

Informal Politics and the State

Scott Radnitz

Henry Farrell, *The Political Economy of Trust: Institutions, Interests and Inter-Firm Cooperation in Italy and Germany*, New York, Cambridge University Press, 2009.

Venelin I. Ganev, *Preying on the State: The Transformation of Bulgaria after 1989*, Ithaca, Cornell University Press, 2007.

Steffen Hertog, *Princes, Brokers, and Bureaucrats: Oil and the State in Saudi Arabia*, Ithaca, Cornell University Press, 2010.

Lily L. Tsai, *Accountability without Democracy: How Solidary Groups Provide Public Goods in Rural China*, Cambridge, Cambridge University Press, 2007.

Many theories of the state are implicitly premised on modernization theory—a linear transition from agrarian to industrial society and increasing centralization and extractive capacity of the state, while preexisting societal networks are eradicated or gradually absorbed into the political system. As a society becomes wealthier and more mobile, particularist allegiances are broadened to encompass the whole polity and rulers increasingly govern to the benefit of the citizenry within the framework of stable political institutions. Political processes in systems that approach this ideal type may be understood through the study of formal institutions, in which political actors work within constraints specified by formally codified rules that are (usually) consistently and equitably enforced. A research strategy typically involves analyzing a limited and easily identifiable set of institutions that produce probabilistically predictable outputs, under the assumption that consequential political behaviors governed by those institutions can be observed and that their influence on policy outcomes is transparent and measurable.

Clearly, this description does not characterize all political systems in the world today, and perhaps approximates only a minority of them. Formal institutions are ubiquitous—post-World War II international norms ensure that even weakly institutionalized states and nondemocratic regimes adopt the formal trappings of industrialized democracies¹—but they may not function everywhere as specified on paper (or on websites, in the twenty-first century).² At best, rule enforcement may be inconsistent and the formal institutions of governance implicated in unpredictable or inequitable outcomes. At worst, parts of the state can be appropriated by political factions, identity-based groups, or patron-client networks, and exploited to benefit a small minority at the expense of the majority. To make sense of political processes and outcomes in such contexts, paying attention to the

formal institutions that are typically the main focus of political scientists is inadequate; in addition—or instead—one must study informal institutions and interactions (referred to here as “informal politics” or simply “informality”) to make sense of political realities.

Is political science equipped to study informal politics and, if so, how should it go about doing so? After all, the discipline’s strengths historically have lain in understanding how formal institutions work, and in creating parsimonious models derived primarily from political processes in western democracies, a historically and geographically exceptional political milieu. Much of political science implicitly or explicitly begins from a premise of functioning formal institutions, and sees deviations from expectations stemming from that model as aberrant—both normatively and empirically. As Kellee Tsai has written, “formal institutions implicitly represent the baseline from which we evaluate the desirability of various outcomes.”²³ Substantive research on informal politics requires political scientists to travel outside of their “comfort zone,” and to adopt the working assumptions, theoretical approaches, and methodologies of fields such as sociology and anthropology. Fortunately, political science is an inclusive field that routinely borrows from other disciplines, and a number of scholars have risen to the challenge of investigating phenomena that previously have been poorly theorized (at least in political science) and are difficult to measure, while also retaining the highest standards of theory building and testing.

This article surveys four recent exemplars of research on the intersection of informal politics and the state. These books tackle different theoretical questions, employ varied approaches, and analyze diverse contexts, including China, Saudi Arabia, Bulgaria, and Italy. Although these countries obviously differ in culture, history, economic structure, and political regime, in each case the state fails to meet normative expectations, and informal networks, sometimes ensconced in formal institutions, play a significant role in shaping political and economic outcomes. The authors selected for this review all place informal politics at the center of their analyses and explore how it can weaken, substitute for, or work in parallel with, the state. These books go beyond abstract theorizing on “state capacity” or “state strength” to show how states actually provide, fail to deliver, or actively undermine security and other collective goods. From another perspective, they shed light on how informal politics can prevail—even predominate—within a formal institutional framework. Among the questions they address, and further avenues of research they suggest, are: (1) when does informality undermine the state, and when does it productively substitute for deficiencies in the state?; (2) what are the historical roots of the robustness of informal politics within, outside, and against the state?; (3) what are the sources of cohesion that enable informal actors to act collectively?; and (4) how does the relationship between informal politics and the state change over time?

Extrapolating from their work, broader theoretical questions relate to political science as a discipline: How should informal politics be studied? How can we conceptualize informal politics as something other than a residual category? Finally, should political scientists (and policymakers) reconsider their basic assumptions about how politics works, to give greater weight to informality? While the works under consideration do not explicitly address all these questions, they provide some insights that can be integrated with existing knowledge to develop a better understanding—if not quite a

theory—of informal politics and a future research agenda. While research on patron-clientelism and corruption in developing countries goes back at least four decades, the application of methodologies other than ethnography, and of alternative theoretical approaches such as rational choice, are of more recent vintage.⁴ Explicit recognition of informal politics in building theory, and the efforts of some to systematize diverse findings, point to an emerging research program. All the authors reviewed here would agree that neglecting informality would lead to misleading conclusions about how politics works in their respective domains. The challenge ahead is to aggregate findings from works such as these to inform the study of comparative politics, and to construct theories about informality in politics of greater generality.

Informality and Comparative Politics: An Ambivalent Relationship

Informality encompasses a broad range of phenomena that transcends politics and institutions. Barbara Misztal defines informality as “a form of interaction among partners enjoying relative freedom in interpretation of their roles’ requirements.”⁵ This sociological perspective, although broad, has the advantage of specifying the phenomenon on its own terms instead of viewing it as a residual category or a distraction from the object of one’s research. By grounding the concept in actual social relations, Misztal sees informality as satisfying a critical need as society becomes increasingly complex. Rather than conceiving of formal rules and informal practices as at odds, she argues that formalization generates new demands for informality as a means to reconstitute social order. Informality in human interaction is the theoretical baseline.

This approach is somewhat alien to political scientists, who are primarily concerned with how political systems function, and therefore usually take notice of informality only insofar as it interacts with (read: impedes) governments. Gretchen Helmke and Steven Levitsky and Hans-Joachim Lauth delimit a narrower space than Misztal by focusing on informal institutions, which they conceive of as a category of political practice that does not conform to formal expectations. Helmke and Levitsky identify informal institutions by way of their deviation from formal ones: “socially shared rules, usually unwritten, that are created, communicated, and enforced outside officially sanctioned channels.”⁶ However, they argue that informal institutions should not be neglected, because they tend to persist even while formal institutions emerge and change, and tend to shape how actors ostensibly constrained by formal rules actually behave.⁷ Whereas Helmke and Levitsky are agnostic as to the valence of informality in democracies, Lauth sees informal institutions as a purely detrimental force in that they disrupt and delay democratic consolidation. He identifies five concrete institutions that impede democratization: clientelism, corruption, threats of violence, civil disobedience, and customary law.⁸

Two factors argue for a broader focus than either Lauth or Helmke and Levitsky offer. First, informality matters not only in democracies, but is also relevant in authoritarian and semiauthoritarian regimes. As most contemporary states fall into the latter

two categories,⁹ many political scientists believe it is necessary to understand how those regimes operate, not as deviations from a model democracy but on their own terms.¹⁰ Authoritarian regimes work through a combination of formal institutions and informal practices. It is taken as axiomatic that democracies rely more on formal institutions, while autocracies operate primarily through informal institutions, yet without research on specific cases and explicit comparisons between them, we cannot assume that one or the other mode predominates in particular regime types, or appreciate how informality interacts with the state.¹¹

Second, not all instances of informal politics may attain the status of institutions. As the works below indicate, important political outcomes may emanate from occurrences that are informal, that is, unwritten and unenforced by state authority, but not repeated in predictable, patterned ways. They may involve the strategic action of individuals acting outside formal institutions, who share common goals but behave improvisationally in a single-shot game, or who may even find it useful to violate the “rules” of informal institutions. Such encounters, especially if they occur during a period of fluidity such as a regime transition, can have long-lasting political consequences yet do not meet the criteria to qualify as institutions.¹² In this article, I employ the more general term “informal politics,” which refers to how informality underlies and shapes political behaviors and outcomes, and better encompasses the books under review than “informal institutions.”

Traditionally, political science has not been attuned to informal practices in politics. The discipline originated in western democracies and was traditionally devoted to understanding how formal institutions in those systems functioned. Thus, common subjects of investigation in comparative politics include the three branches of government, the bureaucracy, elections, political parties, interest groups, and the behavior of individuals engaging with these institutions. The dominant approach of scholars who sought to understand the Soviet Union was to analyze its formal political institutions.¹³ Only studies of the “third world” that incorporated insights and methods traditionally the province of anthropologists placed informality at the heart of analyses.¹⁴

Informality appeared on more research agendas in comparative politics in recent decades (even if not explicitly conceptualized as such) as a result of real-world complications to prevailing models of politics. First, scholarship on political economy could not account for the Japanese economic “miracle” by studying factor endowments, macroeconomic policy, and firm organization alone. Some scholars sought to identify less tangible ingredients that could account for economic success, such as work ethic, collectivism, and consensus—factors usually placed under the rubric of “culture”¹⁵—along with informal ties among firms and between political and business elites.¹⁶ The darker side of these more complex models of political economy was the “cronyism” found in less triumphant (but also usually Asian) states.¹⁷ It turned out that the line between productive and destructive informal behavior was thin even in the most “successful” cases. When the economic bubble burst, fruitful collaboration on the basis of personal ties came to look more like corruption and nepotism.¹⁸

A second episode necessitating a turn toward informal politics was the complexity (and disappointments) of third wave democratic transitions. Initially, theorists investigated, and

policymakers advocated, the creation of the formal trappings of democracy—constitutions, parties, and elections—and the accession of postcommunist states into a formal international organization, the European Union.¹⁹ However, deviations from the transition “path,” especially where political actors adopted parchment institutions but did not always comply with them, suggested that scholars should take into account contextual factors to explain variations in actual outcomes. The focus, especially in postcommunism, turned toward (informal) legacies of the old regime: networks of elites, habitual practices and customary norms, and the “wreckage” of empire.²⁰ Many of these states did not follow a linear progression from informality to formality as many had hoped, but instead settled into foggy equilibria in which formal institutions were only occasionally the primary determinants of political and economic outcomes.²¹

Parasitic Informal Politics

Synthesizing much of the literature on state formation, Charles Tilly, in *Trust and Rule*, posits that “trust networks often compete with rulers for the same resources, for example, such basics as money, land, and labor power. Rulers have usually coveted the resources embedded in such networks, have often treated them as obstacles to effective rule, yet have never succeeded in annihilating them and have usually worked out accommodations producing enough resources and compliance to sustain their regimes.”²² This binary approach—a tug-of-war between social forces and a coherent, autonomous state—may be a useful simplification for conceptualizing hundreds of years of European state formation, but it is not a good starting point for the research at hand. The state can be usefully conceived of as a unitary actor for many purposes, but sometimes it is necessary to disaggregate it to identify important actors and groups within it. Two authors reviewed here, Venelin Ganev and Steffen Hertog, show how trust networks can emerge from within the state.

Perhaps the presence of informal networks within the state is revealed most clearly in moments of transition, when the state’s ability to monitor itself breaks down. Ganev’s *Preying on the State* centers on the actions of networks of acquisitive elites during Bulgaria’s transition from socialism. He takes as his foil theories of democratic transitions that assume elites are driven first and foremost by their ideological predilections. Instead, placing the state at the center of his analysis, he shows that the dominant project of strategically positioned elites was to weaken the state in order to exploit it. Ganev focuses on the concrete networks of communist-era officials who had the means and inside knowledge of which to avail themselves at a moment when old rules had broken down and new ones had not yet been instituted. Ganev conducts two case studies detailing the actions of strategic cliques. One of those cliques, the ominously named “Multi-group,” was an ad hoc vehicle for resource acquisition masquerading as a business consortium, comprised of secret service officials, supervisors of the state-owned economy, and various government ministers (pp. 101–02).

The added value of Ganev’s insights comes not from his focus on the state per se, but from his perceptive grasp of how informal networks exploit it. He depicts the state

as both the progenitor of those networks and the object of their greed. The modus operandi of those networks is not violence or outright theft—the now ubiquitous “stealing the state”²³—but the more insidious “strategic manipulation of the boundary that supposedly separates” the state from the private domain (p. 70). Multigroup conveniently benefited from lucrative government contracts and generous privatization deals to siphon off state assets. The genius of the scheme was that there was no theft—the transfer of assets occurred legally. This was not rent-seeking—a catch-all term signifying collusion between private actors and high-level government officials—because the very distinction between public and private is elided (p. 120). Multigroup’s actions were more destructive than rent-seeking. Its members were able to convert state resources into fungible assets only by weakening the infrastructural power of the Bulgarian state. The result was a state that benefited highly placed strategic groups at the expense of the citizenry, whom it nominally claimed to serve.

Whereas Ganev uses his analysis of politics within the state to critique transitions theory, Hertog, in *Princes, Brokers, and Bureaucrats*, looks inside the state to interrogate theories on the “resource curse.” Yet, whereas informal networks are purely parasitic in Ganev’s Bulgaria, informality is both a curse and a blessing in the political economy of Hertog’s Saudi Arabia. There, an outwardly strong state is ridden with clientelistic networks that usually undermine, but sometimes compensate for failures of, the state’s formal functions.

Like Ganev, Hertog dismisses the utility of the macro-categories of state and society, arguing that “politics within the state...shapes policymaking processes.” However, Hertog’s scope of analysis is somewhat broader, incorporating not only horizontal or meso-level interactions within state agencies, but also the interplay of those agencies with “the micro-level, where the state’s many individual clients are difficult to police (p. 11).” The Kingdom of Saudi Arabia’s (KSA) “traditional” kin-based social structure coexists with a modernizing technocratic elite and a cosmopolitan business class, yielding a multiplicity of informal relationships. These networks evince a combination of personal loyalty and opportunism. They are pervasive at all rungs of state and society, and “tend to be quite long-term; perceptions of obligation and honor are strong (p. 22).”

Whereas the impetus for Ganev’s analysis and the event that exposes the inner workings of the state is the transition from socialism and the command economy, for Hertog, the critical event is the rapid growth of the state. The sudden influx of oil revenues into a largely illiterate society with no history of bureaucratic rationalization “led to uncontrolled, patronage-based bureaucratic sprawl” centered on the Saudi royal family (p. 49). Top-level ministerial officials and princes (often one and the same) became the heads of autonomous bureaucratic fiefdoms. Like other rentier states, the Saudi regime coopted society by offering generous social benefits in exchange for political quiescence, discouraging the formation of civil society.

Informal and particularistic politics flourished in the booming Saudi state, causing massive dysfunction. Royals operating at the heads of clientelistic hierarchies competed first and foremost to increase their influence and secure government largesse for their own ministries, leading to the bloating of the state. These disjointed personal fiefdoms

were often unwilling to coordinate and incapable of carrying out complex policies. The result was dependence on the continued influx of oil revenue, wasteful duplication of functions, high transaction costs for business, extreme concentrations of wealth in royal circles, and exclusion of the majority from access to state resources.

Ironically, informal politics also provided a solution to problems with the KSA's compromised and sluggish state apparatus. Recognizing the dysfunction that suffused the bureaucracy, in the 1970s King Fahd promulgated "islands of efficiency" staffed by western-educated technocrats. Functioning independently of both the array of personal fiefdoms and the informal rules by which they operated, these agencies could carry out specified tasks effectively with minimal political interference. They required the protection of a committed high-level politician, and succeeded thanks to "higher salaries and other perks, exemptions from general civil service rules, and, in many cases, public corporation status...(p. 101)." However, efficient agencies, though capable of carrying out discrete tasks, ran into difficulties when called upon to coordinate with other agencies. They added additional layers to the bureaucracy and did nothing to reduce existing dysfunctions.

Both Ganev and Hertog demonstrate the importance of digging beneath the surface in opaque systems to reveal the workings of informal politics. In Bulgaria the dismantling of communist-era agencies and selective privatization to new conglomerates represented, on paper, tangible steps toward a transition to a market economy. In the KSA, a patrimonial system akin to a pre-Weberian feudal state, but deluged by enormous twentieth-century revenue streams, operated under the façade of institutional forms transplanted from the West. The veneer of order and rationality on the state masked a very different reality within it. An observer trying to understand how policy inputs result in outputs would be misled without penetrating the "black box" of the state, making it, in Hertog's case, a crucial intervening variable between resource rents and various "accursed" outcomes. In both cases, the state was not only an organization that formulates and executes policy but also an aggregation of self-serving individuals. Under the right conditions, purposive actors, uninhibited by norms of propriety and not bound by procedural rules, were able to act collectively for their own benefit, often at cross-purposes with national interests.

Constructive Informal Politics

The two remaining authors show that informal politics does not have to be detrimental to the public good. In Lily Tsai's *Accountability without Democracy*, informality is at odds with the state, not because informal groups are predatory, but because they fill in critical gaps caused by the weakness of formal institutions. In China, where elections are not a viable means for citizens to hold officials accountable and politically oriented civic organizations are prohibited, corrupt officials are rarely punished. Village social groups step into the void to informally exert pressure on local officials to invest rather than skim revenues intended for the public. Far from preying on the state, "informal institutions of

accountability” substitute for defective formal institutions by securing the delivery of valued public goods.

Where is the state in this depiction? The national state is distant. Village leaders are vetted or appointed by higher state officials but are also from the community and in continuous contact with ordinary people. Village officials are a far cry from Bulgarian *nomenklatura* elites or Saudi princes, who are detached from society at large and who are not subject to any (formal or informal) mechanisms of accountability to the citizenry. By virtue of being local, village officials are often (but not always) susceptible to the pressures of village norms and social networks, and therefore can be held to account.

The roots of informality and the sources of accountability in Chinese villages lie not in opportunistic ties cultivated in the interest of capturing resources, but in shared lineage and frequent interaction typical of Olsonian small groups.²⁴ Despite not being institutionalized in the formal political system, solidary groups solve local problems on a day-to-day basis without the need for elections or protest. Their actions are not political per se, but they do address problems of a political nature, including the acquisition of public goods such as infrastructure and education and the reduction of corruption. The state/Communist Party (no need to disaggregate here) tolerates these associations despite the fact that some of them violate official prohibitions on religion because they promote social stability. Securing public goods satisfies demands that might otherwise be expressed in disruptive ways.

The productive informality described in Henry Farrell’s *The Political Economy of Trust* is located one step further from the state, in the realm of inter-firm interaction, but the state lurks in the background. Farrell contrasts how formal and informal institutions give rise to trust and, in turn, inter-firm cooperation. Functioning formal institutions of the political economy, that is, a neutral third-party enforcer, provide the benefit of clearly specifying the obligations of transacting parties and creating stable expectations. By contrast, informal institutions, in maintaining some ambiguity about their scope and enforcement, are better suited to unforeseen contingencies (p. 46). This is because informal institutions work by analogy, providing a mental framework through which individuals can probabilistically anticipate the behavior of other actors in a given situation, allowing them to come to terms in a wider range of situations. Insofar as economic success in an informal setting depends on developing a reputation for trustworthiness, firms have an incentive to play by the (unwritten) rules, and to make a greater effort to bolster their reputations than they would under formal rules. Not all informal institutions work equally well. Those that “facilitate the easy spread of information” induce pro-trust behavior, whereas those that “impede or block the flow of useful information about others’ behavior and motivations” limit the development of trust (p. 54).

Here, as in Tsai’s book, informality is not parasitic on the state; it is compensatory. Informal institutions offer a means for firms to conduct business with minimal state involvement yet enjoy positive gains in the process. The scope of informality is determined by the state’s (in)capacity to protect property rights and enforce contracts. In particular, whereas Germany’s strong state provides a legal foundation for contracting between firms and stimulates little need for firms to seek out their own arrangements, in

Italy the deficit of state authority allows preexisting informal institutions to persist (p. 103). Unlike in Bulgaria, informal politics does not have a reciprocal impact on the state. Private actors take the institutional milieu as given. They endeavor to survive or profit within their constraints but do not attempt to alter the structure around them.²⁵

Collective Action, Informality, and the State

The capacity of like-minded people to collectively influence the workings of the state cannot be assumed away. Without the prospect of formal sanctions, practitioners of informal politics must find a social basis on which to coordinate. The informal sources of cohesion, especially when informality persists in the face of emerging formal institutions such as anticorruption measures or reform of electoral institutions, have an important impact on outcomes such as democratic consolidation and state capacity. Several questions with major implications therefore arise. What is the basis of cohesion for informal actors? Is it preexisting or contingent? If the latter, what conditions facilitate collective action? And what are the implications for state capacity and autonomy?

Three insights from these books stand out. First, shared identity, longstanding ties, and repeated interaction—the ingredients usually thought to produce cohesion²⁶—are neither necessary nor sufficient to produce cooperation in and around the state. Rent-seeking or clientelistic networks can be constructed on the basis of minimal common background or even created from scratch as long as actors share the same goal. Second, informality can operate in times of both stability and institutional change, but the mechanisms that enable collective action may differ depending on the institutional context. Third, even an ostensibly strong and capable state can be undermined by, or become dependent on, informal networks if the state inadvertently provides incentives for collective action on an informal basis.

Acquisitive Bulgarian elites share preexisting affiliations, but they coalesce not on the basis of shared values or identity, but of expediency. Ganev does not detail their precise connections, but he implies that the protagonists, all party and state officials as of 1989, inhabited a particular social milieu—that of the *nomenklatura* (p. 103). As described in other work on communism and postcommunist transitions, these actors would likely have attended the same elite schools and training institutes, worked in the same state organs, and disproportionately come from the same city or region.²⁷ These common socialization experiences would not likely have been sufficient to ensure cohesion, but they did supply common knowledge enabling elites to coalesce opportunistically during a time of institutional change.²⁸ In addition, their control of vital levers of power at a critical time made them natural allies. The complementarities of control over state agencies responsible for foreign trade, economic planning, and coercion were self-evident and, when combined, could be transformed into a formidable vehicle for resource extraction and avoidance of punishment.

Timing was critical to network formation in Bulgaria. If Gorbachev's reforms had not started a process of institutional collapse in the center, the incentive structure in

Eastern Europe would have remained unchanged and opportunistic officials in the People's Republic of Bulgaria would have continued to be bound by the prevailing (formal and informal) rules of behavior governing officials there. This does not mean they would have been exemplary public servants; on the contrary, one can assume that they habitually exploited their (formal and informal) status to serve their private interests. However, the communist system imposed constraints, subordinating officials to the party apparatus that relied, albeit indirectly, on legitimacy acquired through the maintenance of a social contract and a generous redistribution of wealth (which also limited the amount of resources a state official could get away with hoarding). When reforms from above signaled that such constraints no longer applied, a process was set in motion that triggered not only individual, but also collective, self-help. Ganev, unfortunately, avoids broader regional comparisons, but it is likely that the mechanisms of network formation he identifies existed in neighboring socialist countries, which shared similar institutions and were all sensitive to changes occurring in the Soviet Union and across Eastern Europe.²⁹

Whereas it took a moment of institutional change to expose (or produce) networks of resource acquisition in Bulgaria, Hertog uncovers informal structures for collective action at every stratum of Saudi society in ordinary times—or what counts as ordinary in the KSA. Potential ties for collective action can be found in many shapes and sizes, such as tribal affiliation, kin relations, regional origin, alumni networks, and religious orientation. The royal family's lax approach to state building allows actors to construct networks based on combinations of these affiliations in order to capture or control resources within the state. The fragmentation of the state also provides opportunities for entrepreneurs with positions in multiple networks or access to more than one level of the bureaucratic hierarchy to broker deals between different interests (p. 110).³⁰ The incentives for creative network formation and the spoils from collective action conspire to further erode the state from within.

Hertog's case studies illustrate a counterintuitive notion about identity. Despite sharing blood ties, family names, region of birth, schooling, and, presumably, patriotic sentiment, the Saudi princes are more prone to compete than to cooperate with one another. Rather than working with the king to secure the position of the family against rivals or potential threats, they hoard resources within their respective ministries. Princes construct patronage networks by cultivating dependents with whom they have no pre-existing ties, and create loyalty and affective bonds from scratch through material inducements and guarantees of protection (pp. 45–49). Exclusive dependence on a single prince limits the opportunity to defect to other princes. The result is the weakening of the House of Saud, which lost the autonomy it once possessed via a cohesive kin-based network, in favor of the money-fueled ambitions of wayward cousins.

In Tsai's account, the key locus of collective action is the solidary group, whose members "share[d] moral obligations and ethical standards (p. 88)." The obligations intrinsic to solidary groups can be used as a resource to elicit desired behaviors from other members by conferring "moral standing." Although Tsai argues that solidary groups function because their members "deliberately made a decision to join a group based on [shared ethical] standards (p. 95)," the groups she identifies appear to leave

little choice in membership. Both temple and lineage groups have provided a basis for collective action in rural China for centuries. They persisted in a dormant state during the Maoist period and were partially restored during the reform period. Descendants from a common ancestor are automatically members of lineage groups, and all members of a village tend to be included in temple groups, where they exist (pp. 120, 150). Of the locales in the four books, the depth and durability of collective action appear the strongest in rural China, as members' obligations are depicted as automatic and thorough, leaving no room for ambivalence toward complying with group norms.

What factors determine whether groups can effectively hold officials accountable in rural China? One is transparency. Whereas opacity facilitates the actions of informal networks in Bulgaria and the KSA, transparency is a necessary ingredient for the successful operation of informal village institutions in rural China. Unlike the Chinese Communist Party, which formulates decisions in secret and cannot be held to account by citizens, local officials are exposed, subject to the vigilance and gossip of their co-villagers (pp. 98–108). Another variable is extensiveness. Scholars of collective action argue that small groups are most effective at monitoring and sanctioning their members.³¹ Yet, counterintuitively, larger groups may be more effective than smaller ones at ensuring the provision of public goods. It is only when village officials are embedded in solidary groups that also encompass the whole village, that they can be held accountable. Otherwise officials may feel loyalty toward a subset of the village and provide goods selectively to them.

For Farrell, compliance has a rational and material, not a cultural or social, basis. Informal institutions are therefore more contingent than in rural China. Where formal institutions are weak, specialized machine firms are impelled to act in a trustworthy fashion in order to succeed, but they do not always act accordingly. Like loyalty, as in the case of the clients of Saudi princes, trust can be earned or lost on the basis of concrete actions. Farrell's interviewees describe how opportunistic or dishonest behavior by a firm can sully its reputation and lead to its permanent exclusion from collective arrangements. This argument challenges the conventional wisdom about the origin of trust, in which it is viewed as an immutable, or at least sticky, facet of political culture.³²

In general, the durability of collective action depends on the reason it arises in the first place. For Ganev, collectivities are opportunistic and transitory. Defection is deterred only by the immediate potential loss of access or assets. For Hertog, Tsai, and Farrell, informality is more enduring because it is based on long-term reputational incentives and diffuse reciprocity. In an iterated game, defection can result in exclusion from future rewards—moral approbation for Tsai, economic benefits for Farrell, and a combination of the two for Hertog. These three examples demonstrate that informal collective action, once achieved, can become institutionalized and resilient.

Implications of Informal Politics for State-building and Democratization

What are the implications of informality for the effectiveness of political systems, whether in regard to the potential for and quality of democracy, or the state's ability

to regulate, control, or accommodate social actors? If durable informality prevents formal institutions from functioning as they should, perhaps the hopes for consolidated democracy and the efficiency, equity, and stability that democracy is supposed to deliver, are illusory. The typology provided by Helmke and Levitsky, following Lauth, is useful in assessing the relationship between informal and formal institutions in the cases at hand: informal institutions can complement, accommodate, compete with, or substitute for formal ones. This typology, though intended to capture the interaction of institutions in democratizing states, can also be applied to noninstitutional behavior in nondemocracies. Most of the cases considered here fall under one column in their typology—ineffective formal institutions.³³

The issue of interaction with formal institutions leads to a second set of questions, one theoretical and one normative. First, are informal institutions ultimately fated to disappear? If not, then the persistence of informality in an otherwise “formalized” world challenges basic assumptions about the evolution and organization of society, and must be dealt with on its own terms. Second, should informality in politics be allowed to persist, or perhaps even encouraged, or should it be eradicated? The authors of these texts offer nuanced views about the costs and benefits of informality and would not necessarily advocate a strategy to eliminate it.

Ganev’s case depicts informal politics at odds with the state in every respect. Acquisitive nomenklatura networks directly compete with formal institutions designed to limit malfeasance. In fact, they succeed only by limiting the state’s ability to enforce rules and inflict “inescapable, massive, and palpable” damage upon it (p. 94), in what he terms a reverse Tillyan perspective. Pilfered state resources, made liquid and shunted into foreign bank accounts, will never be recovered. More devastating is the fact that rebuilding the state will take many times longer than its destruction, a process, according to Ganev, not yet completed. Restoring the state’s integrity is not only a matter of hiring new agents and writing new rules—state effectiveness requires establishing bonds of trust with the citizenry. According to Ganev, the state ordinarily maintains a stock of social capital to secure the compliance of its citizenry (a concept more commonly referred to as legitimacy or infrastructural power). The depletion of state assets by elite networks represents the “embezzlement of social capital,” leading society to disengage (p. 85), and reducing opportunities for positive-sum, state-society cooperation. It will take a long time to restore.

In Farrell’s conception, formal and informal institutions likewise have an inverse relationship, but their roles are reversed, as informal institutions perform the useful function of supplying a structure for cooperation that is not provided by the state. Moreover, there is an inverse relationship between institutions of national versus local scale: “The weakness of national formal institutions creates opportunities for actors at the local level (p. 104).” Thus, the prevalence of formality in Germany precludes informality in inter-firm relations, while its weakness in Italy encourages efficiency-enhancing informal institutions. Is this a functionalist argument? Farrell takes pains to argue that it is not, since compensatory institutions do not inevitably arise to fill the gap. In fact, in conditions of formal weakness, “certain informal institutions may have directly malignant

consequences for trust (p. 172).” The Sicilian Mafia, which operates within trust-reducing informal institutions, is a case in point. However, Farrell gives no comparable example of the opposite scenario—efficiency-enhancing informal institutions that spring up in Germany.

In Tsai’s account, informal institutions perform a complementary function, by “creat[ing] incentives to comply with formal rules that might otherwise exist merely as pieces of parchment,” in Helmke and Levitsky’s words.³⁴ By inducing officials to provide the public goods that they are formally obligated to provide, village institutions of accountability, where they exist, facilitate formal outcomes through alternative means. There are limits, however, to this symbiosis. Village institutions by definition do not operate at higher levels of aggregation, so they do not exert influence on officials whose ambit extends beyond the community. It is also unlikely that solidary institutions can prod officials to carry out other important yet underprovided functions, such as regulation or tax collection, although Tsai does not address such outcomes.

For Hertog, insofar as informal networks at lower levels of the state apparatus hinder the implementation of public policy, they compete directly with the objectives formulated by formal decision makers. However, informality does not simply “bubble up” due to deficits of formal authority, as it does for Ganev and Farrell. Because informality existed prior to state formation and its effects were enhanced when exposed to new revenues that expanded state agencies, formal and informal institutions have grown together. Due to the multiplicity of actors in and around the state, various non-zero sum relationships are possible. Informal brokers sometimes emerge to provide access to insular bureaucratic fiefdoms and relieve the bottlenecks caused by other informal networks (p. 111). In a reversal of the Helmke and Levitsky formulation of informal institutions substituting for formal ones, sometimes *de novo* formal institutions (islands of efficiency) are created to substitute for dysfunctional informal institutions.

Ganev and Hertog provide an interesting contrast on the prospects for reducing informality. Both institutional contexts—respectively, a state with weakened monitoring capacity, and a bloated personalistic bureaucracy with little coordination—were enabling rather than constraining of self-serving informal politics. Yet, surprisingly, given what took place earlier, Bulgarian politicians, in a drive to join the European Union, drew up a new constitution that placed elite interaction on a more formal basis, although problems associated with a weak state persist (p. 147). With the right incentives, states and their constituent formal apparatuses may be (re)built. By contrast, in the KSA, top-down reforms to rationalize the bureaucracy have not succeeded in dealing with pervasive entrenched interests (pp. 248, 250). Hertog does not specify the conditions under which the one bright spot, islands of efficiency, are likely to emerge, leaving it to contingency (p. 29). A greater attempt to theorize their origins would have been useful, as it would provide insights into one possible reform path—increasing their scale and extending them into other parts of the bureaucracy—to perhaps expand into peninsulas of efficiency.

Tsai does not foresee the demise of informal village institutions in China in the near future. One reason is that the central state is too weak to eradicate informal institutions

which, after all, survived the Civil War and the Maoist period. Fiscal decentralization initiatives and the institution of local elections in the reform period reflected an acknowledgement by China's leaders that formal institutions did not provide sufficient accountability at the local level.

A second reason to expect institutional continuity is that "informal institutions that enhance village governance may actually make it harder to implement the formal democratic reforms intended to enhance village governance (p. 227)." Upon further reflection, this should not be surprising. Informal politics comes to predominate in part because it yields positive returns to some people—in this case, helping to secure the provision of public goods. An externally imposed mechanism of leadership selection or accountability would be unlikely to gain broad acceptance unless its benefits could be proven in practice (p. 267). In the longer term, as increasing urbanization and growth impinge on villages, life in the countryside will be transformed, but instead of formalization, different informal institutions are likely to emerge in place of old ones (p. 265).

Farrell agrees with Tsai that the shadow of the past looms large, but is not ineluctable. In Italy economic change and state building have not been sufficiently disruptive to eradicate informality. Even as the encroachment of global trade pushes firms toward consolidation and homogeneous business models, informality persists because "actors are unlikely to take action that might challenge existing institutions in the first place and to repeat it, unless these actions promise benefits that are greater than or equal to the status quo and they have the bargaining strength to sustain it" (p. 147). Once informal interactions have been institutionalized, they have a tendency to persist even as structures around them change, such that a future stronger, more effective third-party enforcer in Italy may complement, rather than disrupt, local efficiencies from informality. However, because firm behavior is rooted in rational expectations rather than culture or identity, specific exogenous changes that affect the bargaining power of actors could permanently reconfigure institutions and patterns of trust.

On the normative question of whether informality should be preserved, the authors evince nuanced views. The most interesting conundrums arise in the works of Tsai and Farrell, who endorse the institutionalization of formally democratic institutions that can adjudicate disputes and ensure equitable treatment, but with a caveat. Once the state has appropriated authority from trust networks and eliminated informal institutions, something valuable might be lost forever.

Tsai takes it as axiomatic that democratic institutions of accountability are preferable to informal village institutions, in that the former "motivate government officials to act in the public interest" consistently, irrespective of geography (which would be especially appreciated where temple and lineage groups are absent) (p. 11). However, she also notes that informal institutions perform a useful function, and the loss of extrarational sources of cooperation and trust could have negative implications for prosperity and social stability.

Farrell takes a stronger position, lamenting the potential replacement of Mediterranean flexibility by Teutonic rigidity. He is skeptical that (German) formal third party enforcement can generate the "widespread forms of productive cooperation outside

hierarchy” found in Italy (p. 209). Ironically (at least from the dominant normative perspective), such informality, in increasing the total amount of trust in a particular domain, has beneficial social and economic effects that are lacking in more formal settings. Thus, both Robert Putnam and Edward Banfield—the scourges of southern Italy—are turned on their heads, as Farrell sees small-scale trust networks and transactions premised on personal relationships as a virtue, not a vice.³⁵

For both Tsai and Farrell, perhaps the best solution is a hybrid arrangement in which the state formalizes informal institutions or delegates some matters to informal actors (Tsai, pp. 262–63). Such a proposition contradicts the prevailing norms of the international organizations that are most heavily involved in economic development and reform, and which are not likely to be persuaded. However, despite normative disapproval at the highest levels, indigenous local politicians are prone to acknowledge the strength of informal institutions and adapt accordingly, whether through formal or informal arrangements.

Observing the Unobservable

Studying informal politics is inherently difficult, presenting challenges not faced by scholars of formal institutions that produce accessible and reliable data, whether election results or municipal budgets. In political systems in which formal institutions tend to predominate, such as consolidated democracies, transparency aids in the task of identifying informal institutions, which are presumed to be vestigial, and therefore exceptional and conspicuous.

In nondemocratic systems, where political processes are often opaque, the first empirical challenge is simply to prove that the informal networks and institutions the investigator identifies as important actually exist. Members of rent-seeking networks usually seek to remain obscure because their actions are illegal and, if uncovered, can be exploited by other actors seeking to gain leverage over them—an informal institution in itself.³⁶ Because informal institutions by definition consist of ingrained or automatic behavior, the relevant actors may not be consciously aware of the existence of the institutions in which they are embedded.³⁷ Participant observation—usually seen as a less “hard” method than interviewing—may be the best way to infer the existence of unwritten rules. Where the relevant actions are hard to observe or deliberately obscured, the researcher, in order to make causal claims, must be able to specify observable implications of hypothesized institutionalized behavior. The authors reviewed here demonstrate clear conceptualization of how informality works and use a variety of methodological tools to capture the observable effects of informal behavior.

Preying on the state is inherently inscrutable, as successful self-enrichment depends on deception about one’s actual aims and behavior. The “systematic incapacitation of state organs that interfere with local mechanisms for redistributing national wealth,” as an act of negation, is an invisible trick. Outside of intrepid reporting based on insider leaks, it is observable only by inference, much like the shadows in Plato’s cave. Here the

lines between social science, journalism, and conspiracy mongering blur, as the most consequential actions tend to be the most difficult to directly measure. Ganev adroitly pieces together accounts of two prominent cases of predation on the basis of fragmentary evidence from Bulgarian newspapers, and provides a theoretical framework to explain them. It is a testament to the skill of the journalists who reported on these schemes, and Ganev's intuition and insight, that he can fashion a coherent narrative about them. And yet it is worth asking whether this evidence meets the threshold of empirical social science for a field habituated to the analysis of abundant and reliable data from established democracies. Could Ganev have commissioned a survey of the now-vanished plutocrats who comprised Multigroup? Could he have conducted participant observation within the Bulgarian Ministry of Internal Affairs? In the case of transitional Bulgaria, as in many other states, the choice is Plato's cave or nothing. The exclusion of such cases based on methodological challenges alone unfortunately would bias scholarship in favor of the study of functioning formal institutions in transparent systems—at best, an unrepresentative snapshot of the political world.

Hertog has a somewhat easier task, having been positioned as a consultant to a Saudi ministry, giving him access to highly placed Saudi officials and a front-row seat to the informal workings of the bureaucracy. However, the access he gained came, in part, because the pathologies he witnessed are no worse than weak policy implementation—not a wholesale theft of state assets as in Bulgaria. One can assume that he would be excluded from observing—and certainly from writing about—the darker machinations of scheming officials, which no doubt also occurs but distant from the prying eyes of inquisitive scholars.

Tsai employs surveys to support her argument. Her questionnaires capture both the inputs—village temple and lineage associations—and outputs—the presence of various local public goods. Although some measures from the survey are inexact—the presence of an ancestral hall and tablets to capture lineage groups, for example—the methodology effectively tests the generalizability of the argument. Tsai uses interviews and participant observation to establish the mechanisms posited by the theory, which a survey cannot easily capture. An additional advantage of a survey of public goods is to indicate levels of government corruption. Although it does not measure corruption directly, several questions from it suggest, at the very least, irresponsible governance based on discrepancies between revenues and expenditures.

Farrell uses surveys and interviews to establish the relationship between the independent and dependent variables. Previous work has attested to differences in the level of informality between Germany and Italy, and he brings to bear several previous surveys to this effect. The author's interviews with heads of firms show variation in the importance of trust in the machine and packaging sectors of the two political economies. Because Farrell does not aim to demonstrate illicit activity and he is operating in industrial democracies, one can hold him to somewhat higher standards of evidence than the others. For example, he could have brought more evidence to firmly establish the differing levels of inter-firm informality and trust in Baden-Württemberg and Emilia-Romagna.

On the whole, the authors show that informal politics can be conceptualized, theorized, and measured convincingly. They prove that even in authoritarian settings where subjects have an incentive to mislead, and in times of rapid change in which even the protagonists have little sense of what others are doing, it is possible to posit observable implications of theories and measure the outputs of collective behavior using an array of ethnographic and sociological techniques.³⁸ This is good news for scholars working on and in weak and nondemocratic states, whose findings continue to challenge prevailing assumptions in comparative politics.

Conclusion: Overcoming Ambivalence and Embracing Complexity

Research on the intersection of informal politics and the state, as exemplified by these four texts, has revealed new and fascinating insights into both phenomena. It has undermined conventional expectations about how outwardly capable states function; how people retain, invent, form and re-form, and exploit social bonds; and how states and informal institutions influence one another. This research program touches on culture, structure, and rationality, and reveals innovative ways of sharpening concepts and testing arguments on an inherently evasive topic.

Together these works show that, at a minimum, the assumption of a unitary state can be fatal in many contexts. The state may sometimes be understood usefully as little more than an aggregation of individual actors linked by latent ties that can be activated for strategic purposes. When ties based on affective or corporate identity persist in the face of attempts to bind civil servants to adhere to formal rules, actors who implement policy may coalesce into private networks and behave in systematically deviant ways. In many developing societies, such actions have almost always redounded to the detriment of the public. But where actors who are committed to collectively beneficial outcomes can guide the actions of cohesive networks, informality can help to reduce transaction costs and provide goods that formal institutions should, but do not, deliver. Where bureaucratic rot is deep and pervasive, whether because civil servants are difficult to dislodge or because institutional norms permit or encourage subversion of policy-making, the creation of islands of efficiency may be the best hope short of an external shock that wipes the slate clean.³⁹

These books provide evidence against the (*passé*) presumption that “modernity” would replace “tradition” and that rationalized, rule-bound governance would eradicate particularistic bonds; and the (more recent) hope that formal democratic institutions would eliminate or transform informal political interactions in countries burdened by overweening states and inefficient economies. All authors agree that informality has not been eradicated by economic development, state building, globalization, or the spread of democracy, even if its character has changed. Clientelism, nepotism, corruption, and identity-based politics are still present, even in modern consolidated democracies.⁴⁰

Yet it is not sufficient to end there, as the continuing pervasiveness of informality poses challenges to the theory of democracy. On one hand, the ideal type formal

institutions of governance, if properly developed and maintained, should be able to meet citizen demands for public goods and provide equitable opportunities without the need for ad hoc arrangements that may be inefficient and inequitable. On the other hand, the ideal is rarely attained. Is a compromise hybrid of purposive formal institutions and varying forms and degrees of informality superior to a system that rejects the legitimacy of informal politics and attempts to suppress it? Or is such a hybrid unstable and untenable? Theorists are still catching up with reality, as people adapt, learn, and defy the models of theorists and the hopes of well-intentioned practitioners. A reasonable starting point for research would be to set aside normative presumptions and recognize that informal institutions and networks, in and of themselves, have an ambivalent relationship with democracy.

The persistence of informal politics in the face of attempts to eradicate it suggests that particularistic and personalistic human interaction satisfies a critical social need and can be effectively put to use in solving problems. State builders who have tried to stamp out customary practices have often been stymied in their efforts. Occasionally rulers have appropriated informal practices for their own benefit. Whereas consolidating states in the eighteenth and nineteenth centuries employed high levels of coercion to absorb or destroy traditional loyalties, today such methods are no longer acceptable, suggesting that informality will remain an undeniable component—and sometimes opponent—of states. The four books reviewed here provide an object lesson for would-be formalizers and those who seek to nurture the development of democratic institutions: tread lightly on existing arrangements. A policy that seeks to reform or recast informal institutions is more likely to succeed than one that seeks to eradicate them.

A task for future research on informality is to move beyond individual country studies and seek out common mechanisms by which informal politics and the state influence one another, with the aim of moving informality beyond a residual category. Scholars should compare the interaction of informality and the state across different regime types and at various income levels to determine what level of the ladder of abstraction is the most fruitful from which to generalize. Recent work on reconceptualizing and measuring the state has involved theoretically informed disaggregation of its components.⁴¹ This approach can be combined usefully with research on collective action and identity, especially in the process of state formation, which can help account for the durability of informal networks and practices.⁴² The identification of common patterns across cases, both historical and contemporary, can be leveraged build more general theories.

Another fruitful direction is to look at how the nature of informal politics changes over time. Under what conditions do informal networks coalesce or emerge from dormancy, and when do they have a beneficial or harmful effect on the state? How, in periods of rapid or gradual change, does informal politics come to dominate or vitiate formal politics, and what can halt or reverse the process? Far from resolving these issues, these books have expanded the research agendas for state building and governance, prompting questions that will continue to occupy scholars who embrace the complexity of politics and are prepared to dig beneath the surface.

NOTES

The author would like to thank Yitzhak Brudny and the Editorial Committee of *Comparative Politics* for their support and critical feedback during the drafting of this article.

1. John W. Meyer, John Boli, George M. Thomas, and Francisco O. Ramirez, "World Society and the Nation-State," *American Journal of Sociology*, 103 (July 1997), 144–81.

2. For example, <http://www.gov.uz/en/> and <http://www.ceiba-guinea-ecuatorial.org>.

3. Kellee Tsai, *Capitalism without Democracy* (Ithaca, NY: Cornell University Press, 2007), 38.

4. Of course, there were exceptions; for example, Samuel L. Popkin, *The Rational Peasant* (Berkeley: University of California Press, 1979).

5. Barbara A. Misztal, *Informality: Social Theory and Contemporary Practice* (New York: Routledge, 2000), 8.

6. Gretchen Helmke and Steven Levitsky, *Informal Institutions and Democracy* (Baltimore, MD: Johns Hopkins University Press, 2006), 5.

7. Helmke and Levitsky, *Informal Institutions*.

8. To Lauth, informal institutions "are based solely on the fact of their existence and their effectiveness.... Informal institutions are equally known and recognized publicly; however, they are not laid down in writing." Hans-Joachim Lauth, "Informal Institutions and Democracy," *Democratization*, 7 (2000), 24.

9. Freedom House identifies 104 countries with 54 percent of the world's population as "not free" or "partly free." <http://www.freedomhouse.org/template.cfm?page=70&release=756>.

10. Paul Brooker, *Non-Democratic Regimes: Theory, Government and Politics* (New York: Palgrave, 2000); Eva Bellin, "The Robustness of Authoritarianism in the Middle East," *Comparative Politics*, 36 (January 2004), 139–57; Jason Brownlee, *Authoritarianism in an Age of Democratization* (New York: Cambridge University Press, 2007); Jennifer Gandhi and Ellen Lust-Okar, "Elections Under Authoritarianism," *Annual Review of Political Science*, 12 (2009), 403–22.

11. Italy, as described by Farrell below, is a good example of a democracy in which informality predominates in important domains.

12. Paul Pierson, *Politics in Time* (Princeton, NJ: Princeton University Press, 2004).

13. Carl Joachim Friedrich and Zbigniew Brzezinski, *Totalitarian Dictatorship and Autocracy* (Cambridge: Harvard University Press, 1965); Jerry F. Hough and Merle Fainsod, *How the Soviet Union is Governed* (Cambridge: Harvard University Press, 1979); T.H. Rigby, *Political Elites in the USSR: Central Leaders and Local Cadres from Lenin to Gorbachev* (Altershot: Edward Elgar, 1990).

14. Among the exemplars are Rene Lemarchand and Keith Legg, "Political Clientelism and Development: A Preliminary Analysis," *Comparative Politics*, 4 (January 1972), 149–78; James C. Scott, "Patron-Client Politics and Political Change in Southeast Asia," *American Political Science Review*, 66 (March 1972), 91–113; Joel S. Migdal, *Strong Societies and Weak States* (Princeton, NJ: Princeton University Press, 1988).

15. For example, see Ezra Vogel, *Japan as Number One: Lessons for America* (Cambridge: Harvard University Press, 1979); Michio Morishima, *Why has Japan "Succeeded"?* (New York: Cambridge University Press, 1982); James R. Lincoln and Arne L. Kalleberg, *Culture, Control, and Commitment: A Study of Work Organization and Work Attitudes in the United States and Japan* (New York: Cambridge University Press, 1992).

16. Daniel I. Okimoto, *Between MITI and the Market: Japanese Industrial Policy for High Technology* (Stanford, CA: Stanford University Press, 1990); Peter Evans, *Embedded Autonomy* (Princeton, NJ: Princeton University Press, 1995); Michael Gerlach, *Alliance Capitalism: The Social Organization of Japanese Business* (Berkeley: University of California Press, 1997).

17. John T. Sidel, *Capital, Coercion, and Crime: Bossism in the Philippines* (Stanford, CA: Stanford University Press, 1999); David C. Kang, *Crony Capitalism: Corruption and Development in South Korea and the Philippines* (New York: Cambridge University Press, 2002).

18. Robert Wade, "From 'Miracle' to 'Cronyism': Explaining the Great Asian Slump," *Cambridge Journal of Economics*, 22 (1998), 693–706; Norman Flynn, *Miracle to Meltdown in Asia: Business, Government, and Society* (Oxford: Oxford University Press, 1999).

19. Giuseppe Di Palma, *To Craft Democracies: An Essay on Democratic Transitions* (Berkeley: University of California Press, 1990); Jon Elster, Claus Offe, and Ulrich Klaus Preuss, *Institutional Design in Post-Communist Societies: Rebuilding the Ship at Sea* (New York: Cambridge University Press, 1998).

20. Barnett R. Rubin and Jack L. Snyder, eds., *Post-Soviet Political Order: Conflict and State Building* (London and New York: Routledge, 1998); David Stark and László Bruszt, *Postsocialist Pathways: Transforming Politics and Property in East Central Europe* (New York: Cambridge University Press, 1998);

Alena V. Ledeneva, *Russia's Economy of Favours: Blat, Networking, and Informal Exchange* (Cambridge: Cambridge University Press, 1998).

21. Joel S. Hellman, "Winners Take All: The Politics of Partial Reform in Postcommunist Transitions," *World Politics*, 50 (January 1998), 203–34; Thomas Carothers, "The End of the Transition Paradigm," *Journal of Democracy*, 13 (January 2002), 5–21.

22. Charles Tilly, *Trust and Rule* (New York: Cambridge University Press, 2005), 6.

23. Steven L. Solnick, *Stealing the State: Control and Collapse in Soviet Institutions* (Cambridge: Harvard University Press, 1998).

24. "Solidary groups can potentially reduce free-riding by strengthening group sanctions, promoting social trust, improving skills of cooperation, and encouraging attitudes and habit of cooperation or shifting tastes from particularistic interests... to more community-oriented concerns," 15fn.

25. Paul Pierson, *Politics in Time* (Princeton, NJ: Princeton University Press, 2004), ch. 2.

26. Michael Taylor, "Rationality and Revolutionary Collective Action," in Michael Taylor, ed., *Rationality and Revolution* (New York: Cambridge University Press, 1988); Jon Elster, *The Cement of Society* (New York: Cambridge University Press, 1989).

27. John P. Willerton, *Patronage and Politics in the USSR* (Cambridge: Cambridge University Press, 1992); Gerald M. Easter, "Personal Networks and Postrevolutionary State Building: Soviet Russia Reexamined," *World Politics*, 48 (July 1996), 551–78; Olga Kryshтанovskaya and Stephen White, "From Soviet Nomenklatura to Russian Elite" *Europe-Asia Studies*, 48 (July 1996), 711–33.

28. Michael Suk-Young Chwe, *Rational Ritual: Culture, Coordination, and Common Knowledge* (Princeton, NJ: Princeton University Press, 2001).

29. Valerie Bunce, *Subversive Institutions: The Design and the Destruction of Socialism and the State* (New York: Cambridge University Press, 1999).

30. On brokerage, see Roger V. Gould, "Power and Social Structure in Community Elites," *Social Forces*, 68 (December 1989), 531–52; Ronald S. Burt, *Structural Holes: The Social Structure of Competition* (Cambridge: Harvard University Press, 1995).

31. Mancur Olson, *The Logic of Collective Action* (Cambridge: Harvard University Press, 1965); Michael Hechter, *Principles of Group Solidarity* (Berkeley: University of California Press, 1987). For a contrary view, see Pamela E. Oliver and Gerald Marwell, "The Paradox of Group Size in Collective Action: A Theory of the Critical Mass II," *American Sociological Review*, 53 (February 1988), 1–8.

32. Robert Putnam, *Making Democracy Work* (Princeton, NJ: Princeton University Press, 1993); Francis Fukuyama, *Trust: The Social Virtues and the Creation of Prosperity* (New York: The Free Press, 1995); Lawrence E. Harrison and Samuel P. Huntington, eds., *Culture Matters: How Values Shape Human Progress* (New York: Basic Books, 2000).

33. Helmke and Levitsky, 14.

34. *Ibid.*

35. Robert Putnam, *Making Democracy Work*; Edward C. Banfield, *The Moral Basis of a Backward Society* (Glencoe: Free Press, 1958); Putnam, *Making Democracy Work*.

36. Gulnaz Sharafutdinova, "What Explains Corruption Perceptions? The Dark Side of Political Competition in Russia's Regions," *Comparative Politics*, 43 (January 2010), 147–66.

37. James G. March and Johan P. Olsen, *Rediscovering Institutions: The Organizational Basis of Politics* (New York: Free Press, 1989).

38. For other recent examples, see Edward Schatz, *Modern Clan Politics* (Seattle: University of Washington Press, 2004); Jessica Allina-Pisano, *The Post-Soviet Potemkin Village* (New York: Cambridge University Press, 2008); Lauren M. MacLean, *Informal Institutions and Citizenship in Rural Africa: Risk and Reciprocity in Ghana and Cote D'Ivoire* (New York: Cambridge University Press, 2010); Scott Radnitz, *Weapons of the Wealthy: Predatory Regimes and Elite-Led Protests in Central Asia* (Ithaca, NY: Cornell University Press, 2010).

39. However, the former is not a flawless solution either. See "Modernizing Russia: Another Great Leap Forward?" *Economist*, March 11, 2010.

40. Martin Shefter, *Political Parties and the State: The American Historical Experience* (Princeton, NJ: Princeton University Press, 1994); Diego Gambetta, *The Sicilian Mafia: The Business of Private Protection* (Cambridge: Harvard University Press, 1998); Simona Piattoni, ed., *Clientelism, Interests, and Democratic Representation: The European Experience in Historical and Comparative Perspective* (Cambridge: Cambridge University Press, 2001); Peter Schweizer and Rochelle Schweizer, *The Bushes: Portrait of a Dynasty* (New York: Anchor Books, 2005).

41. See Anna Grzymala-Busse and Pauline Jones Luong, "Reconceptualizing the State: Lessons from Post-Communism," *Politics and Society*, 30 (December 2002), 529–54; Hillel Soifer and Matthias vom

Hau, special issue on “Revisiting State Infrastructural Power,” *Studies in Comparative and International Development*, 43 (2008); Tuong Vu, “Studying the State Through State Formation,” *World Politics*, 62 (January 2010), 148–75.

42. For example, John F. Padgett and Christopher Ansell, “Robust Action and the Rise of the Medici, 1400–1434,” *American Journal of Sociology*, 98 (1993), 1259–1319; Roger V. Gould, “Patron-Client Ties, State Centralization, and the Whiskey Rebellion,” *American Journal of Sociology*, 102 (September 1996), 400–29; Karen Barkey, “Rebellious Alliances: The State and Peasant Unrest in Early Seventeenth-Century France and the Ottoman Empire,” *American Sociological Review*, 56 (1991), 699–715.