

# IDS Bulletin

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## STATES, MARKETS AND SOCIETY – NEW RELATIONSHIPS FOR A NEW DEVELOPMENT ERA

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<b>Notes on Contributors</b>	iii
<b><u>Introduction: States, Markets and Society – Looking Back to Look Forward</u></b> <b><u>Melissa Leach</u></b>	<b>1</b>
<b>PART I: LOOKING BACK – ARCHIVE ARTICLES</b>	
<b>Politics, Class and Development (Editorial)</b> Robin Luckham <i>Article first published January 1977, IDSB9.1</i>	19
<b>The Retreat of the State (Editorial Introduction)</b> John Dearlove and Gordon White <i>Article first published July 1987, IDSB18.3</i>	23
<b>Alternatives in the Restructuring of State–Society Relations: Research Issues for Tropical Africa</b> David Booth <i>Article first published October 1987, IDSB18.4</i>	29
<b>Towards a Political Analysis of Markets</b> Gordon White <i>Article first published July 1993, IDSB24.3</i>	45
<b>Strengthening Civil Society in Africa: The Role of Foreign Political Aid</b> Mark Robinson <i>Article first published May 1995, IDSB26.2</i>	59
<b>No Path to Power: Civil Society, State Services, and the Poverty of City Women</b> Hania Sholkamy <i>Article first published January 2010, IDSB41.2</i>	77
<b>PART II: LOOKING BACK TO LOOK FORWARD – NEW ARTICLES</b>	
<b>States or Markets – Twenty-Five Years On</b> Christopher Colclough	89
<b>Inequality and Exclusion in the New Era of Capital</b> Violet Barasa	93
<b>Inclusive Innovation, Development and Policy: Four Key Themes</b> Amrita Saha	101
<b>Consequences of Inequality for Sustainability</b> Sunita Narain	113
<b>Accelerating Sustainability: The Variations of State, Market and Society Dynamics in Diverse Contexts</b> Ramy Lotfy Hanna	117
<b>Political Challenges of Addressing Climate Change through the ‘Entrepreneurial State’</b> Rachel Godfrey-Wood	125
<b>Civil Society and Civic Engagement in a Time of Change</b> Becky Faith and Pedro Prieto-Martin	137
<b>State, Market and Society Relations: The Roaring Last Fifty Years</b> Luka Biong Deng Kuol	145
<b>State–Society Relations and the Dilemmas of the New Developmentalist State</b> Evelina Dagnino	157
<b>Back to the Future?</b> Michael Edwards	169
<b>Restoring Development <i>Dharma</i> with Toad’s Eye Science?</b> Dipak Gyawali and Michael Thompson	179
<b>Glossary</b>	<b>191</b>

# Introduction: States, Markets and Society – Looking Back to Look Forward

**Melissa Leach**

**Abstract** The period since IDS was founded in 1966 has seen the rise and fall of state-led, market-led and society-focused approaches to development, accompanied by critique and counter-critique. Today, relationships are shifting amidst new interconnections and configurations of global and local power, and while in some contexts new alliances are opening up important opportunities, in others spaces are closing down. This article introduces a special issue of the *IDS Bulletin* which tracks key threads in the history and future of these major debates, and the contributions of IDS and its partners. Combining archival material with new articles drawn from debates at the IDS 50th Anniversary Conference in July 2016, this *IDS Bulletin* 'looks back to look forward', asking what combinations of state, market and citizen action in different contexts can help achieve more equal, sustainable and inclusive futures for all.

**Keywords:** state, market, civil society, citizens, inequality, sustainability.

Development has always involved the interaction of states, markets and society. Whether thought of in terms of actors or institutions, the roles and relationships of the public sector, the private sector and civil society have been central themes in analysis and action around the progressive social, economic and political change that constitutes development in its broadest terms. In various guises, this triad has also loomed large throughout the history of development studies, from its origins in the post-independence era to the present day. Not surprisingly then, it is a theme that has also run through the history and work of the Institute of Development Studies (IDS) since its founding in 1966. Engaging with many others, IDS work has explored state–market–society relationships both analytically, asking 'How does change happen?', and more normatively, asking 'How should change happen and how can it be enabled?' – recognising that the meanings of development, or 'good change', vary enormously amongst different people and over time and place.

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Ambitious and broad as it is, then, a renewed reflection on the state–market–society triad seemed an apt undertaking for the Institute’s 50th Anniversary year – a year in which we have wanted to look back not for its own sake, but in order to look forward to future challenges and how to meet them. This special issue of the *IDS Bulletin* offers such a reflection. Part I looks back, drawing a selection of articles from the *IDS Bulletin* archive<sup>1</sup> to highlight key angles of debate over the decades, and some of the contributions that IDS Fellows and partners have made to these debates. Part II looks forward, drawing on contributions to our 50th Anniversary Conference, which took place 4–5 July 2016, on ‘States, Markets and Society: Defining a New Era for Development’. This event brought together around 200 researchers, policymakers and practitioners from around the world – including many IDS alumni and partners – for two intense days of what proved to be enormously rich and stimulating discussion, challenging us all to think about current and future configurations of state, market and societal actors, and the politics of these relationships amidst the emerging challenges of the twenty-first century – challenges that will be key as development and development studies navigate the next 50 years.

The articles in Part II, and the debates they draw on, go some way to defining a new era for development. Going far beyond old aid-related paradigms, this era emphasises transformations to meet global challenges such as inequality, unsustainability and insecurity, and a universal agenda that affects everyone, everywhere – in Brighton and Boston as much as Beijing or Bamako. It also documents the political dynamics and tensions that characterise this particular moment, including the emergence of multipolar politics and rising powers on the world stage; the rise of right-wing nationalist politics in many countries; a closing of many forms of civic space; and the growth of less ‘ruly’ forms of social and political action. Changing relationships between states, markets and society are part and parcel of these political dynamics. Understanding these, and charting their implications for the emerging challenges that increasingly affect us all, presents a crucial set of opportunities for the development studies of the next 50 years.

### **1 Looking back**

The last half-century has witnessed several eras of development, in which state, market and civil society actors have been attributed varying roles, and seen as significant in different ways. The articles in Part I of this *IDS Bulletin* help track these changing roles and relationships through the lens of some key contributions from IDS and its partners through different decades.

Very broadly, the period of the 1960s and 1970s, in which the Institute was founded and conducted its early work, was one of state-led development. Post-colonial state building aligned with an emphasis on national state planning – a ‘state developmentalism’ that had also been evident earlier in the twentieth century in colonial and non-colonial settings alike. Development ideas and practices from the 1960s focused

on supporting post-independence governments through planning, modernisation and technology transfer, towards a dominant vision of economic growth and a good society emerging from a stable, modern state. Indeed, when IDS was founded, many believed that this state-led modernisation process would be done and dusted in a couple of decades; development was to be a short-lived process of transition. That IDS is still here 50 years later – amidst development challenges that have changed but not been overcome – belies this simple technocratic and bureaucratic dream. Indeed, the greater complexity of development was already evident to the Institute's founders. Dudley Seers, IDS' first director, dismantled the idea that there was a single path that all countries would follow, with so-called developing countries catching up with the West, in his path-breaking essay on 'the limitations of the special case' (Seers 1963). Even if state-planned, pathways were, and should be, varied. Nor could development progress be assessed by economic measures such as gross domestic product (GDP) alone. In writings that now seem remarkably contemporary, questions of inequality and redistribution, employment and a rounded notion of 'need' that we might cast today as 'wellbeing' were already on the agenda of development studies and advisory missions, IDS style.

Nor was the role of the state taken at face value. The article from 1977 reproduced in this *IDS Bulletin* – Robin Luckham's introduction to an issue on 'Politics, Class and Development' (January 1977, Volume 9 Issue 1) is an early example of the political science analysis that has been a longstanding feature of the work of IDS. Arguing that 'the State is a powerful reality and a still more powerful abstraction', this issue explored how actors of different political persuasions imagined and sought to engage with the state, and how state institutions operated in practice – in diverse ways in different settings. This sense that context and diversity matter and require attention has been a persistent theme in IDS research ever since.

The 1981–2000 period saw a relative retreat of the state in dominant development discourse and practice. The publication of the World Bank report on accelerating development in sub-Saharan Africa (Berg 1981) and the so-called Washington Consensus (see Williamson 1989) helped usher in an era of market liberalism, economic reform and structural adjustment, with policies reflecting the growth of market ideologies, as well as global penetration of monopoly capital. The article by John Dearlove and Gordon White – an introduction to an *IDS Bulletin* collection on 'The Retreat of the State' (July 1987, Volume 18 Issue 3) discusses these trends. Although country contexts differ, the collection documents a fundamental process of restructuring across the world, in which states were 'rolled back' in favour of a turn to market mechanisms in the delivery of goods and services. Often reflecting aid conditionalities and donor-led economic reform programmes in so-called developing countries, but also manifested in Europe and North America, this shift – at once ideological, political and economic – had profound implications. The undervaluing of non-marketable dimensions of human worth,

activity and progress, and the restriction of service access to those who could pay, undermined human and social development and the reduction of poverty, and contributed to rising inequalities. There were many vibrant critiques and debates around the neoliberalism of this period, and IDS made significant contributions – for instance to 'Adjustment with a Human Face' (Cornia, Jolly and Stewart 1987), and in the landmark collection 'States or Markets?' (Colclough and Manor 1991) to which Christopher Colclough's article in Part II of this *IDS Bulletin* refers. These interacted with critiques from Marxist, feminist, social activist and other traditions. Along with critical analysis of market operations and outcomes, this period also saw important analyses of 'real markets' as not just economic, but fundamentally socially and politically shaped and embedded. IDS contributions such as Gordon White's article on the political analysis of markets (July 1993, Volume 24 Issue 3), reproduced here, were significant in bringing these debates into development studies.

This era also saw the rise of non-state actors, from non-governmental organisations (NGOs) and civic groups to social movements and business associations, along with a diversity of forms of democratisation taking root across the world. The rise of concern with 'civil society' in development cooperation and policy aligned with neoliberal ideals around supporting (social democratic) market societies, and became part of the 'good governance' conditionalities promoted by aid donors. The article by David Booth from this period ('Alternatives in the Restructuring of State–Society Relations: Research Issues for Tropical Africa', October 1987, Volume 18 Issue 4) explores these trends and policies in a number of African contexts, and their implications both for the particular kinds of civil society organisation that are able to flourish, and for state effectiveness.

Donor preoccupation with civil society continued into the 1990s. In some quarters, this was coupled with arguments for a return to a greater role for a 'developmental state', but now with democracy at its core (see White 1995). By this time – as the archive article by Mark Robinson, 'Strengthening Civil Society in Africa: The Role of Foreign Political Aid' (May 1995, Volume 26 Issue 2) argues – it had become evident that interventions aimed at promoting democracy were often premised on vague definitions that overlooked the highly varied, contingent and sometimes conflictual realities of civil society in practice. With the negative impacts of naive engagements emerging, donors were urged to proceed with caution. At the same time, many researchers and activists around the world were starting to draw attention to the diverse, contextually-embedded ways that different groups of citizens actually placed demands and claimed rights in relation to the state – in vibrant forms of social and political action and claims-making that extended well beyond, and sometimes bore little resemblance to, the civil society organisations imagined and promoted by aid agendas. The article by Hania Sholkamy, documenting the attempts of poor women in urban Cairo to demand their rights (January 2010, Volume 41 Issue 2), is just one example in the *IDS Bulletin* from an array of work by IDS and

partners in this period. The work of the consortium of researchers and activists who came together in the Development Research Centre on Citizenship, Participation and Accountability (2001–11) provided many others (Gaventa, Shankland and Howard 2002).

Thus, in these first three overlapping eras, mainstream development discourses and practices have respectively emphasised state-led, market-led and (civil) society-engaged processes and drivers of progressive change. These have defined and assisted development progress in different ways. There have also been many critiques and counter-critiques, addressed variously towards the normative and ideological emphasis of these approaches; at their material impacts for different groups of people; and at the disconnect between the imaginations (and therefore intervention attempts) of aid donors and policymakers, and the on-the-ground realities of people's lives and practices.

So what of current times, and of the future?

## **2 States, markets and society – changing roles and relationships**

The period from the 2000s to the present has seen many continuities with the past but also some important shifts. New global and development challenges are emerging, as established priorities around economic growth and poverty reduction are joined by pressing concerns with tackling inequalities, addressing climate change and environmental degradation, mitigating conflict and violence, and more. Global interconnectedness is also intensifying. From climate change to epidemics, finance to food, war to terrorism, recent events underscore how hazards arising in one part of the world increasingly extend through mobile ideas, people, microbes, atmospheric particles, money and information in a highly networked world to affect others elsewhere. Novel risks and hazards are generated which affect all people and places, albeit in very different ways.

The global political and economic landscape is also shifting fast. The influence of the so-called rising powers of Brazil, Russia, India, China and South Africa (BRICS) and others is fundamentally challenging old North–South axes in global governance. It is increasingly clear that global action on climate, health, economy, finance and related issues will depend fundamentally on the positions of these national players in global negotiations, while their own experiences in tackling poverty and building resilience at home are increasingly relevant as they emerge as significant development actors and donors, in relation to other countries in Africa, Asia and beyond. Meanwhile, countries of Europe and the USA – once pre-eminent in global aid and development systems – have experienced financial crisis and recession, and face interconnected problems of poverty and inequality themselves.

The global knowledge economy is also changing, as technology and increasingly complex information ecosystems have affected the flow and dissemination of ideas, data and knowledge. Old notions of North–South technology transfer as the engine of development are challenged by

vibrant grass-roots, citizen and business innovation in all corners of the world, including by aspirant young people. The Open Access and data revolutions, and technologically-savvy policy actors and practitioners, pose challenges to traditional producers and curators of knowledge.

Related to this context of complex, globally interconnected challenges is a fundamental shift away from old aid-related paradigms and their framing in North–South terms, towards an assumption that development challenges are as relevant in Europe and North America as they are in Africa, Asia or Latin America, with scope for comparative insights and learning in multiple directions. This taken-for-granted sense of what one can term a ‘universal agenda’ – where development is a matter for everyone everywhere, and comparative experiences and mutual learning in all directions are valued – was a striking feature of the IDS 50th Anniversary Conference. It signals a different set of discourses from even a decade earlier, when the IDS 40th Anniversary Conference marked out such a universal take as an aspiration (Edwards 2007). This reframing of development aligns with important changes in the international policy context; whereas the Millennium Development Goals of 2000–15 were framed in terms of North–South aid, the post-2015 agenda defines a set of universal Sustainable Development Goals (SDGs), which all countries have committed to implement in order to contribute to progressive change both for their own populations, and to meet shared global challenges.

In this context, longstanding but marginalised perspectives and debates from what was once called the global South offer new value: they are not confined to a North–South axis or a view of development just as aid; they are not underpinned by a commitment to markets or states, but suggest emergent alliances and alternatives, and they are not led by the concerns of Northern intellectuals and policymakers. On the other hand, local subaltern alternatives are not enough to address the challenges of an interconnected world, with multipolar and multilayered axes of power, and connections that are both vertical – from local to global – and horizontal, across localities, nations and regions. As the IDS conference discussions highlighted, this is a world of complex and varied capitalisms, involving a vast array of forms of wealth and financial flows, including the illicit; diverse hybrid forms linked to different political economies, and where global corporations play central roles in what some term ‘post’ politics. It is a world where diverse interconnected risks, shocks and stresses challenge the image of stable, secure societies on which earlier development eras were built. Response and innovation are happening through novel partnerships and sometimes unexpected alliances that challenge conventional divisions between market and state, public and private, formal and informal, across local to global and diverse nodes of power.

In broad terms, then, this is the context that framed the conference contributions and debates. These asked how the roles and relationships of states, markets and society are changing amidst these new



configurations of power. It was asked what these relationships should look like if challenges such as reducing inequality, accelerating sustainability and building inclusive, safe societies in a globally interconnected world are to be met. Indeed, this set of challenges – equality, sustainability and security – emerged as a second triad in the conference discussions, raising questions about how the state–market–society triad might help to meet these. The short opinion piece by Christopher Colclough draws from his plenary talk which helped to set the stage; as one of the authors of the IDS collection on ‘States or Markets’ in 1991, he reflects from a development economist’s perspective on the 25-year history of neoliberalism and on what such a volume might focus on today.

A series of five parallel streams ran throughout the conference. Each included a set of panels where presentations and discussion addressed the shifting configurations of state, market and society from different angles and in relation to particular themes, which plenary sessions also picked up in different ways. These streams focused on inequality and inclusion; finance, business and innovation; sustainability and its acceleration; institutions and accountability; and citizen voice and agency. IDS early career researchers and PhD students acted as ‘hunter-gatherers’ for each stream, collecting and collating key insights, and five of the articles in Part II of this *IDS Bulletin* are built from their work – giving voice to the syntheses and reflections of development studies’ future scholars. The other articles and short opinion pieces here build on the contributions of plenary speakers, elaborating cross-cutting arguments around emerging state–society–market relationships in current times, and for the future.

### 2.1 Inequality and inclusion

Frances Stewart’s opening plenary<sup>2</sup> on ‘the inequality paradox’ set the stage for this stream. Rising inequalities are a fundamental challenge of our era, adding to persistent problems of poverty. The figures are stark and well known: for instance, in 2015 almost half of all household wealth was owned by 1 per cent of the global population (Credit Suisse 2015), while the 62 wealthiest individuals owned as much as the bottom half of humanity (Oxfam 2016). Rising economic inequalities find their origins in the neoliberal period of the 1980s and since, and have continued even in many of the countries recording high rates of economic growth during the last decade. The character, causes and consequences of contemporary inequalities, their implications for the future, and how they might be addressed are explored in the 2016 World Social Science Report co-led by IDS (ISSC, IDS and UNESCO 2016). As Stewart’s talk emphasised, there is a need to refocus research and political attention on the challenge of rising inequalities. However, the paradox is that both states and civil society find themselves constrained by the power of the market, just when they are most needed to tackle inequality. Civil society mobilisation is increasingly around identity, not class. A key challenge for research is to identify transformative pathways that avoid inequality-increasing patterns of growth.

The conference deliberations contributed to this challenge. Violet Barasa's article (this *IDS Bulletin*), which draws from these deliberations, makes it clear that the problem of inequality goes beyond inequality between households in their incomes from work and asset ownership. Important too are intersecting inequalities along lines of gender, age and ethnicity, as well as inequalities in access to public services and security schemes. Her article looks at the challenges of addressing inequality through three focal issues that were discussed at the conference: gender inequality, youth unemployment, and inequality in access to social protection. In each sphere, part of the challenge is that inequalities are themselves embodied in the ways dominant institutions operate – for instance, labour markets are significant bearers and re-enforcers of gender relations. Furthermore, the overall dominance of market forces is producing and exacerbating inequalities. This suggests that a rebalancing is needed to enable greater power to state and civil society institutions if problems of inequality are to be addressed.

The deepening challenges of inequality and unemployment in cities received much attention, including in a panel devoted to this theme. This underlined the new importance of urbanisation as a global process creating many challenges, and a new focus on cities in IDS work. Optimism lies in the emergent forms of informal organising and work in cities across the world, and the growing importance of cities as sites of 'exemplar governance', sometimes engaging in governance, livelihood and social experiments in a semi-autonomous way from their enveloping nation states.

## 2.2 Finance, business and innovation

In the face of these changing configurations, what is the role of businesses in development and what balance of state, market and societal forces can help meet the challenge of inclusive growth?

Alluding to earlier debates on markets as political (White, this *IDS Bulletin*), deliberations on this theme placed strong emphasis on the role of the state in shaping markets. As Mariana Mazzucato's plenary talk emphasised, the financial crisis of 2008 proved that state intervention was critical to fix market failure. But states can be 'entrepreneurial' (Mazzucato 2016), shapers as well as fixers, for instance in building exploratory public sector organisations that can invest in new innovations that will push the frontiers of existing markets and lead to the creation of new ones. A combination of carefully monitored strategic public finance – whether provided by national governments, or international actors such as development banks – and public-private partnerships emerged as key in market creation.

Amrita Saha's (this *IDS Bulletin*) article picks up on this argument and on further conference deliberations, relating it to the particular challenge of promoting inclusive innovation – broadly understood as innovation that involves, meets the needs of and empowers technology users, including poor and vulnerable groups. With examples from

agriculture to health, the article draws attention to the array of factors that shape innovation, creating conditions for technology to be developed, adopted and finally diffused in ways that enable local capacity and inclusive outcomes. The factors span the triad of state, market and society, and often involve alliances between them. Inclusive and participatory approaches to innovation can valuably draw on the everyday knowledge and creativity of citizens and civic society – a theme that Dipak Gyawali and Michael Thompson pick up in the context of Nepal in their article later in this *IDS Bulletin*. They propose innovation as a distributed activity where communities can innovate and organisational structures are built on local knowledge.

Particular opportunities and challenges in this respect relate to technologies and investments promoted by the so-called rising powers in low-income countries, such as through Chinese and Indian investments in African agriculture. The interactions between firms and local actors seem to be key in whether or not such technology investments are able to build local capability that contributes to the creation of livelihoods at the level of the domestic firm or farm. Yet further questions concern how far small and medium enterprises and small-scale farmers can upgrade and link into the emerging global value chains potentially being led by the rising powers. As the conference debates underlined, critical questions concern the political economy of innovation, and how to ensure that the process is not only inclusive for all actors, including the poor and marginalised, but actually creates structural change that leads to growth and development outcomes that are more broad-based.

### 2.3 Sustainability and its acceleration

The conference stream on accelerating sustainability was driven by recognition that the world is now facing unprecedented environmental shocks and stresses. Intertwined human and natural processes, accelerating especially since the 1950s as a result of shifting and intensifying patterns of production and consumption, as well as market neoliberalism has undervalued nature, and produced deeply unsustainable development pathways. Environmental problems such as climate change, biodiversity loss, pollution, land degradation and disease emergence are all interrelated, and affect everyone – locally, nationally and globally. The current and future development era must be an era of sustainable development (Schmitz and Scoones 2015); one in which ‘green transformations’ in society and economy are required (Scoones, Leach and Newell 2015).

Sunita Narain opened this theme with a plenary talk, included as a short opinion piece in this *IDS Bulletin*, which lays out the challenge of unsustainable growth and its relationship to increased inequality and marginalisation, leading to an insecure future. She underlines that sustainability and (in)equality are inextricably linked, and addressing one without the other will be ineffective. The vivid illustrations she draws from urban India confirm that ‘solutions have to work for the poor if they are going to work for the rich’.

Following this opening, four dynamic panels discussed the intersection of states, markets and society in accelerating sustainability. Ramy Lotfy Hanna's article draws from these, offering arguments and evidence of the roles of market-led, state-led and citizen-led processes in transformations to sustainability. A particular focus is how alliances in favour of sustainability transformations are forming between state, market and civic actors, and the processes holding these together. Yet as shown in conference case studies around issues such as water and sanitation in India, renewable energy in Kenya, and agriculture in Argentina, within each part of the state–market–society triad there are forces that are against, as well as for, positive change. Understanding and engaging with these politics is essential in building green transformations.

As Hanna's article indicates, conference discussions also focused on the capitalisation of nature, exploring the unexpected alliances between NGOs, private investors, conservation entrepreneurs and states in commodifying and financializing ecosystems, carbon and biodiversity for sale in international markets. This contemporary phenomenon, based on extending neoliberal ideas and institutions into nature, nevertheless requires state and civil society alliances in its operation. The result can, however, be the undermining of ecosystem processes that are actually vital for sustainability, while such marketised 'green growth' approaches can all too easily become 'green grabs' that dispossess local land users and contribute to inequality (Fairhead, Leach and Scoones 2012).

Across the conference deliberations, a recurring theme was that sustainability is being constructed in different ways in different contexts, with implications for who gains and who loses. Such versions of sustainability – and the pathways towards or away from them – also depend very much on the politics of a particular place; in transformations to sustainability, there is no one-size-fits-all. This theme of localisation was also emphasised in a conference session on the SDGs, led by IDS alumni. Examples from Nepal, Mexico, Brazil, Tanzania and Kenya highlighted the need to make the global goals meaningful in national and local settings. In meeting the pressing challenges of implementation, citizens and businesses have roles to play, but commitment by governments – and their accountability to the public in delivery – is critical.

#### **2.4 Institutions and accountability**

States, markets and society consist of institutions and this conference stream saw panellists grappling with the institutional challenges of development at different scales. Key discussions addressed the extent to which institutions are able (or not) to update themselves to be fit for purpose, the actors which influence them most and to whom they are accountable. Across a range of issues, from taxation to global governance, two overriding questions emerged about the character of institutions for a new development era. How are institutions shaped? And how are they made accountable? Both these themes are picked up in Rachel Godfrey-Wood's article in this *IDS Bulletin*, which addresses in particular the politics of institutions in meeting the challenges of climate change.

A recurring theme is the acknowledgement that institutions are not free-floating, and are themselves the products of interventions by particular actors. As Godfrey-Wood's article emphasises, even institutions which are frequently assumed to be pre-existing, such as markets, are in fact outcomes of interventions, meaning that more attention needs to be given to the actors who have brought them about and who exert decisive influence over them. Much conference deliberation emphasised the dangers of 'capture' of key institutions by elites: for example, media outlets might be decisively influenced by private sector actors in favour of their interests rather than the right to information of citizens, while wealthy elites are often able to evade or avoid taxes because of their political connections.

However, while there was broad agreement over this, there was less consensus over the types of actors who are more likely to have both the strength and will to ensure that institutions are pro-poor and democratic. This question of how institutions are made accountable loomed large in the conference discussions. Some speakers emphasised the importance of social movements and civil society organisations in holding powerful actors to account, such as tax campaigners in Uganda who collected 4.2 million signatures to pressurise the president into vetoing a law which would have made politicians' perks tax-free. At the same time, others pointed out the importance of local-level bureaucrats, who can have surprisingly high leeway for defining the role of the state in the provision of health care, as is the case in much of rural China. Others still emphasised the re-emergence of 'strongmen' leaders in the 'developmental patrimonialism' of Ethiopia and Rwanda. This raises the question of path dependency, and whether or not particular conditions are likely to facilitate the emergence of some actors but not others, or whether on the other hand there is more margin for agency than is often assumed.

### 2.5 Citizen voice and agency

This question of accountability in turn links to the fifth conference stream on citizen voice and agency – what are the opportunities and modalities for citizens to hold powerful institutions to account? Here, a series of panels explored the contemporary nature of civil society engagement in both rhetoric and reality. A strong convergence of debates between North and South reflected the universalist perspective on development pervading the conference, and again underlined the value of comparison and cross-learning across countries. As one participant put it: '... we are all fighting the same battles now. This is an opportunity for civil society more generally – how do we change power dynamics in our own country?'

The article by Becky Faith and Pedro Prieto-Martin (this *IDS Bulletin*) that draws from this theme opens with the recognition that in many contexts this is a particularly challenging moment for civic engagement. On the one hand, formal spaces for civil society voice and participation are closing in many spheres; a phenomenon also explored in

Evelina Dagnino's article in this *IDS Bulletin*. Threats to civil society organising are being felt very keenly in many countries, whether in official moves to quell advocacy or in increasing government control of mainstream media. In other contexts, civil society organisations are being co-opted by state or business interests. Discussions identified many of the failings of conventional 'civil society', understood as NGOs, whether local, national or international, in achieving progressive change that addresses global challenges.

On the other hand, we are also seeing the emergence of alternative means to represent citizen voice and claims. Sometimes this is through 'unruly politics' and protest; sometimes through informal spontaneous forms of community organising and advocacy, and sometimes through social movements and their networks, extending from local up to national and global scales. As Faith and Prieto-Martin explore, digital technologies and social media occupy vital but ambiguous places in these new politics of citizen engagement, offering important opportunities to open up space but also selective in which voices are represented. Meanwhile, it is important to be aware of how unruly politics and digital spaces are used, not just in the service of progressive forces to redress inequality, sustainability and security, but also by extremist groups with quite different aims.

This ambiguous moment for the 'society' part of the triad highlights important agendas for future analysis and action. As Faith and Prieto-Martin suggest, these include developing a new agenda on collaborative politics, exploring the new institutional frameworks through which participation and citizen engagement can flourish locally – for instance, when the local state creates mediating spaces through community development programmes/projects, and through which citizens can hold states and businesses to account. There was also discussion of how to reconfigure and reinvigorate alliances between localised and Southern-based movements, and Northern and international NGOs and civil society – without 'sucking the oxygen out' of vibrant, engaged local politics.

### **3 Forging new alliances?**

The theme of alliances looms large in the final set of articles. These draw from plenary talks at the conference to reflect more broadly on changing state–market–society relationships in development in current times, and for the future. Each looks back to look forward. And each offers powerful arguments and illustrations of the potential of new alliances in tackling challenges such as inequality, sustainability and inclusivity – yet also some important words of caution.

Luka Biong Deng Kuol's article offers an insightful comparison between global changes over the past 50 years, and those in the USA during the decade known as the 'Roaring Twenties'. Both, he argues, saw reactions to economic downturn followed by trends that saw increasing aggregation of wealth for a small proportion of the population. He

argues that the relative roles of the state (shaping development paths), markets (the ‘Washington Consensus’ and neoliberalisation) and society (the rise of global civil society and social movements to prominence) over the last 50 years have produced a development paradox, in which massive increases in global economic growth and technological innovation have coincided with rising global wealth inequality, and divergence in prosperity and development outcomes. Yet, he suggests optimistically that new public–private–civil society alliances and hybrid forms of governance hold the potential for ‘fairer global governance, checking greed and achieving equitable growth’ in the future.

In his article, Michael Edwards warns against confusing such alliances with the blurred and blended institutions that are now becoming popular in development discourse – as donors, business leaders, philanthropists, consultants and commentators emphasise the potential of social enterprises, and social and impact investing. He sees this as an extension of the ideological turn towards the market that began in the late 1970s, ‘now being supercharged in the softer language of blending and blurring’. In practice, he argues, such blended institutions are actually less numerous and significant than many imagine. Moreover, they carry dangers, as blurred boundaries can all too easily mean blurred accountabilities. History shows us that alliances work best when government, business and civil society work as equal and complementary sets of institutions that can hold each other in mutual, constant and creative tension, rather than when they mix and merge their identities. New opportunities for radical innovations in society and economy are certainly emerging, but to make the most of these, he urges a move ‘back to the future’ by re-emphasising the differences between government and civil society and their autonomy from each other, even as they enter into alliances with business and the market.

Evelina Dagnino’s article focuses on another contemporary reaction to neoliberalism – the resurgence of arguments for strong states in shaping development. Emerging strongly in several Latin American countries (and with diverse echoes in other parts of the world, from Ethiopia and Rwanda to China), the discourse and practice of the ‘new developmentalist state’ has much in common with the older ‘developmental states’ of 1980s and 1990s development thinking – but are more than ever now expected to coexist with (and regulate) strong markets. In countries such as Brazil, the new state developmentalism has certainly helped in tackling poverty and inequality, and in promoting social exclusion. However, it has come at a cost to state–society relations, undermining and overturning several decades of innovation in participatory democracy, the involvement of citizens in public policy decisions, and institutional models to promote such engagement. Instead, there is a re-emerging conception of the state as a self-sufficient entity, in which citizen participation and voice are reduced to mechanisms of representative democracy (such as voting), many of which are dominated by elites.

Finally, the article by Dipak Gyawali and Michael Thompson links this question of the appropriate balance between state, market and societal forces to the politics of knowledge. With a focus on Nepal's recent experiences of development, they take the locally salient notion of *dharma* as a lens to suggest that the balance of complementary forces is off-track. This is partly because, they suggest, each element is distorted: in practice, the trusteeship functions of government too often become rent-seeking; the market's 'hidden hand' role with private goods too often becomes crony capitalism, and civic action and demands are too often muted within the politics of organised civil society and large NGOs. Intersecting with this problem is the disjuncture between what they term 'eagle's eye' views of development from the top down, and how everyday realities on the ground are experienced by Nepal's diverse populations. Understanding these requires a different, bottom-up 'toad's eye science' attuned to and grounded in ethnography, citizen knowledge and lived experience. Development paths and progress, and the rebalanced state–market–society triad to achieve them, must, they suggest, be defined, assessed and evaluated in ways that include such toad's eye views – requiring a different politics of knowledge in development and by implication, development studies.

#### **4 Towards the future**

If 'looking back' on the last 50 years of development reveals – as the archive articles in this *IDS Bulletin* indicate – a succession of different emphases in the state–market–society triad over different eras, 'looking forward' suggests that each element, and the question of balance between them, is more important than ever. To quote Michael Edwards' article, 'Traditionally... government, business and civil society were seen as different but equally valuable parts of a healthy whole, complementary but necessarily separate from each other'. He suggests that this model is 'so unfashionable today that it is seen as retrograde or even irrelevant', yet in various forms it was the framework that underpinned shared prosperity in many parts of the world. As many articles in this *IDS Bulletin* have documented, in broad-brush terms the over-dominance of market forces with respect to the others, through the neoliberal period of the 1980s onward, accounts for the rise of many of the challenges we see today – growing inequalities, environmental degradation, exclusion of marginalised groups and rising insecurities, with all their consequences for development.

So the question arises, is this triad still relevant to tackling these challenges in the future, and what new roles and relationships are emerging, and will be required? Across the articles here, the answer to the first question is a resounding yes – this remains a highly relevant framework. But in different ways all suggest a rebalancing, to give – in both development discourse and practice – greater weight and influence to state and societal forces with respect to those of the market. The question of new roles and relationships is inevitably more complex, and the conference deliberations and articles here document numerous dilemmas and ambiguities, as well as clear directions. Much depends on the issue in question, and on the



embedded configurations of power and institutions in different places that shape what is possible, and indeed imaginable.

What is clear is that in the context of emerging global challenges such as the triad of inequality, unsustainability and insecurity, a vibrant set of agendas for development research and action is emerging. What new alliances and relationships between states, markets and society will enable the meeting of future development challenges, locally and globally? The articles in this *IDS Bulletin* and the conference debates prefigure some of the specific questions that such an agenda must address, and begin to answer them. They also suggest some cross-cutting themes, which will need to guide future agendas.

One is the importance of *transformation*. Beyond the focus on quick fixes (whether technological, or in the market) that have dominated much of the last few decades of development thinking and practice, evident is a renewed emphasis on deep structural changes in economy and social relations to meet the extent and depth of global challenges.

A second is *diversity*. The theme that ‘one-size-does-not-fit-all’ recurred, suggesting that development must be (re)conceived as a matter of plural pathways towards plural goals. A key challenge, though, remains how to connect micro-diversity plausibly and effectively with questions of macro-structural change; to relate global challenges to diverse local experiences and vice versa.

Third is the emergence of *uncertainty and complexity* as key features of a contemporary and future world beset with shocks and stresses, whether associated with climate change, conflict, financial crisis, epidemics or more. Conference discussions drew out how planning blueprints and mainstream control-focused approaches flounder amidst such uncertainties, requiring analyses and action geared more to building resilience and adaptability in turbulent times.

Fourth, and perhaps most fundamental of all, is the importance of *power and politics*. Debates about the relationships between states, markets and society are fundamentally debates about the politics of development. An analysis of power infused the conference debates, whether seen in material terms or discursive ones; in approaches emphasising political-economic structures, or those attending more to political agency and power relations. Political analysis of states, markets and civil society has infused the work of IDS and its partners since its origins, and must continue to do so in the future, in ways attentive to power’s shifting configurations and guises.

This in turn will require approaches that are both interdisciplinary and transdisciplinary, integrating high-quality research with the knowledge of people working in state, business and civil society organisations; that mobilise evidence for impact, and that are international in their partnerships, linking global understandings with local contexts and the perspectives of people on the ground. Indeed, the anniversary

conference itself, with its mix of participants from diverse international settings, academia, and policy, practice and activist backgrounds, exemplified this type of integration – and the approach that we now term 'engaged excellence' at IDS.

In such ways, I hope that the conference and this *IDS Bulletin* have charted some contours of a future map of development studies, in a new era.

### Notes

- 1 The archive, which was opened for the 50th Anniversary year, makes available online and in fully Open Access form the entire back catalogue of the *IDS Bulletin* since the journal's foundation in 1968. See <http://bulletin.ids.ac.uk/idsbo>.
- 2 See [www.ids.ac.uk/news/exploring-the-state-market-and-society-triad-for-a-new-development-era](http://www.ids.ac.uk/news/exploring-the-state-market-and-society-triad-for-a-new-development-era).

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