Chapter One
Understanding Democratization in the Post-Soviet Societies:
Relevance of Nature of State Studies and Governance Approach

The next chapter looks into the economic issues of governance and analyzes the attempts made by Russian state in reducing the level of poverty and unemployment, and improving standards of living. Here we argue that so far Russian state has not proved efficient and capable enough in protecting the socio-economic rights of the people. This has culminated into feeling of insecurity, declining living standards and increasing level of poverty.

The fifth chapter explains the challenges of governance and nature of Russian state. Finally, in the concluding chapter the findings of the study are given.

Theories are the real foundation of any research. They explain the concepts and interrelationship between them. They are helpful in explaining the causes and impact of a particular problem. Keeping in mind this importance, this chapter is an attempt to explain theories of state and governance. The chapter is divided into two parts; first part deals with state theories and the second part discusses governance.

Introduction

After the Second World War and the end of colonial rule in many countries of Africa and Latin America, the ‘second wave of democratization’ (Huntington 1991) began. The meaning of democratization was considered as self-explaining in nature-transformation of the political system from a non-democracy to a western type democracy. The focus of democratization studies was the process of democracy building. Democracy was defined in the competitive-minimalist sense. Influenced by the western notion of liberal democracy, the

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1 According to Huntington the first wave of democratization began in the 1820s and lasted till 1922. The second wave began in 1945, after the Second World War and lasted till 1965.
2 As per the minimalist concept of democracy a country can be categorized as democratic if it has a liberal constitution enshrining various rights and liberties, especially a multi-party system and freedom of expression (Dahl 1956). The political system, according to this concept of democracy, should also establish various institutions, like elections, which give citizens an opportunity to express their wishes.
counties of Africa and Latin America adopted constitutions which enshrined various individual and civil rights.⁴

However, by the end of 1960s a ‘reverse wave of democratization’ began as most of these countries (except Venezuela and Colombia) turned into elite led authoritarian systems or military ruled states. The state machinery became an instrument in the hands of the ruling elite to suppress civil society and curbing individual rights of the citizens, which were protected by the constitutions. In the economic sphere, instead of building a system which attempts to distribute benefits of development equally amongst the people, the state ensured and even preserved the centralization of resources in the hands of a few. The existing theories of democratization failed to explain these emerging anti-democratic tendencies.

Consequently, focus of these studies shifted from the path of democratization to the factors which can strengthen democracy. In other words, consolidation of democratic polity became the focus of study. Particular attention was given to political culture (Diamond 1999), political economy (Haggard and Kaufman 1995) and institutionalism (Remmer 1997) and their impact on democratization.

Even after five decades of political transformation till date the countries of Africa and Latin America have failed to make headway on the path of democracy building. Keeping in view these persisting challenges, studies of comparative politics started looking at the nature of state in these countries along with the traditional democracy building exercises. These studies argue that nature of state can explain why anti-democratic tendencies occur, gradually become prominent, and finally culminate into an authoritarian system, though formally a constitution based on liberal-democratic values exists. O’Donnell in his study on Brazil has focused on the nature of Brazilian state, while accepting it within the category of a democratic polity.

Against the backdrop of these studies, it could be useful to analyse the problem of democratization in Russia. Trends similar to those that existed in Latin America can be seen in the current democratization process in Russia. Studies on Russian democratization (Sakwa

⁴ Alfred Stepan (1986) identified eight different paths leading to the end of authoritarianism and the emergence of democratization.
1998, White 1996, Fish, 2001, Macfaul 2002) have shown how unhealthy trends such as weak parties and party system, corrupt bureaucracy, a dominant presidency, and absence of rule of law, are emerging in the post-Soviet Russia, though there have been many positive signs as well, such as higher economic growth, political stability and peaceful transfer of power, elections at regular intervals and so on. In other words, all formal conditions which are considered essential for the emergence and strengthening of a liberal democracy are being partially fulfilled by Russia. However, the western scholars continue to criticize Russian state for its anti-democratic actions such as suppressing civil liberties, crushing media freedom and so on. The available studies of democratization have failed to explain reasons behind these antidemocratic tendencies. Rather they have successfully identified the trends and have given these trends new nomenclature.

Nevertheless Jean Grugel criticizes democratization studies and their definitions -“these definitions remain quite limited because they fails to take either the issue of power or the importance of structural obstacles to participation seriously” (Grugel 2002: 5). Emphasizing on the need of a broad definition of democratization he further argues – “The litmus test for democracy is not whether rights exist on paper but, rather, whether they have real meaning for the people. Inevitably, this implies a redistribution of power” (Grugel 2002: 6). In other words, what remains problematic in the democratization studies is that they continue to ignore the structural problems in democracy building in a society.

This chapter explains the relevance of state theories in understanding the challenges of democratization in the post-Soviet Russia. It is argued that the roots of failure of democratization lie in the nature of Russian state, which initially created an undemocratic political society and has been preserving it thereafter. The present institutional structure and political processes are the reflection of interest of the ruling elite and not of Russian people.

5 There are scholars who question the comparison behind the Latin American case with the Russian or post-Communist countries’ case. They argue that every country has its own political culture and therefore has its own model of political development (Stephen Cohen). However, it is true that every country’s political system has peculiar feature but there are commonalities between various countries. In fact, what makes comparisons more useful is that it helps in developing tools to understand the peculiarities of a country within the existing theoretical framework.
Besides, in order to understand the nature of state - ‘governance approach’ is proposed as the available studies on nature of state are narrower in their focus. They highlight only the sociological or historical processes by which the new Russian state emerged. The governance approach, on the other hand can be more useful as it can explain nature of state more cogently. It focuses on origin and evolution of various political processes and institutions, and also explains their outcomes.

I

UNDERSTANDING THE STATE

In the third century B.C., Aristotle (384-322 B.C.) regarded state as the highest form of political union, as it represents the pinnacle of social evolution. According to him “an individual found fulfillment from the advantages made possible by the state through its common endeavors, and one who did not feel its need was either an ‘angel’ or a ‘beast’” (Mukherjee and Ramaswamy 2004: 105). In other words, for Aristotle state was the most important human organization.

According to the German philosopher Max Weber: “The state is a human community that claims the monopoly of the legitimate use of physical force within a given territory” (Weber 1896). According to this notion what makes state superior as compared to other social organizations is its ability to use coercive force. In other words, a state can impose its will on the citizens even if they are not willing to do so.

The Weberian conception of state is criticized on many grounds. Firstly, it ignores other non-state or social actors such as family, clubs, tribal groups and so on, which have ability to influence activities of the state. Secondly, Weber assumes that all states are equal in terms of their ability to use coercive power (Migdal 2001). In reality, states greatly differ in terms of such capabilities. Thirdly, the Weberian notion has also been criticized for over emphasis on state as a producer of culture, but ignoring the effect of cultural processes on the states themselves.
However, in spite of these criticisms most of the contemporary state studies accept upon the Weber’s definition of state and therefore also suffer from the same problems. These studies focus on state as an institution by which the coercive power is exercised. In other words, these studies focus on the bureaucratic strength of a state. A state is considered strong if its bureaucratic structure is capable enough to implement its decisions.

Michael Foucault has criticized these notions of state. According to him there has been excessive focus on state as an organization which forcibly conducts, and governs human behavior. Calling such patterns of behavior as government behavior, he terms the state conduct as ‘governmentality’. He further argues that the major area of research should be ‘governmentality’ since it is the government agencies, authorities, and its practices which form the core of our research. These state agencies also produce various “mechanisms of control and varied forms of knowledge that makes areas of aspects of social life available for governmental action.” Foucault further says that “Government works through and out of an ensemble of authorities, knowledge and fields of expertise (medical, academic-intellectual, economic and so on). Conceived as a sovereign authority, the state is a part of a myth of power that characterizes modernity: namely a repressive instrument emanating from a single, coherent source”.

Foucault favors a state where the power is operationalized in the society in a positive manner. This is made possible by dispersing power throughout the society, that is to say, one that does not repress or limit behaviour but creates and encourages certain forms of it. The existing approaches ignore such a positive and constructive role of state.

In case of the transition polities like the post-Communist states, state has a more positive role to play. These countries have no prior experience of representative, liberal democratic political systems. Besides, they do not have a history of movements for democracy. In reality, the democratic political system is elite created or a state initiated phenomenon.

In order to understand whether state has been a positive or a negative force in the democratization process, there is a need for an alternative approach which can explain this phenomenon better than the existing studies. This study argues that nature of state in these
states can be understood by analyzing its relations with the society. The state-in-society approach tries to fill this gap.

**Changing role and functions of state**

According to Max Weber a state is a set of institutions, which has a right to use coercive force on its citizens. The state power is used by the state bureaucracy. However, based on this notion, the behavioralists favored removal of concept of the state from the study of politics. In this approach emphasis was given on empirical studies and the unit of analysis is identified only on the basis of the possibility of their empirical investigation. The behavioralists claim that the word 'state' suffered from two related weaknesses: its "ideological use as a political myth", and as a "symbol for unity." These weaknesses have generated disagreements about exactly what it referred to (Easton 1953: 110-12). Therefore they identified individual behavior as a unit of analysis and not the state.

The behavioral criticism of the state was beginning of the debate over difference between the government and the state. In the behavioral studies, as Skocpol writes, "the state was considered to be an old-fashioned concept, associated with dry and dusty legal-formalist studies of nationally particular constitutional principles" (Skocpol 1985: 4).

Many scholars like Philip Abram argue that it is impossible to define what a state is because there is no "unification" in the institutions and practices of the state. Further, state as an organization doesn't have an independent existence. Various functions by which it is identified are performed by institutions and organizations which can be studied even without having the state as a concept (Abram 1999: 230).

The idea of state is also criticized for its complexities and multiplicities generated by various undefined power relations. The state, as Brown (1992: 12-13) argues, "is not a thing, system or subject but a significantly unbounded terrain of powers and techniques, an

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6 In most of the contemporary state studies, state and government are used as synonyms.
ensemble of discourses, rules and practices, cohabiting in tension-ridden, often contradictory relation with one another.”

Nevertheless, there have been attempts to differentiate state from the government. Alfred Stepan says, “The state must be considered as more than the ‘government’. It is the continuous administrative, legal, bureaucratic and coercive systems that attempt not only to structure relationships between civil society and public authority in a polity but also to structure many crucial relationships within civil society as well” (Stepan 1978: XI). Government is a set of institutions categorized as legislative, executive and judicial. These institutions have certain defined functions to perform. A state, on the other hand represents many other functions which go beyond these functions. In fact the state is a more stable actor as it exists even if it does not perform these functions.

Furthermore, evolution of other significant players such as markets, international organizations, and capitalist groups and so on has also challenged the notion of state-as-government. These are the actors which can function in the society along with the government. Besides there are social actors such as family, civil society groups, tribal groups and clans which are different, or sometimes even regarded superior to the government (Crouch 2004: 100). These groups function within the state system but may not be a part of the government.

However, accepting the critique of ‘complexity argument’ Hoffman argues that a concept cannot be refused only due to its complexities. Rather there is a need to develop a definition or an argument which embraces these complexities and diversities (Hoffman 2001: 77). Hoffman further argues that, “The state, nevertheless exists (and no one has ever denied this), and it can only be defined if, in some sense, it exists as a ‘unity’ or an ‘entity’ and has the ‘homogeneity’ and sameness’ which makes it possible to identify it as an institution with definable features” (Hoffman 2004: 21).

This study argues that deficiency of a concrete form cannot be the basis of refutation of any concept. In the realm of social sciences many fundamental concepts, such as the concepts of liberty, equality, and justice and so on, exist only in an abstract form. In spite of this
inadequacy, these normative concepts are considered most important conditions for the human development. Similarly, the state is among the most significant and influential actors in the society, polity and economy. Its significance is reflected in the diverse functions which it performs (Migdal 2001, Evans et al 1985).

Furthermore, even as an organization a state can never be defined in a certain, concrete manner as by nature it is an unstable entity. State is in fact an “entity in becoming” (Migdal 2001). As an organization it encompasses many social thoughts, individual and collective opinions and carry large number of responsibilities unlike many other specialized institutions and organizations. As these thoughts and opinions keep on changing, similarly a state always undergoes in the process of formation. These formation processes take place at many levels, such as historical social, political, economic and cultural. Besides, an interrelationship exists between the factors which affect the evolution of state, and gets affected vice-versa. The challenge before the social scientists is to investigate concreteness, certainty and uniformity within these interrelationships.

By the end of 1980s states were seen as actors in decline. In the developed countries as a result of increasing role of non-state actors, such as markets, multinational corporations, international non-governmental organizations, the role of state was weakened (Rhodes 1997). In the developing world, state was weakening due to its inability to provide law and order and fulfill primary needs of its citizens. According to Susan Strange a major reason behind the declining authority of the state can be traced to the “failure of most governments to discharge those very basic functions for which the state as an institution was created, such as: the maintenance of civil law and order, the defense of the territory from the depredations of foreign invaders, the guarantee of sound money to the economy, and the assurance of clear, judicially interpreted rules regarding the basic exchange of property, between buyers and sellers, lenders and borrowers, landlords and tenants” (Strange 1996: 5).

Furthermore, the emerging phenomenon of globalization and regional economic integration, e.g. the European Union, also posed challenge to the exclusive sovereignty of the state (World Bank 1997). Globalization has also reduced the role of state as it has allowed
variety of national and international actors in trade, communication, business and culture (Haywood 2004: 38).

In fact globalization is a state initiated phenomenon and not a threat to it. Pierre and Peters argue that the challenges before the state are, indeed, its strategies to restrengthen its relevance and role. These challenges are not independent of the state and only if allowed by the state itself other actors, such as markets, networks and hierarchies, can function in society (Pierre and Peters 1998). In fact many argue that globalization has strengthened and not weakened the state capacity (Stepan 1999:23).

Furthermore, emergence of market forces has not completely ruled out significance of the state. While analyzing the interrelationship between the market and the state Przerowski argues that both are equally significant and should be seen separately, rather than as each other’s replacement. He says that instead of questioning the role and relevance of the state, what is more appropriate is to “ask that what the state should do to promote economic development, to redistribute, and to ensure against bad luck” (Przeworski 2003: 16).

Although role of state has undergone radical changes, yet it continues to perform its traditional functions exclusively. Further, to reassert its control over society, polity and economy, state has modified itself. It has changed its way of functioning as per the changing domestic and international economic and political realities. The various alternative governance mechanisms cannot be seen as challenges to the state sovereignty. Rather the state itself has allowed other actors and mechanisms to come in and share the functions which were traditionally regarded as exclusive state functions (see table 1.1).
As an organization the state performs three broad functions: minimal, intermediate and activist functions (see table 1.1). Conventional functions of state, which include defense, law and order, public health and management of other economic activities, are recognized as minimal functions. The minimal functions were recognized as essential state responsibilities since the emergence of modern state. However, in 1930s role of state further expanded to many welfare actions it emerged as an economic actor.

As an economic actor, it prevents monopoly, addresses various externalities and also provides social insurance. By the mid of twentieth century, under the influence of Soviet-socialism the role of state further changed. Apart from performing the conventional functions and being an intermediary actor, it became an activist. State as an activist is expected to protect vulnerable and poor sections of society. An activist state also works as a coordinating agency amongst various non-state actors. It also does the task of redistribution of resources in order to build an equitable society.
Based on the above analysis, it can be said that the role of state, in spite of emerging challenges at many fronts, remains significant. State is the sole governance provider in a society. It acts as an intermediary actor amongst various social, market and international actors and regulates their behavior according to the needs of a particular society. However, its role has changed radically as per the changing nature of international politics and economy and also due to the changing dynamics of national politics. Further, role of that state has also been redefined in cases of transition societies. State in these societies has a dual role to play. On the one hand it has the challenge of establishing a democratic political set up. On the other hand it also has the responsibility to satisfy increasing demands of development from different social sections. The existing studies of democratization and state in the comparative politics have failed to explain how the states cope up with such challenges. In fact these two aspects are also considered separate from each other.

Debates over nature of state

The second debate is—about the nature of state. There is variety of opinion on this. Nature of state has been explained in various ways by different scholars. There are three major schools of thought: liberal, Marxist and anthropological studies.

The liberal theories of state see state as a representative institution of society’s ‘collective will’. They regard state as a necessary organization which comes into existence for protection of individual life and natural rights. According to Thomas Hobbes, protection of its life is the supreme right of an individual. The state is created by individuals to protect their lives. John Locke, another prominent liberal philosopher, identified life, liberty and property as supreme individual rights. The state comes into existence to protect these rights. However, unlike Hobbes who hands over unrestricted power to state to protect individual life, he imposes certain limitations on it (Locke [1690]1965). Classical liberals like Adam Smith, also regarded state as an institution created for the protection of individual life and property. State should not intervene in the economic issues and these should be left to the market forces.
However, the liberal theory of state took a new turn with the introduction of the Neo-Liberal thought. Neo-Liberal theorists like Hayek and Nozik favored a libertarian society in which state will have lesser role to play. They also favored gradual withdrawal of the state from delivery of public goods. They argued that the delivery of public goods can be done by the market forces much more efficiently than the public sector. The privatization and New Public Management programs in Britain introduced during the Margaret Thatcher’s era were under the influence of neo-liberals.

Another school on nature of state theories is the Marxist school. Marxist approach has emphasized on the nature of class struggle in society. State was seen as a bourgeoisie organization which provides protection to capitalism. In the Marxist idea of *dictatorship of the proletariat* a strong state was favored in order to abolish the remnants of capitalist society. However, there are various schools of thought within the Marxist approach. In Marx’s own writings it is difficult to find a coherent state theory. Bob Jessop identifies six state conceptions in the Marxist approach to the state:

1. State as a *parasitic institution*. This idea was prominent in the writings of Young Marx;
2. State and state power as *epiphenomenon* (i.e. simple surface reflections). This idea was cited most frequently in Marx’s *Critique of Political Economy*;
3. State as the *factor of cohesion*. This idea is associated with the writings of Poulantzas;
4. The state is also seen as an *instrument of class rule*. This is the most common approach and is particularly evident in exegeses of Marxism-Leninism;
5. In some classical Marxist texts the state is treated as a *set of institutions*.
6. Lastly, the state is seen as a system of political domination with specific effects on the class struggle. (Jessop 1990: 26-28)

Nicholas Poulantzas (1975) and Ralph Miliband (1975) focused on the state in their studies. Other Neo-Marxists also argued that the state power is not always a reflection of class power. Rather it is determined by multiplicity of factors and class contexts that might constrain and shape it. Thus, state power serves to strengthen the process of capitalist
accumulation not because the bourgeoisie controls state managers, but rather on account of a complex set of factors, external and internal, that impel state managers to act so as to strengthen capitalism and to make it endure.

Another important neo-Marxist contribution to state theory argued that state power can only be assessed relationally, because the state per se has no power. Its power is the power of various social classes and other forces acting in and through the state. However, as an institutional ensemble, the state is never neutral, and the extent to which it has a particular structural selectivity (in favor of class or gender or regional interests, for example) is to be established rather than presumed (Jessop 1990).

All these emerging trends forced the political scientists to rethink the role and relevance of state and its decision-making capacities. One such pioneering work was an edited volume called *Bringing the State Back in* (1985) by Theda Skocpol and others. These scholars tried to reestablish the state as pivotal to various socio-political and economic analyses. The state-centered approaches, or neo-statist as they were known later, conceptualize the state as an actor which is able to formulate independent goals and shapes societal outcomes. These approaches also demonstrate with the help of empirical data, that state is a facilitator and regulator of the development in any country. Strong activist states are considered necessary, especially in the newly emerging political societies. The neo-Statist scholars maintain that state has autonomy and it is not merely a reflection of the most dominant societal groups as Marxist and polyarchy theorists argue. On the contrary, the “States are conceived as organizations claiming control over territories and people. They may formulate and pursue goals that are not simply reflective of the demands or interests of social groups, classes, or society” (Evans et al. 1985: 9). The society centered approaches, be they Marxist or pluralist, were criticized for ignoring many cases where the state has acted autonomously against dominant interests in society. In particular, society centered analysis failed to account for the numerous instances of state intervention that went beyond the narrow roles they had prescribed to the state.

However, the statist theories are also not free from criticism. The ground on which the neo-statists criticized the ‘society-centered approaches’- for looking at the state as
reflection of the interests of a particular social group- they themselves also suffered from the same problem. This approach emphasized too much on the state. Ironically, even within the Marxist tradition the neo-Marxists challenged the conventional notion of state power. Besides, many empirical studies, which were undertaken under the statist hypothesis, were contradicted by own conclusions, therefore highlighting the weakness of the approach.\(^7\)

Moreover, both the state-centered and society centered approaches to the state are criticized for their limited focus- either state or society. Both have failed to explain the present day reality. In the contemporary world states remain significant in various aspects of life but have undergone radical changes in their role and significance. This has happened due to variety of factors, such as emergence of other social, political and economic actors and the phenomenon of globalization.

Furthermore it is unfair to demarcate the two significant sphere of individual life- the state and society. However this is not to deny the difference between the two. Besides, we agree with the argument that the social science research needs to be developed for understanding the “nature of this phenomenon.” As Timothy Mitchell argues that an alternative state approach “must begin with the assumption that we must take seriously the elusiveness of boundary between the state and society, not as a problem of conceptual precision but as a clue to the nature of the phenomenon” (Mitchell 1999: 170).

Limitations of traditional democratization studies prompted many comparative political scientists to understand democracy building from a new perspective. Consequently new studies came up where state was seen as a better unit of analysis (Stepan 1978, McClintock 1981, Stephens and Stephens 1983). These studies focused on the nature of economic and political change and its impact on states.\(^8\) Most of these studies dwell upon the class

\(^7\) In case of India study by Atul Kohli on poverty reform programs has shown how various social factors had influenced the outcomes of these programs. In his study Migdal (1988) has shown how social factors are highly influential during the implementation of various state policies or programs. In case of India an ‘intermediate position’ (Jayal 1999: 17) is taken by Lloyd and Susanne Rudolph (1987) “who locate the Indian state on ‘a shifting continuum between constrained and autonomous’, and view it as a ‘third actor’, along with capital and labor” (Jayal 1999).

character of state, the bureaucratic structure and its ability to change the existing character of the society.⁹

A major focus area of these studies (or neo-statist as they are known) was state's autonomy from various social forces (Nordlinger 1981). State autonomy is defined as "insulation from the pressures of societal groups or powerful individuals." A strong state can implement its will on the society even if the society disagrees. A weak state is less autonomous from the social forces therefore finds itself unable many times to implement its policies. Studies of revolution are also included in this category. They explain state autonomy from the historical perspective. They include the role of pre-revolutionary elite in the post-revolutionary system. According to these theories (Skocpol 1979) a state will be more autonomous if it is free from the grips of pre-revolution elite.

There are theories which try to analyze nature of a state from historical perspective. They are more prominent in case of countries which have faced revolution in order to transform from one type of system to the other (Skocpol 1979, Katzenstein 1978, Krasner 1980).

However, most of these studies on the nature of state have not been able to explain the emerging nature of state in the post-Communist societies. These states, though having a democratic political system, continue to remain undemocratic. They have strong bureaucratic structures to implement their policies, yet the level of corruption, non-compliance and crime rates are very high. Further, in spite of having high growth rates these countries are facing challenges of poverty, unemployment and regional inequalities. Human development remains low as the state has not been able to provide essential goods especially health care to its citizens.

In order to overcome these problems there is a need to develop an alternative notion of state. Here state-in-society approach is favored as an alternative approach. Accepting the relevance of the state in the development of any society it argues that the strength of a state hinges on its interrelationship with the society. This approach argues that: "The autonomy of

states, the slant of their policies, the preoccupying issues for their leaders, and their coherence are greatly influenced by the societies in which they operate. In addition to this, even if the policies are not similar to the social demands, their implementation depends upon how the society perceives them - legitimate or illegitimate” (Migdal 2001).

The state-in-society approach argues that the nature of state in the societies undergoing transition heavily depends upon the way it interacts with the society. This argument is more relevant in case of the post-Communist states as these societies have been living under an authoritarian rule for decades. The real challenge of democratization in these counties is not just of having regular elections or multi-party system or civil liberties. In addition to this, in order to strengthen democratic norms these societies have to undergo a mindset change. Since these countries did not have any history of mass movement for a new political system, the role of state becomes very significant in bringing such change.

The state-in-society approach argues that speed of transition in these societies depends heavily upon the way a state accommodates the demands of various social sections. Joel M. Migdal argues that the more successful a state in mobilizing public opinion on policy related issues, more capable it will be in changing the society. The present study takes the state-in-society perspective as its theoretical base as it tries to explain the nature of state in the societies undergoing transformation.

Increasing levels of social control are reflected on a scale of three indicators: compliance, participation and legitimacy. According to Migdal “the greater is the social control, the more currency – compliance, participation and legitimacy – is available to state leaders to achieve their goals” (Migdal 2001: 53). In the state-in-society approach a state is defined as: “a field of power marked by the use and threat of violence and shaped by (1) the image of a coherent, controlling organization in a territory, which is a representation of the people bounded by that territory, and (2) the actual practices of the multiple parts” (Italics in original) (Migdal 2001: 16).

This definition of state rests upon two aspects of state: image and the practice. The image is described as: “a dominant, integrated, autonomous entity that controls, in a given
territory, all rule making, either directly through its own agencies or indirectly by sanctioning other authorized organizations – businesses, families, clubs, and the like – to make certain circumscribed rules”. (Migdal 2001: 16). The practices of a state are defined as “the routine performance of state actors and agencies” (Migdal 2001: 18). These practices may reinforce the image of the state or weaken it; they may bolster the notion of the territorial and public-private boundaries or neutralize them.

Based on the above discussion, this study makes an attempt to explain the image and practice of the Russian state. The images and practices are reflected through various procedures of institution building, performance of institutions and the overall outcomes of various state actions. In this study an attempt is made to explain nature of state with the perspective of governance. This may be called as the governance approach. The next section deals with this aspect in greater detail.

II
UNDERSTANDING GOVERNANCE

The existing studies on the nature of state have proved insufficient in explaining the nature of post-Communist states undergoing political and economic transformation process. Therefore there is a need for developing a new approach which can provide a more systematic and holistic analysis of successes, failures and challenges of these processes. This study argues that adopting governance as an approach can better explain these processes. The nature of state studies leave a gap in explaining the phenomena of post soviet states as they emphasize either on historical evolution of these states or on the institution building processes. The governance approach fills this caveat by studying not only the institutions but also the procedural aspects, as well as the outputs. The governance approach focuses on role of different social and political groups in drafting and implementing various principles of governance. Besides it also includes output of these governance practices. It argues that higher participation of society in the form of various groups ensures higher compliance, participation and legitimacy which leads to a strong, effective and more autonomous state.
The procedures followed during the initial phase of transformation, e.g. in framing constitution affects the future governance and hence the nature of a state. Besides, role of law making and implementing institutions (parliament, judiciary, executive, bureaucracy), and of other political institutions (like political parties, civil society and pressure groups and so on) in the governance also determines the emerging state's nature. Furthermore, governance approach also includes popular perception about the governance institutions and procedures. Such an analysis can be more helpful as compared to traditional approaches of democratization and governance in explaining the origin, evolution and outcomes of ongoing transformation in any country. Hyden argues that “governance can enrich the study of political and economic reform beyond the snapshot presentations that cross-sectional studies of democratization in any other aspect of national development provide” (Hyden 2007: IX).

Besides, a significant question here is as to why there is a need to develop governance as an approach rather than studying it within the existing framework (such as institutional analysis, policy networks, outcomes and so on). In case of countries undergoing transformation, like the post-Communist societies, they have been of less relevance due to their limited approach. These studies have been focusing on governance as a process of policy making and implementation. Such studies are more relevant for countries with well established political systems and law making and implementing institutions. These institutions are in the infancy phase in the newly emerging democracies of post-Communist states.

John Pierre and B. Guy Peters in their study Governance, Politics and the State discuss how the available literature on governance focuses on different aspects of it. For them, the studies so far have been focusing on governance in terms of structures i.e. study of various institutions and governance as a process which includes how various structures interact with each other. However what remains neglected is “governance as an analytical framework”. Such a meaning of governance demands redefining the whole concept of politics. “It makes

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10 In fact very few studies are available on governance in the post-Communist societies. The major areas of research are political institution building and economic transformation process. Another area of focus has been on challenges of policy making and implementation.
us focus attention on things that happen and the ways in which they happen. By so doing it moves the study of politics away from formal concerns" (Pierre and Peters 1999: 24).

Here it is argued that the available literature on governance in the transforming societies have failed to explain the nature of state in a comprehensive manner. In stead of policy making studies what makes governance approach more suitable is that it covers wider range of issues which are more important and have serious impact on the overall process of transformation.

The existing governance studies for instance do not take into account constitution and the procedures by which it was adopted or drafted. The focus of governance studies is on application part of rule making and implementation than on the historical analysis. In the governance approach we argue that both these procedures and people’s participation in it makes a fundamental difference in the governance of any country. A constitution is the guiding principal of governance in any country. A constitution which is democratic in nature and has been drafted by a process of consultations, debates and deliberations with different sections of society, will provide more participatory and therefore a democratic state.

The existing governance literature also fails in explaining the dichotomies of politics and economy in the post-Communist states.

Apart from the study of politics and economy, as discussed above, what makes the case of post-Communist societies different is the history of governance system in these countries. Their history has been quite different from the countries of Latin America and Africa. Unlike Latin America and Africa, they inherited a well established bureaucratic structure which was powerful enough, in terms of its reach and physical strength, to enforce government decisions. Besides, these countries were never exploited economically. In reality, during the Soviet period these countries had a very strong social security system. There were also attempts to achieve regional equality which were successful to a great extent. The countries of Latin America and Africa were the colonies of various imperialist powers and they did not receive any economic base. In other words, the problems of governance and state in these countries were quite different from the present day post-Communist states.
In order to understand the nature of problems, process of institution building and outcomes of, political system in the post-Communist states, there is a need of a new approach of governance.

*Origin and meaning of governance*

Plato's idea of the philosopher king and Aristotle’s classification of the governments are interpreted as attempts to define and achieve “good governance” for their countrymen. However, the origin of governance as a concept can be traced back to the “sixteenth century and more specifically to the eighteenth century” (Pagden 1998: 10). The concept was also reflected in the writings of German philosopher Immanuel Kant. His concept of ‘perpetual peace’ was an attempt to discover certain global governance principles. However, in all these thoughts the meaning of governance was limited to an ideal rather than socio-political or economic phenomenon. The notion of governance has reemerged as a significant concept in the late 1990s after the publication of a World Bank report (1997).

The World Bank report, while analyzing causes of failures of its development programs in the African continent, blamed ‘bad governance’ in the region. The Bank asserted that “bad governance” inhibited economic development, as the conditions required for economic reforms did not exist in the region. To tackle these problems and to ensure viable economic development, the Bank endorsed the idea of “good governance”. Although the World Bank idea was severely criticized on number of grounds but henceforth the concept of governance has emerged as a guiding principle of public-policy.

Meaning of governance depends on the context in which it is being used. As a result it has various meanings. Governance is interpreted differently in different disciplines. The survey of governance literatures shows that broadly it has been defined in four ways (see Figure 1.1). Nevertheless, there is some overlap in these definitions. Rhodes tries to combine various interpretations, proclaiming that his definition “incorporates significant elements of the other uses of governance:
1) Interdependence between organizations. Governance is broader than the government, covering non-state actors. Changing the boundaries of the state meant the boundaries between public, private and voluntary sectors became shifting and opaque.

2) Continuing interactions between network members, caused by the need to exchange resources and negotiate shared purposes.

3) Game like interactions, rooted in trust and regulated by rules of the game negotiated and agreed by network participants.

4) A significant degree of autonomy from the state. The networks are not accountable to the state; they are self-organizing. Although the state does not occupy a sovereign position, it can indirectly and imperfectly steer networks’ (Rhodes 1997: 28).

The word governance derives from the Latin word “cybern”, the same root as in cybernetics: the science of control. In this sense the purpose of state is to coordinate among various players and to establish some sort of equilibrium among them. Governance is recognized as a mechanism for steering societies or economies. Many times emphasis is on the objectives of steering. Though government remains key to the “steering”, it is argued that in governing any society it should do so “from a distance” and take along other actors as well (Rhodes 2002: 151).


**Governance in various disciplines**

In the realm of Public Administration, governance is seen as "the capacity of the government to make and implement policy, in other words, to steer society" (Pierre and Peters 1998: 238). This approach considers governance as a process of "steering society" but also equates it with the conventional roles performed by the governments. This approach is of the view that governments are no more in a position to perform steering functions as effectively as they used to do. This has happened due to the declining financial abilities of governments. However, the functions which were attached to government machinery traditionally, such as providing security of life and property to the individuals, continue to remain crucial. In order to maintain conventional status, governments have allowed other actors to function within their realm. In other words, the idea of governance have emerged due to the realization of this fact by the governments. The entry of other actors in the process of governing should not be understood as increasing pressure of other actors. Rather, it is because of the government’s desire to achieve higher efficiency and legitimacy (Pierre and Peters 2001).

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11 The Oxford Dictionary describes steering as, “the machinery in a vehicle that you use to control the direction it goes in”, (Oxford: Oxford University Press).
Governance in this sense emerged in the European Union due to the efforts of the European public administration scholars (European Union Documents 2004). These efforts were made by the European state leaders while cooperating with different governmental agencies, involving non-governmental organizations and interacting with each other to accomplish the integration of Europe. The motive of this whole process was to develop or steer the European society across all spheres.

Governance in comparative politics is related to democratization, nature of state and its relationship with the society. It is related to the process by which various new actors or policy networks play their role in the process of policy-making and implementation. These factors are recognized crucial for the countries undergoing transition of state and building a democratic political system. It is believed that if the creation of new institutions has happened in a democratic manner and principles of democratic governance are followed in the state formation and democratic institution building, the probability of success of these institutions is higher.

Another significant issue of governance in comparative politics is the legitimacy of ruling regime. It is believed that good governance earns more legitimacy for the government whereas poor governance may result into political instability. Governance is defined as the “conscious management of regime structures with a view to enhancing the legitimacy of the public realm” (Hyden 1992). Governance is characterized as rules in use. These rules are the products of various institutions and agencies. Furthermore, acceptance of democracy as the only “game in the town” provides ample political choice to the citizens and has contributed to the emergence of concept of democratic governance. Principles of democratic governance demand a political society based upon accountability, transparency, and efficiency. Here governance refers to, “self organizing inter-organizational networks characterized by interdependence, resources, exchange, rules of the game and significant autonomy from the state” (Rhodes 1997: 20).

12 Evolution of these concepts and efforts of European scholars are available in detail on the websites of various agencies of the European Union (for further links visit www.europeanunion.org).
As an activity, through governance people aggregate and express their demands. These demands are inputs for a political system. Different organs of government react to these demands in the form of outputs—policy making, implementing and adjudicating. Whether people are allowed to express their demands or not is a vital element of governance as a human activity. People formalize their needs and choices in such manner that it can be useful for the society as a whole. In other words such human activities help in increasing ‘social capital’.

Secondly, governance also sets parameters for the activities of government and non-governmental institutions. These non-governmental actors make attempt to affect government institutions. Governance in the sense of a process emphasizes more upon the issue of how other societal actors play their role in the process of governing. Here the focus is more on the role of networks and hierarchies in the governing process. Further, it also looks into the issues of formation of formal as well as informal rules (Hyden 2005: 15).

In Economic Studies governance is interpreted as a result oriented activity. The purpose of this activity is human development. Emphasis is more on the outputs rather than the process. This view has been widely accepted by various international development agencies such as World Bank, IMF and UNDP. What is common among the Public Administration and different international agencies is the purpose of governance studies as both emphasize on the human development. But what is different is the nature, the Public Administration scholars understand it more as a process whereas international agencies are more concerned with the end results of governance.

In international relations governance is understood more from a global perspective. Governance theorists in international relations have been making attempts to create international governance norms. They have also been exploring possibilities for the creation of international organizations which can enforce these norms. They believe that such norms will be helpful in regulating state behavior or in achieving global governance (Rosenau 1998). This will further facilitate global peace and development of the world. Issues of global governance are also significant in order to deal with the problems which are global and not domestic in nature.
In the World Bank’s definition of governance three aspects are emphasized: 1) the form of political regime, 2) the process by which authority is exercised in the management of a country’s economic and social resources for development; and 3) the capacity of a government to design, formulate and implement policies and discharge functions (World Bank 1992).

The United Nations Development Program (UNDP) emphasizes on adoption of process of democratic governance in government formation, policy making and implementation. It defines governance as:

"the exercise of economic, political and administrative authority to manage a country’s affairs at all levels" (UNDP 1997: 2).

The key focus area of these agencies is the role of civil society and other actors in the governing process. Similarly e-governance has been favored at the national or international level so that the process of governance can become smoother and participatory. It is believed that a process based on principles of democratic governance will always lead to gradual evolution of democratic culture. The UNDP examines democratic governance in any country before initiating any development programs whereas World Bank considers the level of openness and transparency in economic activities of any country before providing loans or economic assistance.

However, these International agencies are accused of using governance as, “an economic instrument to foster western economic model” (Jayal 1997: 407-412). The fiercest criticism associated with World Bank idea of good governance concerned its support for the minimum role of state and maximum scope for the market in the economic sphere of any country.

World Bank’s concept of good governance was an extension of neo-liberal thought. The World Bank’s conception is also criticized for its bias towards the western liberal political theory. Therefore the problems of western liberal tradition such as: individualism, distance
from social affairs, self centered society etc. can be associated with the governance idea (Williams and Young 1994: 85-100). The philosophy behind the World Bank’s idea of “good governance” is labeled as “partial, prejudiced and potentially pernicious” (Guhan 1998: 185-190). The literature on various theoretical dimensions of governance clearly indicates that the concept of governance is influenced by the politics and economics of Western Europe and America. The newly emerging ‘mechanisms of governance’ are phenomenon of these established democratic political systems. The applicability of such concepts in the countries, where democracy is missing or in the countries where it is in the developing phase, such as the East European countries is seriously questionable. These nations are still struggling for a political system acceptable to all sections of their society. However, it is not to argue here that governance is of no relevance to these countries. In fact, it is the responsibility of the state to establish a stable political order and various mechanisms of governance. It has also been criticized for its unconditional favor for neo-liberal economic and political ideology. As Leftwich points out that the ideology of neo-liberalism should not always be considered from economic perspective as there is a strong political space behind it. According to him the neo-liberal political ideology espouses greater individual freedom, pluralist society and efficient state to protect it. It also favors minimal state while keeping all the discriminations based on race, sex or creed, away from the system. The only principle acceptable to them is meritocracy. It is central to liberalism that political and social discrimination imposes unnecessary restrictions on the individual rights and liberties, limits the freedom of choice, distorts the free play of markets and hence harms economic development (Leftwich 1994: 361).

In addition to these criticisms the World Bank idea was also criticized for its attempt to hide the reality of structural-adjustment program. By introducing the objective of ‘good governance’ the bank asserted that the reason why many underdeveloped countries failed to develop is not due to the problems of the neo-liberal policies which the bank was endorsing in these countries. Rather it blamed the ‘bad governance’ i.e. self serving public officials and corruption in the public service (World Bank report 1989: 60).

Governance has also been criticized for promoting non-accountable actors in the society such as, private and market forces. While, on the one hand, to keep state accountable, various
institutional mechanisms are developed across the world; on the other hand, governance fosters individual actors who are not accountable to people. Their accountability is limited to the people with whom these actors or organizations are concerned and not to people of whole country concerned. So the challenge is how to keep state as well as non-state actors accountable and transparent in their actions (Guhan 1998: 187).

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**Governance as an approach**

As the meaning of governance remains debatable, approaches to the study of governance constitutes another significant matter for discussion. Apart from availability of various approaches to study governance as mentioned above, governance itself can be considered an approach to study the relevance, efficiency and legitimacy of state or public institutions.

Governance as an approach has emerged as a result of various shortcomings of the structualist and institutionalist social sciences approaches. They focused on the formal and legal aspects of various political institutions whole informal activities and actors were not taken up as important factors. This inadequacy led to the emergence of governance approach, which includes the non-state and private actors along with the formal institutional structure in
any society, polity or economy. Furthermore, the governance approach makes the study more dynamic and resulted oriented rather than just dwelling upon the number of participants. In other words, the “governance is a beginning and not an end in itself” (Pierre and Peters: 2001).

Besides, governance provides a minimum understanding of state-society relations. It emphasizes on four factors: authority, reciprocity, trust and accountability (Kjaer 2006: 164). Governance-approach helps in evaluating the legitimacy of a regime. Kjaer argues that- “The more regime management is characterized by authority, reciprocity, trust and accountability the more it generates legitimacy for the political system, and the more people will participate in the public realm with enthusiasm.

This study attempts to develop a model of governance approach which can explain the nature of transition states better. It combines three significant aspects of governance: its origin, evolution and results. These aspects can be studied at three levels: at the national level, regional level and at the local level. The units of analysis can differ from country to country.

Procedural aspects try to look into the level of participation and transparency in the process of decision-making over the form and functions of various institutions. While studying institutions the governance approach discusses various facets of institutional functioning. The major institutions which connect the state and society are: political parties, interest groups and civil society.

Thirdly, the governance approach takes into account the people’s perspective about various institutions and their functioning. Here the performance is measured in terms of level of satisfaction and trust in various institutions. Besides, the overall impact of governance practices can be measured with the help of the levels of freedoms and the human development.

In other words the governance approach presents a comprehensive picture of various processes and institutions which are working at various levels in a country undergoing transition. With the help of such analysis the policy makers can identify the problem areas
and the future reforms can be initiated accordingly. Two major aspects of governance are institutions and Public Policy.

a. Procedural governance

The first question which the governance approach addresses is the procedure by which the governance principles are defined. These principles are reflected in the constitution of any country. Governance approach argues that it is at this stage that the real test of democracy building begins. If the constitution making process ensures of maximum possible representation (principle of ‘optimum discussion’ might be useful to define how much discussion is useful) sections of that society the probabilities of success (participation, legitimacy and compliance in the activities which the constitution envisages) of that constitution are higher. In other words, in order to understand the nature of state and governance in the transforming societies it is necessary to understand the constitution making procedures.

John Rawls in his idea on deliberative democracy argues that it is necessary to have process of deliberation at the level of constitution making. This helps in drawing the commonly accepted principles of justice in the country which facilitates smooth democratic transition. This study attempts to understand the future course of democracy building in the transition countries, and more specifically in case of Russia, with the perspective of deliberative democracy.

b. Institutional aspects of governance

Institutions are the mechanisms to achieve certain goals. They set the limits, and define the workspace for individual or any other actor within a given political society. Institutions are considered significant intervening variables between the governance phenomenon and development. However, there are various approaches to study the growth, role, and relevance of the institutions in various countries. Broadly, there are three approaches to study institutions.

The rational choice institutionalists brought the state back as a way of explaining outcomes that could not be explained by universal theories of rational action without reference to institutional context. But rather than asking about the context itself, meaning the state, they generally took the institutions as given and asked about the nature of rational action within such institutions\textsuperscript{13} (Schmidt 2006: 101).

Historical Institutionalists began in the late 1970s with the works of comparativists like Theda Skocpol (1979) and Peter Katzenstein (1978) and international relations scholars like Stephen Krasner (1980). These scholars argued that political action could not be reduced to individual behaviour alone or even to group activity because of the importance of how the state structured action and of how state capacity and policy legacies structured outcomes. Historical institutionalists look into the origins and development of institutional structures and processes over time. It tends to focus on sequences in development, timing of events, and phases of political change (Schmidt 2006: 102).

The sociological institutionalists, much like historical institutionalism, had its beginning in the late 1970s, mainly in the sociological sub-field of organizational theory. Sociological institutionalists emphasized on the forms and procedures of organizational life stemming from culturally specific practices.

Further, the new institutional economics focuses on various developmental issues. It believes that development cannot be achieved without ensuring its social embeddedness, which is reflected through the governance institutional success (Williamson 1998: 75-79).

For the purpose of this study institutions which connect the state and society are selected. These institutions are: political parties, civil society, pressure groups and so on. Here civil society includes media, labor unions, community organizations, clubs, and the non-governmental organizations. The issue of policy networks, which is a significant part of

\textsuperscript{13} For more details on the rational choice institutionalism see Elster and Hylland 1986, Riker 1980 and Scharpf 1979).
various governance studies, is considered within the institutional aspect. The institutional aspect also deals with the question that how various institutions interact with each other.

Policy networks are one way of analyzing aggregation and intermediation; the oligopoly of the political-market place. Rhodes analysis focuses on this aspect of governance. For him governance “refers to self organizing inter organizational networks characterized by interdependence, resources, exchange, rules of the game and significant autonomy from the state.” According to Rhodes these policy networks are important for six reasons. They limit participation in the policy process and define the role of actors. They decide which issues will be included and excluded from the agenda. Through the rules of the game they shape the behavior of the actors. They privilege certain interests, not only by according their access but also by favoring their preferred policy outcomes and substitute private governments for public accountability. They are about: ‘who rules?’, ‘How do they rule?’ and ‘In whose interest do they rule?’ Policy networks are a tool for empowering how power is exercised” (Rhodes 1997).

c. Output aspects of governance

The international agencies especially the World Bank emphasizes on this aspect of governance. According to this perspective the output or de-facto indicators of governance can be helpful in finding out whether the available laws and institutions are being practiced or they are only “on the books”. Further it also argues that it is really difficult to find with the help of rule based or de jure indicators as to which rule produced what result. It is only through the output based indicators that we can differentiate between the useful and non-useful indicator (Kaufmann and Kraay 2007).

The governance approach accepts the significance of output based indicators. However, the World Bank view cannot be accepted due to its narrow focus. It rests on the assumption that what matters is the outcome and not participation. The democratization process, along with the results, also demands participation at the rule making level.
**Conclusion**

Based on the above discussion following conclusions can be drawn:

1. In spite of various domestic and external challenges the concept of state remains relevant as an idea and an organization.
2. There is a need to fill up the gap between state and society centered theories of state.
3. The state-in-society approach provides one such common space where Marxist or the society centered approaches and the liberal or state-centered approaches converge.
4. Studies of nature of state, based on the state-in-society approach could be useful in explaining the complexities and dualities of post-Soviet democratization.
5. Governance approach could be an appropriate model to measure a state’s nature, i.e. its interrelationship with the society, its efficiency and legitimacy.

A state which provides better governance can be categorized as an ‘efficient state’. Better governance is determined by the image and practices of a state. A state’s image depends on the implementation of principles of democratic governance while drafting basic rules of governance such as the constitution. Similarly if state practices also reflect democratic governance it will lead to high interaction between the state and society. Such a state will be more stable and the possibilities of emergence of social conflicts will be less as compared to a state which does not implements the principles of democratic governance.

In case of Russian state this study tries to find out how far various social and other institutional actors are allowed to participate in the process of rule making. For this purpose governance is chosen as an approach. Though theoretically liberal democratic constitutions have been adopted in Eastern Europe, Russia, and Central Asia but the process of democracy building remains thorny. Most of these political societies lack consensus on the principles enshrined in the constitution. The Soviet era bureaucrats and other actors continue as political actors in most of these countries. Civil society has not been evolved properly and freedom of expression remains constrained. The study also attempts to explain why in Russia various
measures of state economic management have led to high corruption and rent-seeking by state-officials whereas in some other cases the same policies have given good results.