

CHAPTER 12

BLURRING THE STATE-PRIVATE DIVIDE: FLEX ORGANISATIONS AND THE DECLINE OF ACCOUNTABILITY

JANINE R. WEDEL¹

'In a world of multiple, diffused authority, each of us shares Pinocchio's problems; our individual consciences are our only guide.' Susan Strange (1996), *The Retreat of the State*

1. INTRODUCTION

Spurred by two decades of deregulation, public-private partnerships and a worldwide movement towards privatisation, non-state actors now fulfill functions once reserved for government. Moreover, the inclination to blur the "state" and "private"² spheres now enjoys global acceptance. An international vernacular of "privatisation", "civil society", "non-governmental organisations" and other catch terms de-emphasising the state is parroted from Washington to Warsaw to Wellington.

The blurring of the traditional boundaries of state and private encompasses long-practices of governance "reorganisation" such as the outsourcing and subcontracting of government work. It includes state-private hybrids such as the well-entrenched quasi-non-governmental organisations (often called "QUANGOs")³ of the United Kingdom and the "parastatals" of Third World countries. Such reorganisation is being intensified in many places (witness the increased outsourcing in the United States). But the acceleration of this familiar practice fails to convey the processes under way in governments, which are increasingly labyrinths of interconnected state and private structures. Indeed, in some settings, governance is reordering itself in ways that standard vocabularies are ill-equipped to characterise.

For example, the "flex organisations" I observed in Eastern Europe can switch their status - from state to private - according to the situation, strategically manoeuvring to best access state, private and international resources. These organisations play multiple, sometimes conflicting, and ambiguous roles that overlap with both government and business, enabling them to bypass the constraints governing either type of activity.

These organisations violate the rules and regulations of both the state and the private sphere - the state regulations governing accountability and the private rules governing competition. Yet they drive and implement policy in crucial areas and wield more influence in governance than the otherwise relevant state organisations, rendering state agencies ineffectual.

Although concepts such as "conflict of interest" and "revolving door" describe boundary-crossing between the state and private organisations and the ramifications of such fluidity at the individual level, little vocabulary in English effectively captures such activities at the group or organisational level. This gives rise to questions such as how can we best explore "flex organising" and its implications. Although boundary-crossing may be found in a variety of contexts, it is logical that it is most intense in countries which are divesting state-owned resources, as they "transition" away from central planning. What can we learn about governance in contexts where such patterns are most intense? What issues of accountability arise in such cases and what do they portend for governance generally?

2. RETREAT OF THE STATE?

The blurring of "state" and "private" has been structured by conscious policies emanating mainly from the United States and the United Kingdom and spurred around the globe by the politics and programmes of the international financial institutions. Proponents of the "new governance" popularised in the United States, the United Kingdom and New Zealand in the early 1990s have advocated 'glory in the blurring of public and private', a call for the privatisation of public purposes (Osborne and Gaebler 1992).

It was not always that way. In the mid-1900s, it was 'unthinkable', as Scholte (2000) noted, 'that private agencies would implement public policy'. But that was before neoliberal thinking encouraged governments to outsource work to private sector, especially the supply of social services. The result is that deregulation, devolution, privatisation and public-private partnerships have laid claim to governance.

The neoliberal agenda, shaped by American political decisions of the 1970s and early 1980s, encouraged, a decade later, what Strange (1998) called the 'retreat of the state'. With this retreat, non-state actors with economic and political power became increasingly important forces in international relations.⁴ In a similar vein, Matthews (1997) sketched a fragmentation of power that mitigates against state centrism. These developments opened up space for actors to play new roles. They also set into motion a world of opportunities for brokers, even as they helped shape states and relations among states.

Although Strange's 'retreat of the state' accurately captures a diffusion of authority, it misses a critical continuity. Globalisation has encouraged some fundamental shifts in the state, yet, as contended by Scholte, 'states have remained crucial to governance ... Neither the diffusion of public-sector authority nor the growth of private-sector regulation has displaced bureaucracy as the underlying principle of modern administration' (Scholte 2000: 132-133). Although bureaucracy has become

BLURRING THE STATE-PRIVATE DIVIDE

'multilayered and more diffuse', he wrote, it still provides the chief continuity in governance (ibid.: 5). But if Scholte is right, where does "flex organising" fit in? How does bureaucracy respond to flex organising and vice-versa?

3. TWO DISCONNECTS

The diffusion of authority highlights two crucial disconnects. The first disconnect points to a dearth of compelling inquiry: the gap between rhetoric and models of governance on the one hand and their actual implementation on the other hand. For example, in the United States the practice of "government by third party" is masked, as Guttman expressed, by 'the fiction that the official workforce is in control, whereas the bipartisan policy has been to grow government through a *private* workforce'.⁵ Indeed, the federal government today writes pay checks for millions more contract and grant employees than for civil servants (Light 1999).

A global discourse on privatisation, public-private partnerships and "good governance" glosses over the diversity of context-framed practices and patterns of "actually existing governance".⁶ It is tempting to cast a positive light on "modern" public-private partnerships as opposed to "traditional" ones. Indeed, the greater role of NGOs and businesses in the workings of states is often hailed as a millennial model of governance. Yet "modern" organisational forms can have traits in common with "traditional" means of rule. The circumstances that enable NGOs such as Human Rights Watch and the Sierra Club to work effectively across borders also may facilitate the operations of transnational organised criminal and terrorist groups. This resemblance may be jarring because we tend to think more in terms of the groups' stated positions than of the ways in which they organise and are organised by their environments. Yet many groups are arranged flexibly to enable a wide range of activity and to serve the purposes of their members, but not necessarily anyone else. Thus, "mafias" and NGOs may be equally unaccountable to voters. Tellingly, although NGOs in Anglo-Saxon countries tend to conjure up images of public virtue and outreach, in some parts of the world they are seen as selfish usurpers of resources.

Another disconnect lies between mechanisms of accountability and governance in a process of government reorganising itself. Legal frameworks have not always kept abreast of trends in governance. Guttman contended this especially to be the case in the United States, which is seen as a model of "reinvented government". He argued that accountability mechanisms are out of sync with long-standing practices of outsourcing and subcontracting. While "private" employees may deliver services ranging from the management of nuclear weapons and the space programme to the development of government budgets and policies, the laws in place to protect taxpayer-citizens from official abuse often do not apply to non-governmental employees who perform governmental services.⁷

If this is the case in relatively stable societies, it is easy to imagine much greater problems of accountability in rapidly changing ones, in a world freed from Cold War restraints. When self-starting actors - operating under all manner of organisational rubrics - take matters into their own hands and organise themselves and others both at home and abroad, the results can be beneficial or harmful to citizens. The actors

themselves may become the restraints and watchdogs, but unelected and owing little accountability to others; perhaps looking to make a profit, they may also remind us of the need for publicly accountable watchdogs.

4. SOCIAL ORGANISATION AND NETWORKS OF GOVERNANCE

How, then, might we study arenas of governance permeated by complex entanglements of formal and informal state and private structures and processes? A focus on the social organisation of governance can serve as a counterweight to the ideologised discourses of privatisation, public-private partnerships and the like.⁸ A social organisational approach that explores how actors and organisations are interconnected can illuminate the structures and processes of governance that ground, order, appropriate and give it direction. This approach can provide a snapshot of the workings of governance in specific arenas.

Social network analysis, which focuses on social relations rather than the characteristics of actors,⁹ is integral to the social organisational approach. Network analysis is powerful both 'as an orienting idea' and as a 'specific body of methods', as Scott (1991) put it. By examining relationships among formal and informal institutions, organisations and individuals, it is ideally suited to map mixes of organisational forms, the changing, overlapping and multiple roles that actors within them may play and the ambiguities surrounding them.

Further, network analysis provides a path around the methodological and theoretical conundrum of macro versus micro. It can connect the local or regional with the national and the local, regional or national with the international. Examination of networks enables us to look at these levels in a single study frame.¹⁰

Network analysis thus enables us to explore a number of relevant questions: How do various network and role structures shape decision-making and policy processes? To what extent do state authorities in a given context have the capacity to remain separate from the organisations and agendas of informal groups such as mafias, clans or lobbyists? In other words, to what extent do particular network configurations merely penetrate the state, and to what extent do they reorganise it? Addressing such questions can uncover constellations of actors, activities and influences that shape policy decisions, their implementation and governance itself.¹¹

We cannot answer these questions in abstract or in general. To do so requires ethnographic grounding in the contexts in which they operate and empirical investigation of the social networks and activities of individuals and organisations. This is the case whether we are sorting out the networks that gird corruption or terrorism, the networks linking Enron to Arthur Andersen and to government organisations, or the networks connecting Human Rights Watch to the Ford Foundation and the United Nations.¹²

Based on such research, we then can establish patterns and theories. For example, the incentive structures in a given system encourage multiple and conflicting roles in governance; or an ever-increasing diffusion of governance creates more opportunities for conflicts of interest.

5. BOUNDARY CROSSING IN POST-SOCIALIST STATES

It is logical that the state-private nexus was the heartbeat of change in societies divesting themselves of state-owned resources. The very collapse of a centrally planned economy implies movement away from the state. The countries of Central and Eastern Europe and the former Soviet Union provide particularly rich contexts in which to explore the organisation of governance. Moreover, the international financial institutions, western governments and aid agencies have accelerated this movement with their aggressive promotion of privatisation, deregulation and other free-market projects in the region. As a result, political-economic influence overwhelmingly has resided in the 'control of the interface between public and private', as World Bank economist put it.¹³ From the distribution and management of resources and privatisation, to the development of "civil society" and NGOs, much of the action has been at the state-private nexus.

Individuals and groups vying for influence have positioned themselves at this nexus. At precarious points in the change process, old systems of social relations, such as the informal groups and networks that functioned under communism and helped to ensure stability, have become crucial instruments of change. In the political, legal, administrative, economic and social flux that accompanied the collapse of communism, many individuals were empowered by the erosion of the centralised state and enticed by new opportunities for acquiring resources and wielding influence.

"Institutional nomads", a term coined by Kaminski and Kurczewska (1994), are members of Polish informal social circles who have come together to achieve concrete goals. They do so by putting their fingers into a kitchen full of pies - government, politics, business, foundations and non-governmental and international organisations - and pooling their resources to best serve the interests of the group. Institutional nomads owe their primary loyalty to their fellow nomads, rather than to the formal positions they occupy or the institutions with which they are associated. Skapska stressed that vested interests are at stake in the circulation of nomads among institutions. Whether they come from a former opposition or communist party milieu, and whether they were workers or directors, 'members willy-nilly must stay loyal and collaborate'.¹⁴

Similar to the idea of institutional nomads, the Russian *clan*, as Kryshtanovskaya (1997) analysed it, is an informal group of elites whose members promote their mutual political, financial and strategic interests. In the Russian context, clans are grounded in long-standing association and incentives to act together, not kinship or genealogical units, as in the classic anthropological definition. Kryshtanovskaya explained it as follows:

A clan is based on informal relations between its members, and has no registered structure. Its members can be dispersed, but have their men everywhere. They are united by a community of views and loyalty to an idea or a leader... But the head of a clan cannot be pensioned off. He has his men everywhere, his influence is dispersed and not always noticeable. Today he can be in the spotlight, and tomorrow he can retreat into the shadow. He can become the country's top leader, but prefers to remain his grey cardinal. Unlike the leaders of other elite groups, he does not give his undivided attention to anyone organisation (ibid.).

Clans, institutional nomads and other such informal groups strategically place their members in as many different spheres (state and private, bureaucratic and market, legal and illegal) as possible, bridging old and new, formal and informal, in order to best access resources and advantages for the group. The most adept, and sometimes the most ethically challenged, actors play the boundaries, skilfully blending, equivocating, mediating and otherwise working the spheres - all the while using ambiguity to their advantage.

Thus, far from disappearing, informal systems played a pivotal role in many reform processes of the 1990s.¹⁵ Such systems became integrated with state-sponsored reforms and helped shape their outcomes. By providing unrestrained opportunities for insiders to acquire resources, some reforms fostered the proliferation and entrenchment of informal groups and networks, including those linked to organised crime. For example, in Russia there was mass *grabitisation* of state-owned enterprises, as many Russians came to call the privatisation that was linked *en masse* to organised crime (Wedel 2001: 138-142). The "reforms" were more about wealth confiscation than wealth creation; and the incentive system encouraged looting, asset stripping and capital flight.¹⁶ Billionaire oligarchs were created virtually overnight.

It is important to emphasise that the activities of informal networks and groups help to organise the state itself, not only to divert state resources and functions. Yurchak (2002) studied how actors shape the state sphere. He documented two separate spheres *within* the Russian state - the "officialised-public" and the "personalised-public".¹⁷ He argued that when the Soviet Union fell apart it was principally the officialised-public sphere of the state, with its institutions, laws and ideologies, that succumbed to crisis. Yurchak observes,

the personalized-public sphere expanded into new areas of everyday life, and many of its relations and understandings became even more important...the state's personalizedpublic sphere did not collapse but rather re-adapted to the new situation much better than was obvious at the time (Yurchak 2002: 311).

5.1 *Flex Organising*

I first discovered what I have come to call "flex organisations" while studying foreign economic aid to Russia in the 1990s. Flex organisations in Russia emerged exactly at the state-private nexus. Their defining feature is that they switch their status situationally - from state to private spheres - back and forth, thereby enabling their members to selectively bypass the constraints governing both spheres. They are defined as flex organisations (Wedel 2001: 145-153, 156, 172), in recognition of their impressively adaptable, chameleon-like, multifunctional character.¹⁸ They are Janus-faced in that they keep changing their facade. They are also referred to as governmental non-governmental organisations (GNGOs).

Flex organising depends on the state-private distinction. It plays on the existence of separate spheres, each of which is subject to different rules and opportunities and neither of which is prepared to govern boundary-crossing. The inter-changeability inherent in flex organising enables actors to avoid state directives of accountability while skirting private codes of competition.

BLURRING THE STATE-PRIVATE DIVIDE

Flex organisations are empowered by informal groups or networks such as clans and institutional nomads. Their influence derives in significant part from their ability to access the resources and advantages from one sphere for use in another. In flex organising, spheres within and around the state are malleable and fluid. They are situationally and even fleetingly activated, deactivated and otherwise moulded by the actors operating under various configurations of state and private rubrics who employ state-ness and private-ness strategically to achieve the goals of their group. The capacity of individuals and organisations to manoeuvre, traverse and blur activities in different spheres (state, private and, sometimes international) in fact underwrites whatever success they achieve. It is precisely the ability, to equivocate that affords flex organisations their influence and resilience.

Flex organisations may share aspects of the same standing as state organizations, and/or they may even be NGOs. Whatever the specifics of their legal standing in a particular country, they have been set up by high-ranking officials and depend on the coercive powers of the state and continued access to and personal relationships with these officials. There may even be overlap between officials, for example, from a particular ministry and the leadership of a flex organisation that is legally an NGO. Such officials then play dual roles, representing and empowering both the "state" and "private" organisations.

After the Soviet Union was dismantled, Russia embarked on a course of economic reform with the help of the international financial institutions and western donor organisations. Flex organisations, the vehicles through which economic reforms were to take place, became prime recipients of US and other western foreign aid funds (Wedel 2001: Chp. 4). They were created around, and run by, a small, interlocking group of transnational actors made up of representatives from Russia (Anatoly Chubais and the so-called Chubais clan) and the United States (a group of aid-funded advisers associated with Harvard University and the Harvard Institute for International Development). Flex organising was central to the influence of this Chubais-Harvard group. The Russian Privatisation Centre, the donors' flagship organization (and a flex organisation in my terms), is a case in point. It received hundreds of millions of dollars in aid from bilateral donors and loans from the international financial institutions.

To start my study of economic aid, I cast a wide net, as I had done in my earlier investigation of aid to Central Europe. A large part of my fieldwork consisted of exploring connections - among the Chubais clan, representatives of the Harvard group that monopolised US economic aid to Russia, and American and Russian officials. Although the individuals and groups involved in this case were sometimes located at different sites, they were always connected by the aid process or by actual social networks.¹⁹

I began by conducting interviews with individuals connected with the economic aid effort in a variety of organisations. I visited the organisations that received economic aid, such as the Russian Privatisation Centre, the Federal Commission on Securities and Capital Markets (also known as the "Russian SEC"), the Institute for Law-Based Economy (ILBE) and the Resource Secretariat. The individuals interviewed typically gave me their organisations' statements of purpose, often nicely presented for westerners. I also asked "Who runs this organisation?"

"Who founded it?" "Who is on the board of directors?" "Who visits here?" and "Whose word counts?"

After as few as a dozen interviews in a half dozen different organisations, I was able to piece together the beginnings of a rough social network chart on who was connected with whom and in what capacities. I found the same set of names coming up - no matter which organisation was in question. The more interviewing I did, the more I began to understand that, despite the organisations' different functions, the same people ran them. Thus, despite the fact that there were several organisations, ostensibly engaged in different parts of the economic reform agenda, the same tight-knit group of interconnected individuals had set them up (together with the foreign aid establishment) and appeared to be running them, along with the Russian reform agenda and significant parts of the Russian government. These individuals were additionally connected with each other in a variety of capacities, including business and romance.

Such interlocking networks highlight a fundamental feature of flex organisations, the *empowerment of the organisation by a group* which uses the organisation to further the group's goals. The apparent interconnectedness of the Chubais-Harvard actors led me to examine their network structures more systematically, according to several characteristics. One such characteristic is the *single-stranded* versus *multiplex* nature of networks. Single-stranded means that the relationship between two people is based on only one role - that they know each other in only one capacity. Multiplexity, on the other hand, means that they have more than one role vis-a-vis one another.

In the United States-Russia case, actors knew one another in a variety of capacities; their networks were highly multiplex. With regard to interconnectedness through formal organisations (only), multiplexity is manifested in the following description of some ways in which two individuals were wedded to each other:

- Person A is connected to Person B through the Russian SEC, because A controls the ILBE, which funds the Russian SEC, and B is both vice-director of the board and managing director of the Russian SEC;
- A is connected to B through the Russian Privatisation Centre, because A is on its board of directors, while B is its deputy chairperson;
- In addition, A is connected to B through the State Property Committee, because A is senior legal advisor, while B is deputy chairperson.

In addition to (and using) their formal organisations, the same two individuals were connected to each other through business transactions, including the following:

- Person A is connected to B, who in two of his roles is deputy chairperson of the board and managing director of the Russian SEC. B arranges for A's wife's company - a little known mutual fund - to be the first licensed fund in Russia, over and above the applications of Credit Suisse First Boston and other big players;
- B, in another of his capacities - his role on the Gore-Chernomyrdin Commission - arranges for A's wife to become a member of a commission working group.

Another fundamental feature of flex organisations is their *ability to shift agency* - the flexibility after which they are named. An archetypal flex organisation, the Russian

BLURRING THE STATE-PRIVATE DIVIDE

Privatisation Centre switched its status situationally. Legally it was non-profit and non-governmental, but it was established by a Russian presidential decree. Though the Centre was an NGO, it helped carry out government policy related to inflation and other macroeconomic issues and also negotiated with and received loans from international financial institutions *on behalf of the Russian government*, when typically the international financial institutions lend only to governments.

Further, the Russian Privatisation Centre received aid from the international financial institutions because it was run by members of the Chubais clan, who also played key roles in the Russian government. (This introduced still mere ambiguity between state and private roles and responsibilities.) As an NGO, the Centre received 'teds of millions of dollars from western foundations that generally support NGOs. As a state organisation, it received hundreds of millions of dollars from international financial institutions, which, as stated above, principally lend to governments.

Yet another key feature of flex organisations, *deniability*, flows from their shifting agency. Deniability means that, because actors and organisations can change their agency, they always have an "out". They can evade culpability for actions that might be questioned by voices of one of the parties by claiming that their actions were in the service of the other. Deniability is "institutionalised" in that it is built into the very structure of shifting and multiple agencies.

For example, because Harvard's director in Moscow, Jonathan Hay, was given signatory authority over certain privatisation activities, he could, if questioned by US investigators, legitimately claim that he conducted those activities "as a Russian" and thus, with respect to those transactions should not be constrained by US norms or regulations. Likewise, if the Russian Privatisation Centre came under fire for its activities as a state organisation, it could legitimately claim to be a private one.

Another feature of flex organisations is the *propensity to bypass otherwise relevant institutions*, such as those of government (executive, judiciary or legislative). The Russian Privatisation Centre appears to have been set up precisely to circumvent such institutions. It bypassed the democratically elected parliament and the Russian government agency formally responsible for privatisation. Indeed, according to documents from Russia's Chamber of Accounts, the Russian Privatisation Centre wielded more control over certain privatisation directives than did the government privatisation agency.²⁰ Two Centre officials²¹ were in fact authorised by the Russians to sign privatisation decisions on Russia's behalf. Thus did a Russian and an American, both of them officially working for a *private* entity, come to act as representatives of the Russian state.

Flex organisations, understandably, call to mind the notion of conflict of interest. But they serve to *obfuscate* conflict of interest. Unlike a lawyer who represents a client who has embezzled funds from a bank on the one hand, and represents the bank on the other - a clear conflict of interest - in flex organisations, the roles are ambiguous. In conflict of interest, an actor can deny the facts, but not the conflict if the facts are true. But with flex organisations, it is not always clear what the conflicts are because structures are themselves ambiguous. An actor can plausibly deny responsibility and get away with it. The difference lies in the ability of a flex organisation to exploit the ambiguity.

Thus, flex organisations are neither quasi-non-governmental organisations (QUANGOs) nor GONGOs (government-organised NGOs). Unlike flex organisations, QUANGOs and GONGOs depend on continued personal relationships with and access to high government officials. Unlike flex organisations, which switch their status back and forth between state and private, QUANGOs and GONGOs imply static relationships and thus cannot enable deniability, as do flex organisations by definition. Whereas QUANGOs and GONGOs can come into conflicts of interest with state organisations, flex organisations cannot because they camouflage any such conflicts.

5.2 Polish Agencies and Targeted Funds

During the mid-1990s in Poland information began surfacing - albeit reluctantly - on the existence of state-private hybrid organisations called agencies (*agencje*) and targeted funds (*fundusze celowej*). Although such organisations lack the inherently situational quality of flex organisations, the defining feature of agencies and targeted funds is their indistinct responsibilities and functions (Kaminsky 1997: 100). These organisations do not have the same legal status as state bodies, but they use state resources and rely on the coercive powers of the state administration. They have broad prerogatives that are supported by administrative sanctions and are subject to limited public accountability. In the words of Piotr Kownacki, deputy director of NIK (Supreme Chamber of Control), Poland's chief auditing body, they are part and parcel of the 'privatisation of the functions of the state', and they represent 'areas of the state in which the state is responsible but has no control'²² From the point of view of the state administration, these entities are "public", not state. On the other hand, clients associate them with the state.

Agencies and targeted funds have come to play a major role in the organisation of Polish governance and in the collection and disbursement of public funds. Some one-fourth of the state budget was allocated to them in 2001.²³ In addition, some agencies and targeted funds are or have been authorised by the state to variously conduct and receive monies from commercial activities, invest in the stock market, start new companies, spawn new agencies and manage foreign aid funds.

With regard to targeted funds, a NIK report calls them 'corruption-causing'. The NIK noted the 'excessive discretion' that the funds enjoy in their use of public resources, which is more than that of state organisations. It also lamented the 'lack of current controls' over the activities of targeted funds (NIK 2000: 45). One example is the Fund for the Rehabilitation of Disabled People (PFRON), which is supposed to subsidise the employment of handicapped individuals. Considerable discretion is built into every level of decision-making, from whether PFRON subsidises a particular workplace, to the amount of the subsidy, to whether the workplace further distributes the funds to its disabled employees (*ibid.*: 46).

Agencies also possess a lot of leeway. They have been created in all ministries with control over property. These include the ministries of transportation, economy, agriculture, treasury and defence, according to NIK Deputy Director Kownacki.²⁴ Agencies are set up by state officials, often attached to their ministries or state

BLURRING THE STATE-PRIVATE DIVIDE

organisations and funded by the state budget. The minister typically appoints an agency's supervisory board, with these selections often based on political connections.²⁵ Some 10 to 15 per cent of an agency's profits can be allocated to "social" purposes: If the agency accrues profits, those profits go to the board and are sometimes funnelled into political campaigns. On the other hand, any losses are covered by the state budget.²⁶

Agricultural agencies offer a case in point. With so much property under their control, including state farms inherited from the communist past, agencies have begun 'to represent [their] own interests, not those of the state', according to Piotr Kownacki. He observed that 'most of the money is taken by intermediaries' and the state has very little control over this process.²⁷

Coal mining and arms also are dominated by agencies and present myriad opportunities for corruption.²⁸ The coal industry, for example, appears to be dominated by a group of *institutional nomads* who simultaneously hold and circulate in positions of government, various agencies and business. Collectively, the nomads organise themselves to cover all the bases by being involved in as many influential administrative, business and political positions as possible relevant to their success in the industry, regardless of which political parties are in power (Gadowska 2002).

Some agencies and targeted funds have become vehicles through which foreign aid is distributed (though aid organisations generally did not initiate the entities in Poland as they did with the Russian flex organisations described earlier). Notable examples are the European Union's Special Accession Programme for Agriculture and Rural Development (SAPARD) to restructure Polish agriculture and some EU programmes to improve environment and transportation.²⁹

The number of agencies and targeted funds grew throughout the 1990s³⁰ - in a country that enjoyed the reputation of a transition "success story" - with its entry into NATO, pending accession to the EU and, during the mid- to late 1990s, the fastest economic growth rate in Europe. With a structure of governance in which accountability- challenged entities played a significant part, the result was that 'much tax-payer money flows to private hands on a large scale', as former NIK Director Lech Kaczynski expressed.³¹ Kaminski (1997: 100) assessed that 'the real aim of the [agencies and targeted funds] is to transfer public means to private individuals or organisations or to create funds within the public sector which can then be intercepted by the initiating parties' (Kaminski 1997: 100). A number of analysts have linked the entities to the financing of political campaigns, although this has not been established by the relevant government regulatory bodies. As Stefanowicz has maintained, 'There is a silent truth between political parties. No financial report has ever disclosed how much political support is allocated to political campaigns [through agencies and similar entities].'³²

Until the early 2000s, these entities managed to sidestep any substantial media spotlight. Only a few analysts, journalists and, notably, the NIK, tracked limited parts of what constituted a huge portion of the state or public budget. Since then, however, media coverage of NIK findings and journalists' reports of cases of state funds lining private pockets have become extensive. At the same time, public attention has been

M.

drawn to an (unrelated) parliamentary investigation of a high-level political scandal that has been broadcast live on television.

Public attention to conuption is among the factors that may have contributed to increased scrutiny of governance and public officials and the introduction of new anti-corruption regulations. In 2001, the parliament enacted a law limiting the number of agencies and targeted funds. In 2003, however, the NIK reported that these entities continued to result in losses to the state budget.³³ At this juncture, it is difficult to assess their future in the Polish state-public sphere.

Like flex organisations in Russia, Polish agencies and targeted funds are not holdovers from the communist period. They were, however, enabled by the breakdown of the command structure of the centrally planned state, which privileged a network-based organization of governance and business as described earlier. It is enacted after the fall of communism. As discussed earlier, the western models of deregulation, decentralization and privatisation that were promoted in the region also provided inspiration.

6. THE DEEP AND WIDESPREAD UNACCOUNTABLE STATE?

What are the implications for states of a proliferation of flex organisations or similarly ambiguous and unaccountable organisational forms? The net effect may actually be the *enlargement* of the state sphere, Kaminski (1996: 4) argued that Poland's targeted funds and agencies have resulted in 'an indirect enlargement of the dominion of the "state" for which the state is responsible but has no control'. 'This has been accomplished', he wrote, 'through the founding of institutions that in appearance are private, but in fact are part of the [appropriated] public domain'.

This empirical data is consistent with the claim that globalisation has 'yielded a key continuity in governance, namely that of bureaucratism' (Scholte 2000: 133). However, Scholte appears to have missed a crucial development when he suggested that 'governance is mainly conducted through large-scale, relatively permanent, formally organised, impersonally managed and hierarchically ordered decision-taking procedures'. On the contrary, such forms of organising (arenas of) governance as the flex organisations, agencies and targeted funds detailed here are in large part *informally* organised and *personally* managed. Yet these organisations are symbiotic, and at times synonymous with the structures and processes of "actually existing governance".

The crumbling of the command structure of the centrally planned state encouraged the development - or perhaps the continuation - of flex organising in the Russian context, even though the flex organisations of the 1990s were created by foreign aid organisations and Harvard University, and propelled by millions of dollars from the West. Flex organisations mimicked the dual system under communism, in which many state organisations had counterpart Communist Party organisations that wielded the prevailing influence.³⁴ The creation of 1990s flex organisations and the massive western underwriting they received may have encouraged the development of what I have called the "clan state", a state that is powered by competing, tight-knit and closed

BLURRING THE STATE-PRIVATE DIVIDE

clans (Wedel 2001, 2003). E. W. Merry, a former US senior political State Department officer, regretted the US-sponsored creation of 'extra-constitutional institutions to end-run the legislature'. He added that 'many people in Moscow were comfortable with this, because it looked like the old communistic structure. It was just like home.'³⁵

Yet, although flex organising may be most visible and prevalent in societies undergoing fundamental transformation, such forms of organising may be found in a variety of settings. Flex organisations appear to exist in developing country contexts³⁶ - not only in centrally planned economies in the process of "unplanning" themselves, as well as in developed countries, including the United States.

For example, an influential group made of up "neoconservatives" who have been active in formulating and implementing US policy towards Iraq and the Middle East, appear to operate at least in part through flex organising. With Richard Perle (who advised President George W. Bush on foreign policy and defence matters during the Bush campaign) as a central actor, members of this long-standing tight-knit group are connected with each other through government, business, lobbying, think-tanks and media organisations and activities, as well as through family and marriage ties. Members occupy key positions in the Bush administration's Iraq and Middle East policy, both within and outside the formal government.³⁷ The group works in part by bypassing otherwise relevant structures and processes of governance and supplanting them with their own. Cross-agency cliques reportedly enable the group to limit information and activities to its associates across agencies.³⁸

Further, the Defence Policy Board, formerly headed by Perle, appears to be a flex organisation that can circumvent the Pentagon. With Perle as its chairman since mid-2001, the Board evolved from a little-known organisation to one with wide influence and power. Its structure affords Perle more influence than he might have had as a government official (he turned down a government position in the administration).³⁹ It allows Perle and others in his circle to retain their private business interests while holding a not-quite-public office that provides access to defence planning and top-secret intelligence.⁴⁰ Perle resigned from his position as chairman of the Defence Policy Board (but not his membership) in March 2003 amid accusations of conflicting interests. He is reported to have advised companies and their clients on business dealings using sensitive government information he was privy to through his position on the Board.⁴¹ The Board and the Perle circle remain decisive in shaping key parts of US foreign policy.

The conditions that facilitate flex organising have become more prevalent in the international arena of retreated states and diffuse authority. These circumstances provide greater incentives for people to play multiple, conflicting roles that overlap government, business and non-governmental organisations and enable them to selectively bypass the constraints on these institutions. Because these circumstances call for a higher degree of flexibility and deniability, flex organising likely will become more common.

7. IMPLICATIONS FOR ACCOUNTABILITY

Can citizens take advantage of the benefits of governance by flex organising while mitigating potentially harmful effects? What are the implications for accountability when states rely on actors and organisations that can fulfil multiple, conflicting and ambiguous roles? What does the overlapping and situational nature of flex organising mean for accountability?

"Transparency", a term that occupies a prominent place in the anti-corruption discourse, may be achievable with regard to flex organisations, depending on the context. It is possible, at least in some settings, to shed light on the existence and at least some of the operations of flex organisations. The extent to which this illumination can occur depends on the ability of information that is independent of the flex organisations and those who control them. Yet, while transparency is potentially attainable, accountability is not.

When ambiguity is woven into the fabric of social organisation and the structure of relationships, accountability is difficult, if not impossible. Because organisations and the actors who empower them engage in representational juggling and can shift their allegiances to achieve their own objectives, flex organisations provide deniability. Flex organisations are *inherently unaccountable* because shifting agency builds deniability into them.

This raises the issue of corruption and current approaches to countering it (Wedel 2002).⁴² The classic definition of corruption, such as that employed by the World Bank, is "the abuse of public office for private gain". Jowitt (1983: 293) argued that such approaches to corruption are weak because they rely on 'the difference between public and private aspects of social organisation' which 'makes it impossible to specify the existence and meaning of corruption in settings where no public-private distinction exists institutionally'. Indeed, as we see from the flex organisations, agencies and targeted funds here analysed, the state-private divide may be fluid, subdivided, overlapping or otherwise obscure. Anti-corruption approaches that rest on the state-private divide cannot counter flex organisations because, by definition, flex organisations shift their agency.

The flex organisations I charted in Russia were frequently used by actors to pursue their own private and group agendas. Yet it is conceivable that actors and groups can use flex organising to serve official or public purposes. But whether they do so is entirely up to them; any accountability depends on the actors. Thus, the only way to increase the accountability of flex organisations to citizens is to reduce their ambiguity.

Some analysts from developing countries have identified what appear to be flex organisations in their own countries. These organisations effectively use some official structures while circumventing others. Government officials rely on their positions to accomplish specific tasks that they (and others) see as in the public interest but that cannot be accomplished in the official sphere.

However, flex organisations, I would caution, are not equipped to encourage broad-based citizen participation. There is a tendency among some development practitioners to set up organisations to bypass bureaucracies that are seen as cumbersome and

BLURRING THE STATE-PRIVATE DIVIDE

inefficient. This practice is problematic. As a report prepared for the World Bank on government-NGO relations argues, although it may be easier to set up separate entities outside civil service rules, there is then a 'danger of conflicts of interest, self-dealing, or improper personal enrichment' (World Bank 1997).

Additional caution is warranted because some flex organisations have the standing of NGOs, which the development community looks to solve a plethora of problems and tends to regard as effective vehicles for public outreach. Flex organisations are often invigorated by people who come together out of long-standing association, friendship and family connections. Such organisations often lack incentives that would encourage expansion beyond their originating circles. They are better equipped to continue as isolated groups, contributing to fragmented governance, rather than attracting new members on the basis of common interests.

In addition, the donor community often sees NGOs as exemplars of and vehicles for creating democracy and civil society and mediating between citizens and the state, especially in transitional societies. Yet development agencies clearly should not charge entities such as flex organisations with public outreach. The very structure of flex organisations and similar ways of organising governance mitigates against the sharing of information and resources with a wider public.

NOTES

1. I wish to thank Sylvette Conneraie, Bryant Garth, John Harper, Alina Hussein, Antoni Kaminski, Bruce Kapferer, Max Spoor and Susan Tolchin for their generous help and invaluable comments.
2. Although I juxtapose "state" and "private" in this chapter, how these terms are used and the relationships among them are key questions for research. For an analysis of alternative historic views of relationships among public, private, state and market, see Weintraub and Kumar (1997).
3. The term QUANGO was coined more than two decades ago by journalist Caroline Moorehead, who called them 'quasi-autonomous nongovernmental organisations' (Bird 1998).
4. Strange elaborates on the development of the neoliberal agenda by delineating five crucial political choices, made mostly by the United States, from 1971 to 1985, which propelled the neoliberal project in finance. Strange's five choices are the following: (i) the 'extreme withdrawal' on the part of the United States 'from any intervention in foreign exchange markets'; (ii) the false but convincing claim that monetary reform remained a serious issue on the international policy agenda; (iii) the United States' 'confrontational strategy of an oil-consumers' coalition armed ... with strategic stockpiles against any repetition of the 1973 oil price rise'; (iv) the "stonewalling strategy ... against the Conference on International Economic Cooperation', which followed from the failure to negotiate with the Organisation of Petroleum-Exporting Countries; and (v) the bolstering of 'cooperation between central banks in their dual role as bank regulators and lenders of last resort' in response to two notable bank failures (Strange 1998: 6-7).
5. Personal communication with Dan Guttman, a legal analyst specialising in American governance, 3 June 2003.
6. This expression takes its reference from the term "actually existing socialism", which 'came into use, to distinguish its messy reality from its hopes and claims', as Verdery (1996: 4) put it. The term was originally coined by Bahro (1978).
7. For a discussion of the tension between accountability and autonomy of "private" government contractors, including legal decisions, see Guttman (2000). His article also outlines the kinds of conflicts of interests that arise between private employees and their public overseers (ibid: 896-901).

8. Concepts such as privatisation have often played a part in the discourse on globalisation. Commenting on that discourse, Kalb, Van der Land, Staring and Van Steenberg (2000) observed that the very 'neglect, denial, or even conscious repression, of institutional complexity, social relationships, contingency, and possible contradictions' is what made the concept of globalisation into the "ideological magnet" it became'. Shore and Wright (1997) placed this argument in a larger context They wrote that the 'masking of the political under the cloak of neutrality is a key feature of modern power'. Although policies are typically clothed in the language of neutrality - ostensibly merely promoting effectiveness and efficiency - they are fundamentally political.
9. Pioneers in the field of social network analysis were John Barnes, Clyde Mitchell and Elizabeth Bott, all associated with the Department of Social Anthropology at Manchester University in the 1950s. They saw social structure as networks of relations and focused on 'the actual configuration of relations which arose from the exercise of conflict and power' (Scott 1991: 27). For an analysis of the contribution of the Manchester school to the development of social network theory see Scott (ibid: 27-33).
10. Anthropology provides a theoretical framework for connecting levels and processes. Ina and Rosaldo (2002: 4-5) stressed that "[a]nthropology ... is most concerned with the articulation of the global and the local, that is, with how globalising processes exist in the context of, and must come to terms with, the realities of particular societies, with their accumulated - that is to say historical-cultures and ways of life What anthropology offers that is often lacking in other disciplines is a concrete attentiveness to human agency, to the practices of everyday life, in short, to how subjects mediate the processes of globalization.
11. Several network analysts have linked network structures to collective processes. For example, Laumann, Marsden and Prensky (1989: 62) pointed out that '[f]eatures of a network can be used ... to show the consequences of individual level network processes at the level of the collectivity'. See also Marsden (1981).
12. As Dezalay and Garth (2002: 10) point out, "Tracing the careers of particular individuals makes it obvious ... that the world of foundations and that of human rights NGOs have always been very closely related; how through concrete networks and careers the World Bank interacts with local situations; and how corporate law firms or advocacy organisations modeled on those in the United States are brought to new terrains.
13. Personal communication with World Bank economist Helen Sutch, 1 November 2001.
14. Personal communication with Grazyna Skapska, 14 October 2002.
15. In many contexts across Central and Eastern Europe and the former Soviet Union, groups that originally coalesced under communism (notably *nomenklatura*, the system under which responsible positions in all spheres of government had to be approved by the communist party) decisively shaped property relations. The *nomenklatura* had the power to accept or veto candidates for any state job and asserted a final voice over responsible positions in all spheres, from police and army posts to factory management and school principalships on the basis of party loyalty, not ability or qualifications. This created a tangle of loyalties and favouritisms that precluded broader political, economic and social participation. As communism was crumbling, many members of the *nomenklatura* traded in their political advantages for economic ones.
16. See, for example, Bivens and Bernstein (1998), Nelson and Kuzes (1994, 1995), Hedlund (1999), Klebnikov (2000) and Anne Williamson's congressional testimony before the House Committee on Banking and Financial Services (21 September 1999). Commenting on the US role in sponsoring the reforms, E. Wayne Merry, former chief political analyst at the US Embassy in Moscow, assessed that '[w]e created a virtual open shop for thievery at a national level and for capital flight in terms of hundreds of billions of dollars, and the raping of natural resources'
Frontline "Return of the Czar" interview with E. Wayne Merry, PBS website:
<http://www.pbs.org/wgbh/pages/frontline/shows/yeltsin/interviews/merry.html>
17. Yurchak (1998). See also Bonnell and Gold (2002).
18. The concept bears some similarity to anthropologist Aihwa Ong's notion of "flexible citizenship" in the sense that social structures enable alternative and multiple presentations as actors operate in and respond to a diversity of situations (Ong 1999).

BLURRING THE STATE-PRIVATE DIVIDE

19. The process of following the source of policies, in this case, the donors, their policy prescriptions, rhetoric, and organisation of aid, through to those affected by the policies, in this case, the recipients, has been called "studying through", as in Shore and Wright (1997). Studying through entails tracing connections between different organisational and everyday worlds, even where actors in different sites do not know each other or share a moral universe.
20. Interview with and documents provided by Chamber of Accounts auditor Veniamin Sokolov, 31 May 1998. See State Property Committee Order No. 188 (which gave Jonathan Hay veto power over the Committee's projects), 5 October 1992.
21. These were the Russian Privatisation Centre's CEO from the Chubais clan (Maxim Boycko) and the Moscow representative (Jonathan Hay) of the Harvard Institute for International Development, which managed virtually the entire \$350 million US economic aid portfolio to Russia. (Wedel 2001: 145-153).
22. Interview with Piotr Kownacki, Deputy Director of NIK, 26 July 1999.
23. Interview with NIK official Andrzej Lodyga, 24 July 2002.
24. Interview with Piotr Kownacki, Deputy Director of NIK, 26 July 1999.
25. Interviews with Jan Stefanowicz, 14 and 15 July 1999.
26. Interviews with Jan Stefanowicz, 14 and 15 July 1999.
27. Interview with Piotr Kownacki, Deputy Director of NIK, 26 July 1999.
28. Interview with Piotr Kownacki, Deputy Director of NIK, 26 July 1999.
29. Interview with NIK official Andrzej Lodyga, 24 July 2002.
30. Interviews with Jan Stefanowicz, 14 and 15 July 1999.
31. Interview with Lech Kaczynski, 14 July 1999.
32. Interviews with Jan Stefanowicz, 14 and 15 July 1999.
33. Report of the activities of the supreme chamber of control in 2002 (*Sprawozdanie z Dzialalnosci Najwyzszej Izby Kontroli w 2002 Roku*), Warsaw, Poland: Najwyzszej Izby Kontroli, June 2003, p. 127.
34. Such organisations were highly compatible with Russian practices regarding influence and ownership. A number of analysts have pointed out that *de facto* control and influence over property are more important than *de jure* ownership. For further analysis, see, for example, Anne Williamson's congressional testimony before the House Committee on Banking and Financial Services, 21 September 1999, and commentaries on *Johnson's Russia List* by Jerry F. Hough (No.3051, 11 February 1999), S. Lawrence (No.3072, 28 February 1999), and Edwin G. Dolan (No.3073, 1 March 1999).
35. Interview with E. Wayne Merry, 23 May 2000.
36. This claim is based in part on discussions with observers of governance in developing countries. For example, in the past several years I have given talks at the World Bank and the Ford Foundation in which my discussion of flex organisations has prompted audience members to describe similar forms in their home countries. Officials and programme officers from a variety of countries, including Egypt and Nigeria, have identified what appear to be flex organisations.
37. See, for example, Seymour M. Hersh, 'Lunch with the chairman', *The New Yorker* 17 March 2003, <http://www.newyorker.com/>; Elizabeth Drew, 'The neocons in power', *The New York Review of Books* 50(10), 12 June 2003; and Sam Tenenhaus, 'Bush's brain trust', *Vanity Fair*, July 2003, pp. 114-169.
38. See, for example, Seymour M. Hersh, 'Selective intelligence', *The New Yorker* 18 May 2003, <http://www.newyorker.com/> and Jim Lobe, 'Insider fires a broadside at Rumsfeld's office', *Asia Times* 7 August 2003, regarding the Pentagon's Office of Special Plans and cross-agency cliques.
39. See, for example, Seymour M. Hersh, 'Lunch with the chairman', *The New Yorker* 17 March 2003, <http://www.newyorker.com/>

40. See Andre Verloy and Daniel Politi, 'Advisors of influence: Nine members of Defence Policy Board have ties to defence contractors', *The Public-128* March 2003, <http://www.publicintegrity.org> and 'The Bush 100: Snapshot of professional and economic interests reveals close ties between government, business', *Center for Public Integrity*: <http://www .publicintegrity.org/cgi-bin/WhosWhoSearch.asp?Display=List&List=All>
41. See Ken Silverstein and Chuck Neubauer, 'Consulting and policy overlap', *Los Angeles Times*. 7 May 2003.
42. Issues of corruption are explored in the author's paper on blurring the boundaries of the state-private divide. Presented at the European Association for Social Anthropology (EASA) Conference, Copenhagen, Denmark, 14-17 Aug. 2002.

REFERENCES

- Bahro, Rudolph (1978) *The Alternative in Eastern Europe*. London: Verso.
- Bird, Dennis L. (1998) 'Book review of *QUANGOs and Local Government: A Changing World*, edited by Howard Davis' (1998), *Contemporary Review* (July) 273 (1590): 45.
- Bivens, Matt and Jonas Bernstein 'The Russia you never met', *Demokratizatsiya: The Journal of Post-Soviet Democratization* 6 (4): 613-647.
- Bonnel, Victoria and Thomas Gold (Eds) (2002) *The New Entrepreneurs of Europe and Asia*. Annonk, N.Y.: M.E.Sharpe.
- Dezalay, Yves and Bryant Garth (2002) *The Internationalization of Palace Wars: Lawyers, Economists and Contest to Transform Latin American States*. Chicago: University of Chicago Press.
- Gadowska, Kaja (2002) *Zjawisko Klientelizmu Polityczno-Ekonomicznego: Systemowa Analiza Powiazan Sieciowych Na Przykladzie Przekształcen Sektora Gorniczego w Polsce*. Krakow, Poland: Uniwersytet Jagiellonski; Wydział Filozoficzny, Instytut Socjologii (Rozprawa Doktorska).
- Guttman, Daniel (2000) 'Public and private service: The twentieth century culture of contracting out and the evolving law of diffused sovereignty', *Administrative Law Review* 52 (3): 901-908.
- Hedlund, Stefan (1999) *Russia's "Market" Economy: A Bad Case of Predatory Capitalism*. London: UCL Press.
- Inda, Jonathan Xavier and Renato Rosaldo (Eds) (2002) *The Anthropology of Globalization: A Reader*. Malden, Massachusetts: Blackwell Publishers.
- Jowitt, Ken (1983) 'Soviet neotraditionalism: The political corruption of a Leninist regime', *Soviet Studies: A Quarterly Journal on the USSR and Eastern Europe* 35 (3): 275-297.
- Kalb, Don, Marco van der Land, Richard Staring, Bart van Steenbergen and Nico Wilterdink (Eds) (2000) *The Ends of Globalization: Bringing Society Back In*. New York, NY: Rowman & Littlefield Publishers.
- Kaminski, Antoni Z. and Joanna Kurczewska (1994) 'Main actors of transformation: The nomadic elites', in Eric Allardt and W. Wesolowski (Eds) *The General Outlines of Transformation*, pp. 132-153. Warsaw: IFIS PAN Publishing.
- Kaminski, Antoni Z. (1996) 'The new Polish regime and the spectre of economic corruption'. Summary of a paper presented at the Woodrow Wilson International Center for Scholars, 3 April.
- Kaminski, Antoni Z. (1997) 'Corruption under the post-communist transformation: The case of Poland', *Polish Sociological Review* 2 (8): 91-117.
- Klebnikov, Paul (2000) *Godfather of the Kremlin: Boris Berezovsky and the Looting of Russia*. New York: Harcourt.
- Kryshtanovskaya, Olga (1997) 'Illegal structures in Russia', *Trends in Organized Crime* 3 (1): 14-17.
- Laumann, Edward Ó., Peter V. Marsden and David Prensky (1992) 'The boundary specification problem in network analysis', in Linton S. Freeman, Douglas R. White and A. Kimball Romney *Research Methods in Social Network Analysis*, pp. 61-87. Brunswick, New Jersey: Transaction Publishers.
- Light, Paul (1999) *The True Size of Government*. Washington, D.C.: The Brookings Institution.
- Marsden, Peter V. (1981) 'Introducing influence processes into a system of collective decisions', *American Journal of Sociology* 86: 1,203-1,235.

BLURRING THE STATE-PRIVATE DIVIDE

- Mathews, Jessica (1997) 'Power shift', *Foreign Affairs* 76 (I): 50-66.
- Nelson, Lynn D. and Irina Y. Kuzes (1994) *Property to the People: The Struggle for Radical Economic Reform in Russia*. Armonk, New York: M.E. Sharpe.
- Nelson, Lynn D. and Irina Y. Kunes (1995) *Radical Reform in Yeltsin's Russia: Political, Economic, and Social Dimensions*. Armonk, New York: M.E. Sharpe.
- NIK (2000) *Zagrozenie Korupcja w Swietle Badan Kontrolnych*. Warsaw, Poland: Najwyzsza Izba Kontroli, Departament Strategii Kontrolnej, March.
- Ong, Aihwa (1999) *Flexible Citizenship: The Cultural Logics of Trans nationality*. Durham, North Carolina: Duke University Press.
- Osborne, David and Ted Gaebler (1992) *Reinventing Government: How the Entrepreneurial Spirit is Transforming the Public Sector*. Reading, Massachusetts: Addison Wesley.
- Scholte, Jan Aart (2000) *Globalization: A Critical Introduction*. New York, New York: St. Martin's Press.
- Scott, John (1991) *Social Network Analysis: A Handbook*. London: Sage Publications.
- Shore, Cris and Susan Wright (Eds) (1997) *Anthropology of Policy: Critical Perspectives on Governance and Power*. New York: Routledge.
- Strange, Susan (1996) *The Retreat of the State*. Cambridge: Cambridge University Press.
- Strange, Susan (1998) *Mad Money: When Markets Outgrow Governments*. Ann Arbor, Michigan: University of Michigan Press.
- Verdery, Katherine (1996) *What Was Socialism and What Comes Next*. Princeton, New Jersey: Princeton University Press.
- Wedel, Janine (2001) 'Corruption and organized crime in post-communist states: New ways of manifesting old patterns', *Trends in Organized Crime* 7 (I) Fall: 3-61.
- Wedel, Janine (2001) *Collision and Collusion: The Strange Case of Western Aid to Eastern Europe*. New York: Palgrave.
- Wedel, Janine (2002) 'Blurring the boundaries of the state-private divide: Implications for corruption', Paper presented at the European Association for Social Anthropology' (EASA) Conference, Copenhagen, Denmark, 14--17 August.
- Wedel, Janine (2003), *The New Interface of State-Private Control and Its Implications for Corruption in Central and Eastern Europe and the Former Soviet Union*. National Institute of Justice (forthcoming).
- Weintraub, Jeff (1997) 'The theory and politics of the public/private distinction', in Jeff Weintraub and Krishan Kumar (Eds), *Public and Private in Thought and Practice: Perspectives on a Grand Dichotomy*. Chicago: University of Chicago Press.
- World Bank (1997) 'The World Bank and civil society: Handbook on good practices for laws relating to non-governmental organizations (discussion draft)'. Prepared for the World Bank by the International Center for Not-for-Profit Law. Available via the Internet: <http://worldbank.org>
- Yurchak, Alexei (1998) 'Mafia, the state, and the new Russian business'. Paper presented at the American Anthropological Association Annual Meeting in Philadelphia, 4 December.
- Yurchak, Alexei (2002) 'Entrepreneurial governmentality in postsocialist Russia', in Victoria Bonnell and Thomas Gold(Eds) *The New Entrepreneurs of Europe and Asia*. Armonk, New York: M.E. Sharpe.