacking.

### *Selective Incentives*

A second way in which civil society groups can be sustained—even in the absence of trust or norms of reciprocity—is if at least a critical mass of group members derive a benefit from participation that is independent of the public good that the group is designed to generate. This personal gain makes them willing to contribute their time and energy to the group (to show up at the appointed time and place with shovel in hand) irrespective of whether or not they think others will do so as well. Mancur Olson calls such benefits “selective incentives,” and he explains that while they often entail direct financial compensation, they sometimes include more intangible—or, at any rate, less directly economic—rewards such as prestige, respect, standing in the community, and even the avoidance of social disapproval.<sup>10</sup>

In traditional kinship societies, such as are found in many developing countries, nonfinancial rewards of this sort can often be sufficiently great so as to sustain social cooperation. When membership in the community is a prerequisite for access to valuable resources like land and social insurance, the incentives for avoiding social disapproval and thus undermining one’s claim to membership, are especially strong. In such contexts, volunteering one’s labor for collective activities is likely to be a smart thing to do, even when one might prefer to shirk. In such a society, the fruits of many group activities cease to be strict public goods, since they become excludable from those who did not contribute to their provision. Enjoying the public good is contingent on being a member in good standing in the community, which, in turn, is contingent on contributing to the community endeavor that generates the public good in the first place.

But because people still possess the incentive to shirk *if they can shirk without detection*, the collective action dilemma looms in such societies. The cooperation equilibrium we observe in traditional kinship communities is thus fragile—particularly in a context of uncertainty and violence

such as is found in a failed state. A more reliable way to overcome the free-rider problem—and the only alternative in communities where the social rewards for volunteering and the social penalties for shirking are not large enough to enforce cooperation—is to pay individuals for their participation. Sometimes such payments are provided by a sympathetic foreign donor, sometimes by the government itself. Whatever their source, direct payments to those who bear the costs of organizing and sustaining the group lie behind the majority of the public-goods-providing organizations that we find in developing countries. Their common label as “grass-roots” organization belies their top-down origins.

A 1993 study in East Africa, for example, found that thirty-six of the sixty-two civil society groups surveyed depended on foreign donations for 75 to 100 percent of their operating budgets, and another seven depended on foreign donations for between 50 and 75 percent of their budgets.<sup>11</sup> The problem is that because such groups are dependent on outside support, they are prone to collapse as soon as the support dries up. Paying group members for their participation may therefore be a viable short-term means of sustaining the group and putting it in a position to provide the collective benefit that it was created to produce, but it is no long-term solution.

There is, however, a way in which, at least in principle, selective incentives might facilitate the perpetuation of the group over the longer term. As we have seen, once a civil society group is up and running, the experience of successful interaction within it will generate trust among fellow group members. Thus, civic organizations, even if they are entirely products of third-party sponsorship, might, over time, generate within their own ranks the trust and norms of reciprocity that would allow them to continue functioning once the selective incentives that were responsible for getting them started are withdrawn. Unfortunately, while such an expectation is theoretically plausible, the empirical evidence suggests that civil society groups sponsored by resources from outside the community tend to be unreliable vehicles for generating trust among their members.

First, participation rates in donor-sponsored groups tend to be low. Dicklich reports that, within the civil society groups that she studied in Uganda, “participation by the targeted beneficiaries in decision-making and programme implementation appears to be much less than expected.”<sup>12</sup> She points out that this result dramatically undermines the groups’ trust-building potential. Even more importantly, she notes, the dependence on external sources of funding detaches civil society groups from the societies that they are supposed to be serving, and this further undermines their ability to generate mutual trust among their members.<sup>13</sup> Summarizing a survey of grassroots organizations, also in Uganda, Gariyo reported that only ten of twenty-nine groups could claim more than ten paid-up members. He concluded that “with such a limited membership, it is difficult

to move accountability from being donor driven to being membership driven.”<sup>14</sup> Drawing on his experience in Rwanda, Uvin argues similarly that a vibrant civil society cannot be created by outside funding. “Social capital accumulation,” he writes, is “a slow, long-term, internal process of gradual accumulation of the capacity and the willingness to negotiate, compromise, and shape the political arena. . . . Any attempt to rapidly create a civil society through development aid (and with the tools of the typical development project) will lead to fake, superficial results.”<sup>15</sup> If the idea of underwriting the start-up costs of civil society groups is to promote participation that will, in turn, build trust within the community, then the evidence suggests that this may be false hope.

### *The State as a Third-Party Enforcer*

A third means of solving the collective action dilemma also involves the intervention of a third party. This time, the role of the outside actor is not to provide selective incentives but to enforce participation among those who would prefer to free-ride. The stick, in short, replaces the carrot. The most logical party to wield this stick is the state. The problem, however, is that unless the state is extremely strong it is unlikely to be interested in taking actions that will strengthen the social forces that, once energized, will be in a position to challenge and even undermine its authority. It would prefer to keep civil society weak.

Indeed, the governments of many developing countries employ the resources they have at their disposal not to support civil society but to stifle it. They co-opt labor unions, agricultural cooperatives, and professional associations. They muzzle the press. They set up nongovernmental organization (NGO) registration boards to regulate and control civil society groups.<sup>16</sup> And they try to undermine civic organizations by branding their leaders as foreign agents. While such attempts to restrict civil society groups’ activities are often ineffective, this failure stems more from these states’ lack of resources and incompetence than from their lack of desire to control civil society’s activities.

The hostility that state leaders display to civil society organizations makes sense if we think about such organizations solely in their advocacy mode. But in addition to serving as watchdogs, many civil society groups also provide valuable public goods—often goods that governments themselves are not able to provide. Why would governments not welcome this assistance? Why would they not view civil society groups as valuable allies? The answer is that sometimes they do, but only if state leaders think that they, rather than the civil society groups, will get credit for having provided the services in question. Governments, particularly in developing countries, know that their legitimacy derives from their ability to provide

resources for their citizens, and they jealously guard their reputation as the key providers of public goods in their societies. Groups whose actions threaten this reputation are viewed as dangerous.

But governments compete with development-oriented civil society groups not just for the favor of their citizens, but also for the favor of international donors. On the one hand, this provides donors with leverage to demand that governments give civil society groups the “breathing room” that they need to operate. But on the other hand, it provides a disincentive for governments to let civil society groups demonstrate their abilities as alternative public goods providers. For even if the government can gain credit among its citizens for having furnished the security, roads, or other services that the civil society groups provide, it may fear that such groups might start competing with the state for outside donor funds if they demonstrate too much proficiency as public goods providers. For these reasons, Gariyo notes, “most African governments remain suspicious of any independent initiative that attempts to mobilize and provide services to disadvantaged communities without the direct involvement of the state.”<sup>17</sup> Thus, while the “state as third-party enforcer” mechanism is theoretically possible, the competition between civil society groups and the state in most developing countries make it empirically unlikely.

### Can Civil Society Be Built in Failed States?

Civil society is difficult to build even in the best of circumstances, and the anarchic and violent conditions of a failed state makes it even harder. In such a context, trust and norms of reciprocity are extremely low, or even absent, and so the social capital mechanism is not likely to be of much help in building civil society. The “state as third-party enforcer” mechanism is also likely to be ineffective since, even if it were inclined to help, a collapsed state would be in no position to enforce social cooperation. The selective incentives mechanism, on the other hand, does offer a potentially viable means of developing civil society under conditions of state failure. Subject to the caveats previously outlined, if civil society is to be invigorated in a failed state, then the selective incentives mechanism will be the means by which it will be advanced.

Time inconsistency presents an additional obstacle. Time inconsistency refers to the fact that investments made in civic associations today may not pay dividends until some time in the future. Organization costs must be borne up-front, but the fruits of the collective endeavor cannot be enjoyed until later. While this is always an issue for would-be group builders, it becomes particularly acute when environmental factors like political insta-

bility, civil war, and arbitrary or predatory rule make the future unpredictable. Unpredictability leads people to discount the value of the benefits that contributing to group building might eventually bring them. This fact reduces their incentives for investing in groups in the first place, and the result is that people will stop investing in social cooperation.

Indeed, getting people to commit time and resources to associational life should be extremely difficult in a context of state collapse. When states fail, anarchy reigns. The police no longer provide security. Infrastructure crumbles. Formal markets fail. Public services cease to be provided. Courts stop functioning and contracts become unenforceable. The basic order and public goods that states ordinarily furnish go unprovided. In such a situation, individuals’ discount rates will soar, and they will be far more likely to retreat into the household than to seek out opportunities for organized collaboration in civil society.

The literature reflects this position. Again and again, authors stress that a functioning state that provides basic public order and security is a prerequisite for the existence of civil society. As Bratton argues, associational life “cannot flourish amid political disorder, lawlessness, an inadequate physical infrastructure or intermittent essential services. *Civic organizations depend upon the state for the creation of certain basic conditions of existence.*”<sup>18</sup> Lowenkopf makes a similar point when, reflecting on the possibilities for the reconstruction of Liberian society in the early 1990s, he asks “how is [a reinvigorated civil society] to come to pass unless the prerequisites of a civil order—effective laws and their enforcement, security of self, property and one’s labor, to begin with—are established?”<sup>19</sup> This is not to suggest that civil society groups can never emerge in a context of state collapse. But they will have the cards stacked against them.

A more serious problem with civil society building in failed states is that those organizations that *are* able to emerge are not likely to be particularly civic. The disintegration of centralized authority and the collapse of law and order that state failure brings provide an opening for Mafia organizations and militia groups to thrive. Neither the goals nor modus operandi of such groups are likely to be supportive of state reconstruction or the provision of public goods.<sup>20</sup> Indeed, given that their highly profitable activities depend on instability and disorder, one can count on such groups to resist any attempt to reassert centralized authority and rebuild a functioning state. These groups also encounter collective action problems of their own. But their coercive powers, combined with the profits that they can generate if they are able to organize successfully, are usually enough to permit their development. Lootable resources and the rents extracted through protection rackets constitute powerful selective incentives for bearing the costs of organization.



As plausible and well-accepted as this story of the doom that state failure brings upon civil society may be—or at any rate the “civil” component of it—there is reason to believe (and evidence to suggest) that in some cases the collapse of the state may actually have the opposite effect: energizing associational activity by providing the necessary breathing room and freedom from repression for civil society groups to emerge and flourish. As long as the state is functioning and strong, civil society groups in developing nations typically “face a choice—instruct on autonomy and suffer repression, or allow themselves to be co-opted by and subordinated to the state in order to secure inclusion and enjoy patronage.”<sup>21</sup> If the state were to disappear, it is easy to see how this might be liberating for civil society. Indeed, in Somalia, the collapse of the state in 1991 proved to be a boon to the development of civil society groups. Reflecting on the flowering of small-scale economic activity in the rubble of the Somali state, Mubarak observes that the “absence of government has proven to be better than the repressive institutions and improper policies of Barre’s government.” In some areas, in fact, the vibrancy of the local economy was so great as to “rais[e] the question of whether absence of government [might be] a blessing in itself.”<sup>22</sup>

How can these contradictory assessments about the impact of state collapse on civil society be reconciled? How can state failure both condemn civil society to weakness and endow it with strength?<sup>23</sup> Part of the problem may be that different authors have in mind different stages of state decline and different kinds of associational activity. It may be that the total collapse of the state (i.e., period 2 in figure 11.1) provides such a powerful need for public goods and such high returns to cooperation that at least some social actors will be able to overcome the collective action problems that once beset them and collaborate for mutual benefit. A declining but still predatory state (period 1 in figure 11.1), on the other hand, may possess just enough leverage over markets to discourage economic activity and just enough coercive power to foil attempts at social organization. Associational activity might reemerge when the state has totally collapsed, but not beforehand. It is also possible that different authors simply have different kinds of states in mind. Predatory states can probably best help civil society grow by getting out of the way, while developmental states can help it by providing the order and basic public goods that facilitate group cooperation. In this regard, the degree of state power is almost certainly less important than the uses to which it is put.

It may also be that the effect of state collapse on civil society is conditional on other factors, like the presence of civil war or lootable resources, both of which vary not only across failed states but also within them.<sup>24</sup> In areas where state failure goes hand-in-hand with civil war and warlordism, civil society—or, at any rate, the kinds of civil society groups that are likely

to contribute to state building and public goods provision—will not thrive. But in places where the collapse of government does not trigger widespread violence and disorder, local grassroots organizations may emerge to fill the void. Mubarak’s discussion of state failure in Somalia suggests that this may be the case. While he finds many local activities springing up following the collapse of the Siad Barre regime, he points out that almost all of these activities were located in places where “war, political violence and fragmentation of territory into hostile or unstable political alliances” had been more or less brought under control.<sup>25</sup> The implication would seem to be that for meaningful associational activity to emerge, order within the local community must come first.

### What Donors Can Do to Support Civil Society Formation

For civil society to emerge as a meaningful social and political actor in a failed state, it will need to be helped along by outside forces. As we have seen, the trust that might lead to its spontaneous emergence is absent. And the state is likely to be both unwilling and unable to facilitate its growth. This brings us naturally to the question of what outside actors like donors might do to support the emergence of civil society under such circumstances. The logic of the preceding discussion suggests two possibilities.

#### *Direct Support for Civil Society*

Donors can support individual civil society groups directly by providing financial support (selective incentives) to leaders who have shown a willingness to bear the cost of organizing them. But which kinds of groups should donors support? Those that claim to be explicitly dedicated to promoting good governance would seem to be the most obvious target of funding. But if promoting good governance—or, as is the case in failed states, just plain governance—is the goal, then supporting groups of this sort may not be such a good idea, for two reasons.

First, governance-oriented groups tend to be advocacy groups. As explained, groups devoted to advocacy and interest articulation can play little role in promoting state reconstruction in a context where the state is too weak to respond to pressure. Such groups might—and in fact often do—play extremely useful roles in situations where the state is strong enough to do good if pushed in the right direction or ill if its leaders are left to their own devices. But this is not the situation in failed states. What is needed in failed states are groups that can furnish the services and public goods that the state is incapable of providing.

To be sure, the social interaction that advocacy groups foster among their members might generate the trust and social capital that would facilitate the emergence of groups that *could* act as public-goods-providing substitutes for the enfeebled state. But advocacy-oriented civil society organizations would have no advantage over nonadvocacy groups in this regard, since all associational groups should generate trust as an externality of their activities.

For another reason, however, nonadvocacy groups *would* have an advantage over advocacy groups. Political entrepreneurs in developing countries know that democracy and good governance issues are high on the donor agenda. This awareness gives them incentives to set up civic organizations that appear to be geared toward those ends, even when the groups that they have formed are nothing more than vehicles for “shaking the donor funding tree” to secure salaries and perks for themselves and their close associates. So by focusing on civil society groups that are not explicitly set up to promote democracy and good governance, donors can avoid funding groups that are just “telling them what they want to hear.”

An article in *The Monitor*, a Zambian human-rights-oriented weekly newspaper, titled “How to Identify a Fake NGO” summarizes the problem well. Commenting on the “mushrooming of so many NGOs that it is increasingly difficult to keep track of them,” the author writes,

Once registered, [the NGOs] adopt the word “advocacy” as their claim and then proceed to write convincing proposals for funding to Western donors. . . . Soon the leaders of these NGOs dump their erstwhile two-roomed shack in Chibolya [a poor residential area in Lusaka] and move to a five-bedroomed mansion in Sunningdale [a comparatively well-to-do residential area]. Next you see them driving the very latest 4x4 Japanese vehicles while their children are enrolled at the Lusaka International School. . . . The problem, however, is that the majority of these NGOs are not there to serve the people they claim to serve. They are there to benefit their leaders and their sidekicks.<sup>26</sup>

Gariyo’s data bears out this description. In the civil society organizations that he surveyed, he found that administrative expenses—salaries, perks, travel expenses—often constituted as much as 60 percent of operating budgets. In one proposal that he analyzed, submitted by the umbrella organization for NGOs in Tanzania, “salaries and consultants’ fees were allocated 14.2 percent and 29.2 percent, respectively; equipment and travel 19.6 percent; rent 3.0 percent; and other miscellaneous charges 15.5 percent.” In all, less than 20 percent was directly budgeted for the training program that the proposal was allegedly submitted to make possible.<sup>27</sup>

This is not to say that there are not genuine human-rights- or civic-education-oriented groups in Africa and elsewhere that are richly deserving

of donor assistance. It is only to point out that donors interested in supporting such groups will have no way of distinguishing them from those whose leaders are simply telling them what they want to hear. Of course, so long as groups of the latter sort are actually mobilizing their members to provide public goods and promote good governance—even if highly inefficiently—the true motivations of their leaders may be immaterial. But nongovernance-oriented groups offer a second advantage over explicitly governance-oriented ones: they are more likely to sustain themselves after the donor funding dries up.

Since non-governance-oriented organizations were originally set up to promote interests independent of the donor agenda, they should be immune from many of the weaknesses of the groups that were established explicitly to capture donor funding. These groups are still liable to be affected by the shock of the inevitable withdrawal of donor support. But the fact that they *do* have what Kasfir terms “effective social roots” means that the likelihood of their survival will almost certainly be greater than that of groups set up explicitly to promote agendas furnished by outsiders.<sup>28</sup> Rebuilding a failed state is a long-term process, and resources would best be spent on supporting groups that have some likelihood of outliving the donors’ financial contributions. We are thus led to a counterintuitive conclusion; donors should support church groups, rotating credit associations, cultural societies, and professional organizations, not civil society groups that are set up for explicit governance-strengthening purposes.

#### *Creating an Enabling Environment*

Apart from supporting groups directly, a second strategy that donors can pursue is to promote an environment that facilitates the emergence of civil society groups on their own. From a theoretical perspective, the goal of such interventions should be twofold. The first objective should be to reduce the costs of social interaction. One way of doing so is by reducing the costs of communication. A well-developed communications infrastructure not only makes it easier to organize meetings and coordinate activities once a group is up and running, but also facilitates the free flow of information about reputations that can make investments in group activity more likely in the first place. Collier’s finding of a strong and significant positive relationship between the density of telephone networks and the degree of social capital in a sample of twenty-three countries provides suggestive empirical support for this assertion.<sup>29</sup> Donor support for communications infrastructure like telephones, newspapers, local radio stations, and even transportation infrastructure may thus be a second lever for promoting civil society in failed states.<sup>30</sup>

The second goal should be to try to incapacitate the forces that seek to undermine civil society groups supportive of state reconstruction. Part of



this may involve applying pressure on governments to allow community groups the freedom that they require to operate. But the most severe threats to civil society groups in failed states are less likely to come from the government than from nonstate actors like warlords and militia organizations. The key to keeping such groups in check is to provide the state with the means of providing law and order. Thus, to strengthen civil society, donors might do well (paradoxically) by investing in strengthening the military and police forces of the state. So long as warlords are preying on civilians and Mafia organizations are in a position to outbid donor-sponsored civil society groups for the loyalties of citizens, the reinvigoration of civil society is likely to prove an unachievable goal.

In the end, however, these strategies are likely only to have an impact on the margin. The "cure all" reputation of civil society, and the hope that it inspires that civil society groups might play useful roles as tools for rebuilding failed states, confuses correlation with causation. A vibrant civil society must be viewed as an indicator of a well-functioning state and society, not as a source. This chapter has shown why this is particularly so when the starting point is state failure.

## Notes

1. On health and crime, see Robert Putnam, *Bombing Alone: The Collapse and Revival of American Community* (New York, 2000). On economic prosperity, see Deepa Narayan and Iant Pritchett, "Social Capital: Evidence and Implications," in Partha Dasgupta and Ismail Serageldin (eds.), *Social Capital: A Multifaceted Perspective* (Washington, D.C., 2000), 269–295. On civil society and political reform, see John W. Harbeson, Donald Rothchild, and Naomi Chazan, *Civil Society and the State in Africa* (Boulder, 1994). On the reintegration of ex-combatants after civil wars, see Nat Colletta, "Disarmament, Demobilization, and the Social and Economic Integration of Ex-combatants: Lessons from the World Bank Africa Experience," paper for the conference "Reinvigorating and Resuscitating Weak, Vulnerable and Collapsing States," Harvard University, January 19–21, 2001. On "making democracy work" more generally, see Robert Putnam, *Making Democracy Work: Civic Traditions in Modern Italy* (Princeton, 1993).

2. A World Bank study is a case in point. The authors write, "A vibrant and diverse civil society is . . . needed to hold governments accountable. . . . Civil society organizations have an important role to play in articulating popular interests, monitoring government performance, and facilitating participation in governance." World Bank, *Can Africa Claim the 21st Century?* (Washington, D.C., 2000). Note the emphasis on articulating interests, monitoring performance, and holding the government accountable. For similar advocacy-oriented conceptualizations of civil society, see Emmanuel Gyimah-Boadi, "Civil Society in Africa," in Larry Diamond (ed.), *Consolidating the Third Wave Democracies: Themes and Perspectives* (Baltimore, 1997), 278–292; Harbeson et al., *Civil Society and the State*

*in Africa*; Dwayne Woods, "Civil Society in Europe and Africa: Limiting State Power Through a Public Sphere," *African Studies Review*, XXXV (1992), 77–100; and Larry Diamond, "Developing Democracy in Africa: African and International Imperatives," *Cambridge Review of International Affairs*, XIV (2000), 191–213. 3. Alfred Stepan, *Rethinking Military Politics: Brazil and the Southern Cone* (Princeton, 1988), 3–4; emphasis added.

4. This is not to say that civil society groups may not play an important role in articulating demands to sympathetic actors outside the state—like donors—who do possess the ability to respond. My point is simply that demands by civil society groups directed at their own governments are unlikely to yield positive ends in such circumstances.

5. William Reno, "Clandestine Economies, Violence and States in Africa," *Journal of International Affairs*, LIII (2000), 433–59.

6. In principle, a distinction can be made between civil society groups that generate public goods (and that face collective action) dilemmas, and civil society groups that generate private goods, the benefits of which are restricted to those who participate and which are thus not subject to free-riding. Unions and neighborhood crime watch organizations are examples of the first kind of group. Sports clubs and singing groups are examples of the second. The civil society literature, particularly that part of it which embraces the advocacy model, tends to emphasize the former. For an elaboration of this point, see Charles Boix and Daniel N. Posner, "Social Capital: Its Origins and Effects on Governmental Performance," *British Journal of Political Science*, XXVIII (1998), 686–693.

7. This "answer" is most closely associated with the work of Coleman and Putnam. See James S. Coleman, *Foundations of Social Theory* (Cambridge, Mass., 1990); Putnam, *Making Democracy Work*.

8. Mancur Olson, *The Logic of Collective Action: Public Goods and the Theory of Groups* (Cambridge, Mass., 1965).

9. Widner's finding, based on survey work in Uganda and Botswana, that people who belonged to civil society groups like social clubs or parent-teacher associations were more likely to volunteer to help solve a community problem, underscores the circular relationship between participation in community groups and civic spiritedness. See Jennifer A. Widner, "Reconstructing Political Institutions in the Aftermath of Severe Conflict," paper for the conference "Reinvigorating and Resuscitating Weak, Vulnerable and Collapsing States," Harvard University, 19–21 January 2001, and in this volume.

10. Olson, *The Logic of Collective Action*. Also see Jan Elster, *The Cement of Society: A Study of Social Order* (Cambridge, 1989).

11. Zie Gariyo, "NGOs and Development in East Africa: A View from Below," in Michael Edwards and David Hulme (eds.), *Beyond the Magic Bullet: NGO Performance and Accountability in the Post-Cold War World* (West Hartford, 1996), 156–165.

12. Susan Dicklich, "Indigenous NGOs and Political Participation," in Holger Bernt Hansen and Michael Twaddle (eds.), *Developing Uganda* (Oxford, 1998), 153.

13. *Ibid.*

14. Gariyo, "NGOs and Development in East Africa," 161.

15. Peter Uvin, *Aiding Violence: The Development Enterprise in Rwanda* (West Hartford, 1998), 171.
16. Tellingly, such boards are usually overseen by the ministry of internal affairs rather than the ministry of economic development or some other development-oriented department. Dicklich interprets this tendency as suggesting "that the state is more concerned about security issues pertaining to NGOs than development issues" ("Indigenous NGOs and Political Participation," 149).
17. Gariyo, "NGOs and Development in East Africa," 161.
18. Michael Bratton, "Beyond the State: Civil Society and Associational Life in Africa," *World Politics*, XLII (1989), 427-428; emphasis added. For a similar argument, see Nelson Kasfir, "Civil Society, the State and Democracy in Africa," *Journal of Commonwealth and Comparative Politics*, XXXVI (1998), 123-149.
19. Martin Lowenkopf, "Liberia: Putting the State Back Together," in I. William Zartman (ed.), *Collapsed States: The Disintegration and Restoration of Legitimate Authority* (Boulder, 1995), 104.
20. On this point, see also Hussein M. Adam, "Somalia: A Terrible Beauty Being Born?" in Zartman (ed.), *Collapsed States*, 69-89; William Reno, *Warlord Politics and African States* (Boulder, 1998).
21. Gyimah-Boadi, "Civil Society in Africa," 285-86.
22. Jamil A. Mubarak, "The 'Hidden Hand' Behind the Resilience of the Stateless Economy of Somalia," *World Development*, XXV (1997), 2027-2028. Young and Turner make a similar observation about the liberating effect of the failure of the state in the Congo. They argue that "the decay of the state has opened up new economic and social space. . . . The vitality of these mechanisms demonstrates not only the creative energies of civil society but also the possibility of survival." See Crawford Young and Thomas Turner, *The Rise and Decline of the Zairian State* (Madison, 1995), 405.
23. Indeed, some authors make both arguments in the same essays. Bratton, for example, argues both that "civic organizations depend upon the state for the creation of certain basic conditions of existence" and that "the retreat of the state will create. . . an enlarged political space within which associational life can occur" ("Beyond the State," 428, 412).
24. Civil war and looted resources are not unrelated. Collier and Hoeffler find that dependence on primary commodity exports (which they take to be a proxy for looted resources) significantly increases the likelihood of civil war. I distinguish between the two factors here simply because each sometimes occurs in the absence of the other, and each may have an independent effect on the relationship between state collapse and the viability of civil society. See Paul Collier and Anke Hoeffler, "On the Economic Causes of Civil War," *Oxford Economic Papers*, LIV (1998), 563-573.
25. Mubarak, "Resilience of the Stateless Economy of Somalia," 2030.
26. *The Monitor* (30 June-6 July 2000). Dicklich concurs: "Many NGOs are composed of elite persons, often bureaucrats or professionals who have discovered NGOs as an alternative, lucrative source of income. Most civil servants are unable to make even a 'living wage' in government jobs. Consequently, with the influx of donor money, many civil servants have turned to the NGO sector for personal profit. Because the private sector is still very weak, and because the state has lost

- its former attractiveness, many have switched to NGOs instead to further their ambitions. . . . [The] promise of foreign travel (to seminars, etc.), upcountry travel, networking, subsistence allowances and other perquisites associated with being a member of an NGO, often tend to overshadow any strictly 'voluntary' motivation for involvement" ("Indigenous NGOs and Political Participation," 148).
27. Gariyo, "NGOs and Development in East Africa," 159.
  28. Kasfir, "Civil Society, the State and Democracy in Africa," 133-134.
  29. Paul Collier, "Social Capital and Poverty," World Bank Social Capital Initiative Working Paper Series (1998).
  30. On the central contribution of radio to civil society development in poor nations, see Diamond, "Developing Democracy in Africa," 202.