

ARE SHADOWS DARK? GOVERNANCE, INFORMAL INSTITUTIONS AND CORRUPTION IN RURAL INDIA

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What are the consequences of entertaining the notion that any analysis of the institutions which frame governance or social change is deficient if it neglects informal networks and relationships? We propose that such a deficiency underpins a difficulty in practice with recent trends in governance. That is, governance that does not engage with implicit social institutions fails to sweep in an important mode of co-operation, learning and negotiation (High et al, 2004b; Pelling & High, in press). We are interested in the observation that while terms such as governance, participation, social capital and networks appear to indicate a deep interest in the potential of informal 'shadow' networks (after Shaw, 1996) to enhance governance, in practice there is a tendency to focus on formal 'canonical' organisational forms (after Brown & Duguid, 1991). This is reflected in much of the institutional and organisational literature, where informal institutions are problematised as a management issue in such a way as to underpin an interest in mitigating against them rather than benefiting from them.

In this chapter, we take issue with one of the ways that informal institutions can be problematised: a view that because shadow networks are implicit and therefore covert, forms of governance that validate and depend on informal institutions rather than seek to formalise and control them are inherently prone to corruption. That is, we suggest that shadow networks in governance are not synonymous with Raab & Milward's (2003) dark networks or Cartier-Bresson's (1997) corruption networks, repositories of criminal and anti-social activity; that shadow networks can provide a social good even in circumstances where corruption is rife. We therefore present an investigation of the social value of shadow networks in rural governance through a case study of NGO advocacy. The case centres on the community development work of SPEECH, a Tamil NGO (reported more fully elsewhere, Rengasamy et al, 2001; High & Rengasamy, 2002). We focus here on NGO advocacy, shadow ethics and the significance of social networks and corruption within the case.

Governance and networks

In the widest sense, governance can be defined as the ‘*entire set of relationships between the state, the market and society*’ (Minogue, 2002: 117). A related view is evoked by Thompson (2003), for whom the term seems synonymous with (socio-economic) co-ordination. In relation to policy and public administration, this can be interpreted as the institutional processes that determine social decision-making within some socio-political unit. Note that the units of analysis are not predicated on the existence of constitutional authority, although such authorities are commonly important at many levels of governance. Thus we can speak of governance in relation to local or national policy formation and delivery, to super-national bodies such as the European Union, or even analyse global governance, where there is no overarching sovereign state.

Three modes of social co-ordination are often distinguished in the literature on governance: network, hierarchy and market. The collaborative nature of networks is often contrasted with the directive role of bureaucratic hierarchies and the competitive activities of markets. The inclusion of networks amongst governance types can be seen as an extension to policy and social co-ordination of Granovetter’s (1985) critique of Williamson’s (1975) typology of economic action, based solely on market and hierarchy. In other words, accepting that the modes of interaction that determine political and social action are embedded in context, history and personal relationships in the same way that Granovetter argues economic activity is.

In practice, modes of social co-ordination are complex, and Clarke & Glendinning (2002) contend that hierarchies, markets and networks as abstract models of governance may have diverted attention away from more compound and contradictory processes. This suggests that analysis of governance needs to pay attention to the full range of co-ordinating mechanisms and the exercise of power, whether situated in state, market or society, as well as the interactions between them.

Another more restricted sense in which governance is used is in contrast to government (cf Richards & Smith, 2002). Here, government is associated with

making and enforcing decisions through centralised control and hierarchical structures. Governance, on the other hand, is associated with networks and institutional arrangements that reflect more horizontal structures and less centralised power, with an increased role for non-governmental actors in public policy formation and delivery. According to Stoker (1998) the objectives of governance and government are the same: they are concerned with creating the conditions for collective action and public order. The difference arises through their respective processes, and under governance the role of the state shifts from one of control to one of co-ordination, using new mechanisms to guide a plurality of network actors (Stoker, 1998; Bach & Flinders, 2004). This view of governance is tantamount to the network mode outlined above, and Thompson (2003), for example refers to it as network governance.

The literature on governance and government often reveals an underlying normative interest in the former. Thus the discussion is not solely a wider analysis of the relationship between the government and the governed, but also an advocacy of how governance could and should be enacted. This reflects that network governance has become a policy objective in itself, a response to the perceived loss of social capital demonstrated through low levels of democratic participation, and a lack of trust between citizens and public agencies (Putnam, 2000).

In many countries, there is a new emphasis on partnerships, networks, civil society and participation. This often translates into interventions that support associational activity, with various forms of partnership promoted as key mechanisms to secure a central role for civil society and to thereby promote social inclusion. In the UK, for example, partnership is central to New Labour's politics, at least in rhetoric, and seeks to overcome problems of inefficiency associated with bureaucratic hierarchies and the problems of inequity and exclusion arising from market based solutions (Giddens, 2000). There is a similar trend in many Asian and Latin American countries towards a stronger manifestation of civil-society dynamics (Martinussen, 1997: 341), reflected in a

strong literature on the voluntary sector, NGOsⁱ and civil society in environmental and development studies (eg Korten, 1995; Smillie, 1995; Clark, 2003).

It is worth noting that while much of this academic and policy interest burgeoned in the 1990s (Ebrahim, 2001: 79; Brinkerhoff, 2003: 105-6), anthropological accounts of social networks and their relationship to political and economic power date back to the 1950s (McIllwain, 1999: 304-5). In India, a vibrant NGO and voluntary sector dates back at least to the early 19th century (Sen, 1992: 177-9), reinforced by the Gandhian mobilisation of civil society during the Independence struggle (ie pre-1947). Nevertheless, given the new policy discourse and funnelling of resources into civil society, network governance has increased in importance as a lens for understanding the relationship between citizen, state and market.

Shadow networks and informal spaces

Much of the literature on network governance, particularly that in public administration (cf Berry et al, 2004: 548), skates over a contradiction immediately revealed in phrases such as '*network management*' and '*network manager*'. The contradiction is that the roots of associational activity are personal relationships rather than formal roles, and that networks can be distinguished from hierarchy through their informal mode of self-organisation (see Thompson, 2004: 414-7, for a review of recent thinking on self-organisation in networks). Another way of looking at this contradiction is in terms of the difference between policies that attempt to direct informal networks to flourish, and policies that are designed to allow informal networks to flourish. The literature on participatory development is particularly critical of top-down efforts to direct bottom up development (eg Cooke & Kothari, 2002) .

The contradiction is also evident in practice, and research with rural policy makers in the UK (High et al, 2004a; SLIM, 2004) reinforces the view that it can be difficult for civil servants, agency managers and other representatives of the state to reconcile the informal nature of networking with the formal rules and procedures of the organisations in which they are entrenched. This may explain why empirical studies of partnerships and network governance, which have

largely focused on formal networks, have surfaced so many difficulties (Huxham, 1996). Troublesome themes such as lack of access, failures to build and sustain trust, undemocratic processes, non-accountability, inequality and power imbalances are reflected not only in the literature on governance (ibid), but also social capital (cf Baron et al, 2000) and participation (cf Cooke & Kothari, 2002). What these theoretical traditions and political ideologies have in common is that in each case while they focus on participation and local agency in theory, the practices they nourish often concentrate on the creation of formally constituted structures, supported by externally resourced change agents operating under de-personalised professional standards.

The question is therefore whether an approach founded in policy and organisational contexts that have an inherent top-down bias can ever be comfortable and competent when it comes to network governance? We suggest that progress depends on a change in thinking about informal networks, institutionalised in such a way as to allow organisational actors to bring their social skills to bear on their formal roles. Failing this, the potential of network forms of organisation to democratise governance is likely to be retarded. Therefore traditions of understanding and practice that make sense from the perspective of managers and policy-makers are required, which are nevertheless suitably subversive to the view that the role of decision-makers is to make and enforce decisions. Some candidates are evident within the institutional and organisational literature, where there has been a long engagement with the nature and significance of network relationships.

For example, a history of interest in the relationship between formal and informal modes of social organisation is evident in the new institutionalism that has arisen in sociology, economics and management studies over the last 30 years (Lowndes, 1996). In this tradition, institutions are defined as the rules, norms and strategies that shape individual and organisational behaviour (North, 1990) and while they may have a formal basis, they often do not. When one examines network governance in terms of institutions, a host of informal traditions, practices and norms become visible alongside the formal institutions that derive from policy,

statute and legally institutionalised contracting. While not formally constituted, such institutions have a social reality and legitimacy beyond simple habits or preferences (Lowndes, 1996: 193).

However, while new institutional scholars explicitly recognise the importance of informal institutions (North, 1990: 36-45; Lowndes, 1996: 183), it is fair to say they still find informal institutions problematic. There is considerable uncertainty about how they come into existence, how they change and on the nature of the relationship between formal and informal institutions (Williamson, 2000; North, 2001). North (1990: 36-45) for example, states that the majority of institutions are informal and is clearly interested in the long term effects of informal institutions on social and economic trajectories, yet he has no adequate explanation of how they arise and change (Lowndes, 1996: 187-9; Williamson, 2000). They are culturally derived; 'wild' and hence mere givens; too embedded in history and context to easily submit to his analysis.

Thus, though the new institutionalists would agree with Roy & Tisdell (1998) that good governance depends on appropriate institutions, in the absence of a satisfactory understanding of informal institutions, North (2001), Ostrom (1999) and others have focussed on formal institutions as a locus of opportunity for change and reform in governance arrangements. Some go further, presenting informal institutions as purely a source of resistance and inertia (Lowndes, 1996); corruption and difficulty that needs to be curtailed and controlled, rather than a resource for change.

The same difficulties present themselves in much of the management literature (Shaw, 1997: 235). In the work of Argyris and Schön (1978; 1996), for example, informal institutions and relationships are recognised but are still treated as a problem to be solved; tractable to top-down management effort. However, some of the more recent thinking in organisational learning suggests some potentially fruitful lines of research regarding appropriate stances in relation to informal networks, which could perhaps be extended to public administration and governance.

The potential arises with theory and methodology developed in two schools of thought: (i) communities of practice (Brown & Duguid, 1991; Wenger, 1999; Lesser et al, 2000), and complexity science perspectives on management (Shaw, 1997; Stacey et al, 2000; Shaw, 2002). What these approaches have in common is that they start from the understanding that informal relationships are essential to the operation of organisations and challenge top-down thinking about them. It is observed that shadow networks of informal, social relationships permeate canonical organisations (*sensu* Brown & Duguid, 1991) and are a critical source of adaptive and operational capacity. It is further argued that if an organisation is to maximise benefit from shadow networks, management *in relation to* shadow networks is a more appropriate stance than attempted management *of* the shadow networks.

Thus Wenger (2000) asserts that informal organisational structures such as communities of practice cannot be shaped by management effort, constructing them in terms of their response to organisational change rather than submission to it. In parallel, Shaw (2002) challenges the assumption that organisational dynamics are the product of intentional dynamics and that there is a gap between formal and informal organisations that is something to be bridged and controlled. Instead she embraces the informal as a locus of opportunity for change, where new opportunities arise through engagement and conversation. The challenge is not so much one of how to drive change, but how to participate in the way that things change over time (ibid: 172). This requires a marriage of top-down strategy and bottom-up action: '*conceptual ability brought to bear on the large-scale combined with individual skills of communication exercised at the small scale*' (Stacey, 2001: 234).

Taking a lead from this work, we suggest that network governance necessarily encompasses an appropriate and effective appreciation of informal spaces, one that inverts the view that the problem is to bring unmanaged spaces within management control. Instead, it needs to be recognised that shadow networks are pervasive and enable the ongoing operation of individuals and organisations even within highly formalistic institutional contexts. Thus the social skills that humans

use to navigate unmanaged spaces overlap those that organisational actors require to make canonical institutions work. That is not to say that formal structures are or should be unnecessary. Instead we propose that a deeper understanding of the interactions between formal and informal institutions, between canonical organisations and shadow networks, will enable a more effective understanding of governance, and will support more effective practice amongst policy actors and public administrators.

Are shadows dark?

An important question about network governance is that, given the long history of interest in the topic under various guises, why are attention and resources so often directed towards creating governance structures that operate under similar canonical institutions to those that already exist, and which are perceived to be inadequate? Perhaps it is simply the case that given an existing repertoire of institutional strategies, the natural inclination is to continue to use them in any new domain. However, we can also discern two critiques upon which a rejection of engagement with shadow networks in public governance could be based, and which need to be addressed (High et al, 2004b).

The first is that shadow networks are too complex to understand. In response, we note that this critique is seated in institutional economics, with its endeavour for generalisable principles. Flyvbjerg's (2001: 166-8) critique that scientism in social science, with its focus on a vain attempt to emulate the natural sciences' success in producing a growing body of predictive theory, is self-defeating thus seems to apply. The cost in this case is an inability to find traction in Schön's (1991: 42) '*swampy lowlands*', the locale of confusing messes incapable of technical solution. On the other hand, while anthropologists, sociologists and other non-economist social scientists are perhaps more accustomed to sense-making without glossing over the hurly-burly of social relationships, the challenge for them is to highlight, propose and even co-develop approaches that enable governance stakeholders to '*...manage within the unmanageable*' (Flood, 1999: 3), rather than merely problematise the issues.

The second challenge, and the one that this chapter investigates, is that shadow networks are inherently prone to corruption – co-option of social resources by private interests in conflict with the public interest – and hence that control and management of them is the only appropriate focus for canonical actors in network governance. This may include situations where there is a rhetoric of participation and network governance, but in practice a focus on institutional forms that constrain creativity, enthusiasm and trust (cf SLIM, 2004: 2). The governance-as-social control mindset seems founded in a view that it is only formal institutions that can transparently enable trust, co-operation and good governance, and that a toleration of the entanglement of shadow institutions with canonical affairs opens up opportunities for corruption, exploitation and cronyism. The risk that private interests may affect the performance of public roles (Lowndes, 1996: 188), seems in many formal contexts to engender a social frame (*sensu* Goleman, 1998: 195-234) that silences any meaningful reference to shadow networks.

To open up debate on shadow networks and corruption, we present a case study as a counter-example – a demonstration that even in a situation where corruption presents significant difficulties for good governance, shadow networks can operate to the good. We recognise that in some cases shadow networks are a legitimate site of resistance to predatory and rent-seeking regimes, and that working to make canonical activity compatible with shadow networks runs the risk of playing into the hands of vested interests. However, for the moment our purpose is to investigate whether networks are necessarily outside of the frame of governance except as a problem. So, while it is true many illegal and illicit networks operate in the shadows in antagonism to public and social interests (McIllwain, 1999; Raab & Milward, 2003), does this contaminate all network activity in practice?

Case Study: Rural governance and NGO advocacy in India

Rural governance is a perennial issue in India, as rural areas are often perceived to be disadvantaged. Although urban India is developing rapidly in terms of living standards and infrastructure, many rural areas have been left behind by market liberalisation (Key, 2000) and on most measures rural poverty is significantly

higher (Bernstein et al, 1992: 6-7). Current and future rural issues include displacement of population, loss of culture and identity, the input/commodity price squeeze, policy-led agricultural modernisation, globalisation of markets, worsening climate and poor relationships between state and civil actors (Rengasamy et al, 2001; Pimbert & Wakeford, 2002).

The case study focuses on the capacity of SPEECH (the Society for the People's Education and Economic Change) to act as a policy broker. The organisation is a medium sized NGO, operating since 1987 around the town of Thiruchuli in Tamilnadu, South India. Like many Indian NGOs (Ebrahim, 2001: 97), SPEECH's operational values bear the mark of the prevailing development discourse at the time of its formation; in this case the wave of interest in empowerment and conscientization (cf Siddhartha, 2002) inspired by Indian readings of Freire (1972).

As such, SPEECH fits into a broad pattern of organisational formation in the 1970s and 1980s based in radicalisation of middle and lower class individuals (Sen, 1999a: 116) and a resolute critique of state intervention in development (Sen, 1999b; Kamat, 2003). In SPEECH's case this was married to an early adoption of PRA (Participatory Research and Action, cf Chambers, 1997, for an overview of central concepts), which they found useful as a mode of facilitating their commitment to work within local communities in the interest of the poorest and most vulnerable local actors (Jones & SPEECH, 2001: 8-11; Rengasamy et al, 2001: 3-5).

In Thiruchuli, the complexity of development policy and state-led governance results in multiple contradictions and frequent implementation failure (Rengasamy et al, 2001: 12-6) and actors both inside and outside the canonical governance system who attempt to address perverse policy delivery outcomes face enormous difficulties. Local officials are not much incentivised to support local communities (especially as the district is perceived as a punishment postingⁱⁱ), while senior officials are dependent on their juniors for an impression of conditions on the ground. The formal channels of the state bureaucracy are slow and tend to discourage initiative and there is difficulty deciding which of the

many demands on official's attention are worth following up. Consequently, the relationships between officials and local communities are often marked by tension and recrimination.

Thus in parallel to their ongoing commitment to the empowerment of local communities, members of the organisation have developed into effective policy advocates and brokers. Much of SPEECH's advocacy is designed to create the conditions for the emergence of more appropriate relationships between communities with the capacity to formulate and express their needs, and officials who are willing to act in the interest of local communities. This sometimes requires a capacity to short-circuit the long chains of responsibility within the Indian civil service through skilful relationship building. Such short-cutting relationships can emerge spontaneously (Rengasamy et al, 2001: 53-64) but a systematic review of the organisation's policy work revealed that intentional action to create and operate through them is also possible (ibid: 65-72).

Analysis of SPEECH's historical practice highlights the effectiveness of working through the alternative networks of personal relationships and informal communication (ie shadow networks) that sits alongside the official organisation of the policy delivery bureaucracy. Important networks include those founded in ties of kinship and place, as well as alternative semi-formal structures such as the civil service union. SPEECH's role as a provider of training in PRA to the civil service is a further key source of professional and personal links in to the canonical hierarchy; the training perhaps providing the same '*heterotopian spaces*' in which different relational norms can be established as Jones (2001: 5) observed within SPEECH's practice of PRA in local communities. The danger of course is that all these networks cross over into the shadows, the same informal interstices where corruption thrives.

Corruption and the shadows

Corruption, in terms of abuse of office and misspending of public funds, is a significant problem in India (Khan, 1998) and has grown in significance in the last three decades (Singh, 1997: 626-7; Roy & Tisdell, 1998: 1321-2). Therefore, although there is a view amongst certain economists that some forms of

corruption have a beneficial effect on developmentⁱⁱⁱ, corruption and the perception of corruption are sensitive issues in Indian governance. On the other hand, as Singh (1997) points out, since Independence the Indian polity has been heavily weighted against corruption from below, while granting relative immunity to corruption from above. Where the state takes on a predatory aspect, much of the capacity of ordinary citizens to cope with state failure lies in the shadows (cf Rose, 2000), and anti-corruption drives can take on an aspect of opposition to social justice (Singh, 1997: 638). What stands as corruption and what coping and resistance depend on circumstances depends on value judgements and standpoint, and is hence of the realm of what Flyvbjerg (2001, drawing on Aristotle) calls *phronesis* – practical wisdom or reasoned knowledge, capable of acting in respect of judgements on what is good or bad for individuals and societies – an area of scholarship he proposes is the true heart of the social sciences.

In SPEECH's practice the organisations' capacity to create links between senior decision-makers and local agents rests on the articulation of canonical and shadow action (Rengasamy et al, 2001). Critically, getting access to an official through the shadows is not enough to achieve action on local policy priorities: SPEECH also needs to be able to demonstrate trustworthiness in terms appropriate to formal channels. As committed local actors with a demonstrable track-record as an effective development organisation and with the support of local officials this too is possible.

Local support rests on a reputation as an effective local broker, able to help resolve conflicts between officials and communities by providing an alternative space for dialogue. NGOs such as SPEECH are successful within formal governance structures, precisely because they can bring their constituency with them, based on strong day-to-day contact (Kamat, 2003: 89). But this in turn depends on the trust of local people, and trust arises through a reputation for honesty and consistency (Thompson, 2003: 46), in the long run rewarding ethical action over expediency.

For SPEECH, when operating with the shadow network, it is important not to become tainted by it, because of their reliance on being trustworthy. Because the

organisation has a reputation for responsibility, it is well-placed to satisfy the formal institutions regulating policy interaction, they are arguably more effective operators within the shadow network than disreputable actors that can only operate there. This is not always the case as sometimes legitimate and illegitimate regimes can serve to reinforce one another's power and influence, as McIllwain (1999: 301-3) shows. Nevertheless as Frank (2004: 45-57) argues, moral behaviour, defined as acting in the communal interest even when this is in conflict with individual interest at least some of the time, is often consistent and even conducive to individual interest in the long term. The shadow network may hide corruption, but it also provides an opportunity to subvert the institutionalised corruption of a system that perversely fails to enact its purpose of existence.

The patronage trap

A more subtle trap for SPEECH in its role as an advocate of the disadvantaged than the danger of impropriety is the risk of falling into clientalism; ultimately reproducing traditional institutional forms that on the surface are breaking down in the face of modernism (Michie, 1981). As control of livelihood opportunities in rural India passes out of the hands of traditional '*jayman*' patrons, the cultural institutions that underpinned patron-client relationships still find potential expression in emerging power figurations. For example, community mobilisation evident in recent European Commission funded rehabilitation of the traditional Tamil tank irrigation systems, replicates patterns of power and patronage going back millennia (Mosse, 1995), with the modern donor playing a role first established by the early Tamil kings.

With their roots in Freirean thought, the organisation has long worked to subvert such patterns of patronage within local communities, opening up opportunities for empowerment of the most vulnerable. But the dilemma for NGOs such as SPEECH is to avoid becoming part of the system they are seeking to reform (Miraftab, 1997). This can be difficult under recent development discourse as there is considerable pressure on NGOs to take on the role of service deliverers; a trend driven by the external imposition of structural adjustment and decreased state spending as India fits into the global capitalist system (Kamat, 2003: 89-90).

The pressure is reinforced by the financial incentives and status deriving from a perception amongst development donors that working with NGOs provides a route for bypassing centralised, formalistic and inefficient state agencies (Roy & Tisdell, 1998: 1320).

The consequence, according to Sen (1999a: 126-7) and Kamat (2003: 90), is an increasing professionalisation of many NGOs and corresponding decreasing politicisation. As organisations grow to include greater numbers of technical staff, it is argued that they are more likely to treat their work as apolitical and disconnected from the social project of consciousness-raising. Kamat's (2003: 91) concern is that a new NGO regime will not only lead NGOs to ignore issues of class, caste, gender and environmental justice, but will also marginalise those organisations who continue to put these issues at the centre of their existence.

It is certainly true that SPEECH's staff have come to the position that purely oppositional politics is unlikely to be fruitful, believing that unless the institutional factors that inhibit development are tackled both at the local, regional and national level, sustainable rural development will not be achieved (High & Rengasamy, 2002). Also SPEECH has taken on more and more responsibility for delivery of technical programmes such as community watershed management and micro-credit (Rengasamy et al, 2001: 3-5), and the original core of management and field staff has been augmented by a growing set of graduates with training in social development. With expansion comes a pressure to continue to maintain an income sufficient to maintain employment for its staff and a consequent tension between organisational interests and values.

Thus in the long term, SPEECH needs to remain vigilant not to betray its original purpose and to begin to act as a patron rather than a partner. Much of the organisations capability to mitigate against this trap lies in its maintenance of constructive relationships with local people, relationships which take their vitality from their informal aspects. It is not SPEECH's reputation as efficient administrators that matters most to local communities, but instead their historical legacy of engagement and relationships. For example, while there are a number of technical staff, many others are locals who have joined the organisation over

the years. Responsibility for decision-making is shared, meetings are social and disagreements and tension are dealt with through humour and down-time. There is a strong shared metaphor of organisation as a family and this allows a much wider range of social repertoire than metaphors such as ‘organisation-as-machine’ might. In conclusion, perhaps the best defence for SPEECH against the success brought by the organisational competence in operating within shadow networks is a determination to keep such spaces central to organisation.

Conclusions

This chapter started from the view that shadow networks are an important feature of network governance, and one which cannot be ignored. Yet as Brinkerhoff (2003: 119) says ‘*Partnership actors often do not sufficiently reflect on what partnership means and how it differs from business as usual. While the rationale for a partnership approach may be readily agreed, too often actors engage and initiate “partners” without considering the changes necessary in their own behaviour to make partnerships effective.*’ The challenge for researchers is to establish a greater degree of credibility and trustworthiness for the claim that informal institutions and the shadow network are both relevant and tractable to analysis, and to develop methodologies for engagement with them in different circumstances.

The management literature emphasises the challenge for current organisational practice in such an engagement. It requires a leap of faith and a shift in assumptions to trust the ability of individuals and groups within interpenetrating formal and informal organisational structures to make constructive sense of the changing situations within which they find themselves, and to create and develop new organisational behaviours (Stacey, 1996). This constitutes a very different model of management compared to the command-and-control ideas that underpin much current management practice. Nevertheless, the challenge that corruption is of the shadows needs to be taken seriously, because it may underpin a widespread failure for canonical organisations and shadow networks to act in concert with effectiveness.

What the case study demonstrates is that working through the shadow network can support policy advocacy and network governance, and that a firm ethical foundation is an asset when doing so. Furthermore, a commitment to personal values and an opening of professional relationships to personal characteristics may provide a platform for maintaining effectiveness in the shadows. This will not always be the case, as standards of good governance depend on a subtle interaction between formal and informal institutions, and are historically and culturally embedded (Roy & Tisdell, 1998: 1322). Regime can have a powerful effect on the institutionalisation of the shadows, as demonstrated in the case of post-communist Ukraine and Russia, where the operation of ‘*blat*’ (use of contacts and influence) has shifted from the subtle and sometimes even civilised use of contacts towards an increased use of crude monetary bribes (Miller et al, 1997: 600).

We are no more arguing that informal networks are always benign than we accept that they are necessarily corrupt. But we do argue that shadow institutions are too prevalent and powerful to ignore. A sagacious approach to network governance and corruption the shadows is therefore necessarily situational, embedded in historical particularity. Institutions, whether formal or informal are continually negotiated, and do not necessarily tend towards the most efficient and/or equitable ends but rather to the interests of those with the most capacity to exercise power over those negotiations (North, 1990). Governance that operates across the shadows therefore requires a keen perception of the circulation of power, a commitment to emic values, and a critical engagement with wisdom as well as knowledge.

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ⁱ NGOs, the voluntary sector and civil society are concatenated here to draw attention to a broad sweep of related scholarship. Space prevents us from including a more comprehensive review of the variations in meaning of and relationships between these terms, and indeed these vary in different academic traditions and national contexts. See Manzo (2000: 287) for an indicative discussion of NGO terminology, for example.

ⁱⁱ As it is difficult to dismiss officials without clear evidence of wrong-doing, those who are perceived not to be performing well or who offend their superiors are assigned to less desirable postings. This is a key mechanism by which the bureaucracy has traditionally been manipulated (Khan, 1998: 636).

ⁱⁱⁱ Hutchcroft (1997), for example, relates the view that corruption to expedite a public service is different to corruption to distort the delivery of service and is beneficial in otherwise sclerotic systems.

