

## A NEW LOOK AT CIVIL SOCIETY SUPPORT IN RWANDA?

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### Summary

Most discussion about civil society in Rwanda focuses on existing civil society organisations and how to “strengthen” them. The resulting interventions often reflect donors’ corporate policies and a normative view of civil society based on Western models. The result is a narrow range of actions designed to address perceived problems directly through capacity building, various forms of training including civic education, sensitisation, etc. This can produce worthwhile results. But the drawbacks are that it addresses symptoms not causes, is expensive, produces benefits at the micro level which are hard to scale up, and tends to have higher level objectives which are over-ambitious in relation to the resources and strategies deployed.

This paper steps back and seeks to understand the broader, more structural, longer term dynamics (social, political, economic and institutional) which shape the opportunities for collective action within Rwandan society. It also looks at the way in which the state itself helps to determine the incentives (or disincentives) for collective action, and the opportunities for a more “institutionalised” relationship between the state and civil society, based not on people as clients seeking access to ad hoc benefits, but citizens claiming rights.

Our analysis highlights the difficulty of getting collective action, given extreme poverty; high levels of distrust within society and between society and the state; the absence of political society; the very limited space allowed by an authoritarian government (but the opportunities offered by attributes of a “developmental state”); and the way in which donors reinforce clientelism.

Building a genuine civil society as opposed to a collection of NGOs is a difficult and long-term endeavour. It requires engagement of people at all levels of society, slowly building trust and confidence and the basis for public action –including the ability to oppose and negotiate/ally with other groups within civil society and with government as need requires. The long-term vision is of a transition from a set of highly personalised relationships within society and between society and the state, in which individuals and organisations seek access to ad hoc benefits as clients, to much more “institutionalised” relationships governed by predictable, transparent rules, in which individuals and groups are able to demand access to rights as citizens.

Donor support to such processes will be medium-term and structural, rather than limited to direct support for CSOs; it will cut across all fields of development cooperation, not only civil society sector work; it will focus as much on the state as on existing civil society organizations; and programme design will be crucial. This paper, then, does not, essentially, recommend new interventions. Rather we seek to provide a different lens through which to view a whole set of existing interventions, including quite technical issues such as public expenditure management and taxation, as well as core development programmes in education and livelihoods. We aim to show how those arrangements have an important impact on the context for civil society / state relations, and on incentives for collective action.

We illustrate this by reference to decentralisation, and emphasise that seemingly technical issues such as the way donor funds are disbursed, arrangements for audit and collecting local tax, and detailed programme design all strongly influence the prospects for collective action. In particular we emphasise the importance of predictable, long term funding which passes through decentralised structures and which allows programmes to be designed on the basis of rights. Long term, pooled, predictable funding, coupled with action to support capacity building within both state institutions and civil society could start to create the basis for a different dynamic for state / civil society relations: a move from “clientelism” to “citizenship”. Much of this can be done by donors right now: it is within their control.

## PART I. INTRODUCTION

Most discussions about civil society in Rwanda focus on existing civil society organisations and how to strengthen them. This paper goes beyond that, setting out to understand the underlying structures and institutions which shape the opportunities for civil society to evolve, and for development of state-society relations which would provide a better enabling environment for peace, reconciliation and poverty reduction.

If your reaction to this is “oh no, not another civil society strategy paper”, we sympathise. There are plenty of good studies around which describe the range of civil society organisations in Rwanda, from the thousands of local grassroots associations, to umbrella groups which provide a meeting ground at national level. They include development NGOs, farmers’ associations, human rights organisations, labour unions, the churches, women’s organizations –all instances of people voluntarily coming together and investing their time and energies to promote a shared objective<sup>1</sup>. The key constraints to civil society development usually noted in these analyses are an authoritarian government which wants to retain tight control over political and associational life; and CSOs’ lack of institutional capacity including resources for policy analysis. About the former, most donors feel they cannot do much, while the latter prompts them to invest in capacity building programmes of all kinds. There is clearly uncertainty (on all sides) about how to view state / civil society relations: as a partnership for service delivery, as a counterweight to state power, or both? And there is a lot of debate about whether and how to aggregate interests of disparate groups so as to strengthen the ability of civil society to speak with a stronger voice. There are questions about factors that may explain Rwandans’ limited engagement in policy influence: what is the role of fear, unfamiliarity, lack of knowledge about civics, or self-censorship? Opportunities are seen to arise from new “space” being created around the gacaca process, decentralisation, the PRSP, and forthcoming constitutional changes.

This analysis is a useful starting point. But it is often done in response to programming needs of particular donors and therefore reflects their normative language and corporate strategies. It addresses symptoms rather than causes. And it tends to result in a fairly narrow range of short term interventions which focus on direct action to address the problems identified, including training, capacity building, awareness raising, sensitisation, civic education, and support to advocacy organisations engaged in highlighting abuses and trying to enlarge the “space” for civil society. Much of this is worthwhile, especially if linked to specific objectives, and is being undertaken with great dedication. But it has high administrative costs; it is difficult to move from local level empowerment to collective action which would have an impact on the national policy process; and it often has overly ambitious higher level objectives, aspiring to achieve significant macro-level aims – democracy, civil society—through actions that are disproportionately small.

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<sup>1</sup> This vast diversity of civil society makes it difficult to say much about it that is generally valid. Indeed, while both the Catholic Church and a local farmers’ association are members of civil society, they share little in terms of structures, resources, histories, and interests. This diversity is of course civil society’s very *raison d’être*! Still, we need to keep this in mind when we use the term.

So the question we asked ourselves was whether, if we stepped back and took a broader, longer term look at the context in which civil society is evolving in Rwanda, we would see different opportunities. We saw this as likely to be important for a number of reasons:

Civil society reflects power relations within society as a whole, which are in turn shaped by underlying economic and social structures, and social and political institutions, as well as shorter term changes in the political and institutional environment. Historically it is economic and social change which has empowered poor people to demand political inclusion.

Collective action is always difficult, especially for very poor and vulnerable people. So it is crucial to look for where the incentives for such action might come from. The state is central to shaping opportunities and incentives for collective action (and hence for civil society) in a number of ways. Whether groups organise to influence the state (at national or local level) depends not only on training and money, but also on whether these groups believe the state has the capacity and intention to respond.

The existence of a political society and the arrangements for political competition are also critical in shaping opportunities and incentives for collective action. If there is robust competition for power, and if poor people mobilise around socio-economic interests rather than around “particularist” identities (ethnic, religious, regional), there are incentives for political parties to respond to those issues. If parties are weak or if there is effectively no political competition or political “society”, then it is very difficult to aggregate interests or to channel them effectively to influence power holders. This in turn weakens incentives.

Donors often talk about civil society and relations between “citizens” and the state without recognising that this relationship was historically constructed in their own countries under very specific circumstances. The argument here is not that Rwanda or any other developing country needs to follow the same historical path. The circumstances it faces are very different. The point is to start with the context as it actually is, not with preconceived ideas which derive from a very different (Western) context.

## PART II. AN EXPLORATION OF THE CONTEXT FOR CIVIL SOCIETY IN RWANDA

To understand the nature of civil society in Rwanda and its relations with the State, we need to go beyond routine descriptions of the organizational weaknesses of CSOs and government repression, even though these two are clearly significant. We need to look at the structural, long-term dynamics out of which collective action and CSOs emerge, and that determine as well the nature of the interactions between the state and civil society. In the section below, we attempt to provide a brief discussion of the key social, political, economic, and institutional, factors that we believe provide the constraints, and opportunities, for different state-civil society relations. By necessity we will need to be brief and thus will not do justice to the detail: we merely aim to sketch certain of these factors. At the end we also critically discuss the impact of external aid on these dynamics. This will lay the groundwork for part III of this paper, in which we will propose some new paths for more strategic donor support.

### Social factors

The factors we will describe here are perhaps the most specific to Rwanda. Rwanda shares with many countries issues of poverty and weak institutions, but its social history is unique and tragic.

For that reason, we begin with this section. We start with those factors that present significant constraints on the emergence of civil society, and then discuss openings, incentives, and potential.

Deep distrust is a central feature of Rwandan society, more so than almost anywhere in the world. This distrust occurs at two levels:

- between people at local levels, occurring foremost along ethnic lines –which while officially unmentionable have by no means disappeared—but also along regional ones;
- between people and the state, which (though it has restored security –see below) is also seen as overbearing and oppressive, especially in some regions which have experienced incursions and counter-operations. Everyone who spends significant time in the countryside is struck by the deep level of distrust virtually all people have (and always had) of the state.

Rwanda is characterized by high levels of collective trauma and pain, massive social dislocation, the destruction of families and communities, and a widespread sense of injustice. Traditional relations of mutual help and stability have been undermined. The gacaca proceedings may temporarily make this pain and anger even worse, although in the longer run they may contribute to improvements.

Realistically what happened in 1994 will remain part of people’s memories for decades if not centuries. This does not mean, however, that Rwandans are doomed forever to hate and fight each other: other dynamics and identities, cleavages, interests, and ideologies can interact with the trauma and division that exist in Rwanda, and eventually reduce its primary salience. In the short turn, however, this distrust constitutes an enormous constraint on the emergence of civil society. Note that this distrust and trauma are found not only among “the masses”: they exist also at the level of state institutions and civil society organizations.

Rwandans have a strong tradition of vertical and authoritarian government. This tradition is so strong that it has become deeply internalized, becoming a basic mental attitude, the default switch so to speak. Over many decades, Rwandans have learned that it is better not to stick their neck out. This mindset exists not only for ordinary people but also for members of CSOs at all levels of society. If there is one thing that Rwandans seem to agree on, it is that more is possible, but many of them lack the confidence and experience to explore the available spaces, and push them open wider.

On the positive side, the stability and security most Rwandans have now known for many years, the degree of reconstruction that has happened, and the reintegration of refugees that has taken place are appreciated by the population.

In addition, the decentralization process may create incentives for people to organize around new dynamics. Other initiatives undertaken both by the Government (the NURC, the regular consultations and local level discussions) and by CSOs (the Churches, NGOs, and CBOs) in the fields of conflict resolution, trauma counseling, and reconciliation may slowly be reducing some of that distrust and trauma. For many, they go too slowly and are too constrained or too small, but they are parts of the road to progress.

Corruption and abuse of power are rather low in Rwanda, and rules and institutions are growing more robust (more so than in most other African countries or than was the case in Rwanda for much of the 1990s). Daily corruption and impunity are cancers that destroy societies from within, and undermine all attempts at collective action.

The return of the Tutsi diaspora from abroad has brought in fresh perspectives from the Congo, Uganda, Tanzania, Kenya, and many Western countries. This combats Rwanda's traditional insularity and deference to authority. On the other hand, those people who came back from the diaspora and who are in the inner circle of power are associated with what used to be a well-organized rebel army and consequently imbued with a very hierarchical culture.

Political factors:

What follows below is not written to be a moral judgment as much as a description of facts. We cannot wish Rwanda's history away. We cannot assume that the full copying of western institutions is at present the best –or even a feasible—solution for Rwanda. People, both Rwandans and members of the international community, make very different judgments as to the degree the situation described below is desirable, unavoidable, or understandable, as well as the extent to which it is evolving.

The state in Rwanda presents two at first sight contradictory faces. On the one hand, power over the state is concentrated in the hands of a small RPF-dominated inner circle, and nobody outside that circle has a good sense of relations of power and decision-making within that group. Weak in human and financial resources, and under attack from abroad, especially in the early years, the state is still constructing itself from scratch. At the same time, in some respects, the Rwandan state is stronger and more institutionalized than most other African states. Its reach over the territory is significant and uniform; it values technical competence, and policy processes are becoming more institutionalised; there is improved oversight and upwards accountability at all levels; and there seems to be a genuine commitment to development and progressive social change (women's rights, for example). Rwanda, then, in some respects presents the appearance of a "developmental state" as discussed in the literature on South Korea, Singapore, Taiwan, Malaysia, etc. There is a promise here, then, tempered by a sense of fragility.

The same dual nature seems to hold for the regime itself. On the one hand, there is currently very little space for civil (or political) society in Rwanda: the government distrusts civil society (it seems to dislike both the things many donors spontaneously value about it, e.g., diversity of opinion and counter-power). The last few years have seen introduction of laws and practices that severely constrain civil society and free speech, such as restrictive laws with very broad mandates, as well as administrative harassment and intimidation of opponents, media, NGO and CSO leaders. Clearly, this situation has deep roots in Rwanda's recent history. Indeed, the key political question is how a government which has come to power by military means in a deeply divided country after mass violence will face the huge challenge of moving forward politically while fearing that any competition for power would be on an ethnic basis.

At the same time, there have been a series of slow, managed openings, including:

- The government has held local elections albeit without political parties and has pledged to hold national elections by 2003; a new Constitution is being debated.

- The technocratic nature of government seems to provide some openings for influence on issues which are initially technical but which inevitably impact on rights, such as labour legislation or property rights.
- The government has instituted a set of mechanisms for discussion and consultation, thus creating, slowly and deeply managed from above, some openings for debate.
- Decentralization and gacaca are two major policy initiatives currently underway that carry the potential for increasing, at least at the local level, space for independent thought.
- A few CSOs have carved out contested but real niches of independence, in the field of human rights, syndicalism, women's affairs, land reform, etc.

All of this work is ongoing, and other trends –the processes leading up to the elections, demobilization, economic changes, etc.—can influence them in unexpected ways. While they present opportunities, major risks are associated with them as well, of which foreigners are often ignorant and which they will not personally suffer from if things go wrong.

### Economic factors

In this section, we briefly point out the economic underpinnings of weakness of civil society in Rwanda, trying to go beyond the usual vague statement that poverty hurts civil society by tracing explicit relations of causality.

Extreme poverty of the large majority of Rwandans (about two-thirds of Rwanda's entire population lives below the \$1/day poverty line) and almost complete de-capitalization of rural economy makes engagement in anything that is not directly productive –or anything that can even remotely be construed as risky—extremely difficult. Even at higher levels of society, poverty is real and few people are truly secure of their futures. This means strong temptations exist for either abuse of power, or cooptation, both weakening civil society.

The lack of formal education and literacy for the large majority of Rwandans poses major constraints on civil society development. When given the opportunity, Rwandans are much more capable of critical and independent thought than they are often credited with. But mass illiteracy renders it difficult to interact with the formal institutions of the state (and aid system) and limits people's capacity to access different sources of information.

Inequality is growing rapidly. The macro-economic growth that has occurred since 1995 has hardly reached outside of the cities and the upper classes. For most people, life offers little or no hope for the future. This creates deep resentment.

### The Role of Aid

During the last decade, the international community has become much more aware of matters of governance, human rights, conflict resolution and prevention, and the like. In the case of Rwanda today—in a radical departure from pre-genocide Rwanda-- this has allowed donors to invest significantly in domains that were until recently entirely off the development agenda, such as justice, reconciliation, human rights, security sector reform, and governance. All these are crucial areas of social change and development in Rwanda (as well as elsewhere). Undoubtedly the old practice of blindness to all things political and social was indefensible. On the other hand, the result has been a dramatic increase in donors' willingness to intervene in certain fashionable areas

of social and political engineering –foremost good governance. This is resented by the government, as well as, it must be added, by significant parts of civil society.

Donors have been working hard on strengthening the state: over the past few years, this has become a priority. These processes have led to significant improvements in capacity to plan, budget, manage, and implement policy in all sectors. The international community thus seems to have contributed to strengthening Rwanda’s “developmental” state nature.

At the same time, however, there are real concerns about the extent to which aid reaches the poorest. After approximately one billion dollars of aid, poverty has fallen only by a few percentage points and is still much higher than before 1994. During the first years of emergency and rebuilding, significant amounts of aid went to direct improvements in people’s lives: construction of houses, distribution of food aid and other forms of aid in kind. After a few years, rightly, a longer-term development approach was adopted, together with a growing focus on good government, civil society strengthening, justice, reconciliation and human rights, which involves channeling a high proportion of funds through intermediaries. An unfortunate side-effect of this seems to have been the return of the traditional “inverse triangle” approach to development, where –at least in the first round—the vast majority of aid resources ends up in the hands of the small wealthiest segments of society, composed of the Bazungu and their immediate Rwandan partners; and very little ends up in the hands of the overwhelming majority of the poor.

Clearly, there may be justification for that: resources to reconstruct the justice sector, to create teachers’ colleges, to strengthen the capacities of NGOs, for example, typically do not go to the poorest of the poor, and may yet well be very useful to them over time. However, it remains urgent to act directly on the extreme poverty of most Rwandans and the decapitalization of the rural economy –and to ensure that the development state donors are helping to create produces benefits for all Rwandans.

Donors –as well as Rwandans-- find themselves at a loss in knowing how to confront issues of distrust and trauma in society on a massive scale. These matters do not lend themselves to short-term or direct manipulation. Donors fund a range of public and civil society actors, including churches and NGOs, that are active in trying to promote reconciliation and conflict resolution at a very local level, usually rather directly through a range of training or sensitisation initiatives, and more rarely approaching the broader objectives through livelihood issues. These direct approaches are important but will take much time.

Another major way in which the aid system impacts on the local context, and specifically on state / society relations, is the way it operates. While there has been a welcome shift to better co-ordination (though the rhetoric still outstrips the reality) and some pooling of budget support around PRSP processes, there is still a huge array of old style project activity, both direct and through INGOs. This system is often highly personalised, the criteria for support are not transparent, the distribution of benefits across the territory is necessarily inequitable, and the ability of local actors to access support also depends too much on personal networks and contacts. Much of this project funding, in addition, is relatively short term and unpredictable. This is a familiar litany within many donor agencies, and better co-ordination and more implementation through existing systems is on the agenda. But what is not often emphasised is the damaging

implications for state / civil society relations, in particular the way in which the aid system itself reinforces personalisation, inequality, and clientelism.

### Implications of the Analysis for Civil Society

The point of the foregoing analysis was to better understand the context and its implications for civil society. So what are they?

First, and probably most obviously, it highlights the major obstacles to collective action. These include extreme poverty, social and economic vulnerability, low levels of education, high levels of mutual distrust both within civil society and between society and state. So it is unsurprising that grassroots associations are focused on livelihood issues with little capacity or appetite to engage in a more strategic way with public issues. This in turn has made it hard for urban based, advocacy NGOs to make connections to the grassroots. Almost everyone agrees that there is at best an embryonic civil society in Rwanda. Few organisations meet the criteria often used to describe fully developed civil society: a degree of autonomy, of “institutionalisation”, of embeddedness (eg through being membership organisations), and a capacity for public engagement. With very few exceptions, the CSOs that exist are described by all (including themselves) as organizationally, financially, conceptually, and managerially weak.

Second, it is impossible to forget the impact of the genocide, as well as decades of history prior to it, on the challenges of civil society building in Rwanda. The deep distrust that paralyses people at all levels of society; the authoritarian relations between the state and the population that have persisted for so long; the mutual fear much of government and society spontaneously have of each other; the difficulty, also within civil society, of working across ethnic lines –all of these cannot be wished away. They have to be worked with and around –the challenge of realistic understanding without complacency.

Third, the absence of political society has led to problems about how to aggregate and channel interests – hence the whole debate about umbrella organisations. It also adds to the uneasiness about the basis for state / society relations, and the high levels of mutual hostility and suspicion. What is the legitimacy of civil society organisations seeking to be included in policy making? Whom do they represent? The organisations that seem most at ease with this are those with a clear membership and remit, including labour and women’s groups. But many NGOs are being asked to fulfill political functions (or reproached when they do not do so) that go far beyond the current levels of Rwandan political development. This is loading too much on to civil society. There are other respects too in which donor expectations are unrealistic. For example, many (but not all) donors seem to have a one-sided view of civil society, seeing it solely as a counterweight to government. This risks reinforcing the government’s inclination to see any diversity of view as a threat. Many donors seem uneasy with the notion that significant parts of civil society may well share significant parts of the government’s agenda, or have no particular opinion of it, or prefer less loud modes of action. Without denying that strong and capable oppositional voices are necessary, it is too simple to see this as the only effective role for civil society.

Fourth, the fact that the state is to some extent “institutionalised”, values technical competence and respects formal rules can provide entry points for organisations which come with a clear policy agenda, and can show that they have some value to add in terms of information or analysis.

However there is always the risk that voices of better off and better organised groups get more of a hearing –hence the importance of organisations which combine policy skills with genuine links to the very poorest.

Fifth, the way in which aid donors and INGOs often work is itself dysfunctional because it risks reinforcing clientelist relationships and undermining incentives for longer term collective action. Longer-term strategies for civil society building must go beyond funding favoured organizations and hoping that in some unexplained way a critical mass of such organisations will emerge and blossom into a civil society. It requires a much more structural approach.

### **Part III. Some First Ideas for a More Structural Approach to Civil Society Support**

We want to be clear: well considered direct action to support civil society, including but not limited to human rights and other advocacy organizations, remains necessary, and can for that matter often be improved upon. It could aim to be less supply driven, work to longer timescales, be more realistic in linking interventions to higher level objectives, and be designed in a way that makes it possible to capture key learning points. It can be focused on building the capacity of CSO partners or local communities. Increasingly more broad-based, long-term, programmatic approaches are being adopted, that contain a significant element of partnering and mentoring (“accompagnement”). This is to be applauded: much can be done here, and it does not necessarily need much more money.

Our long-term vision of civil society is much more ambitious, however. A broad-based, diverse civil society needs to evolve out of a whole variety of different forms of collective action, not just from strengthening and increasing the number of NGOs and CSOs, no matter how good they may be. It requires engagement of people at all levels of society, slowly building trust and confidence and the basis for more effective public action – including the ability to both oppose and negotiate / ally with other groups within civil society and with government as the occasion requires. Our very long term vision is of a transition from a set of highly personalised relationships within society and between society and the state, in which individuals and organisations seek access to ad hoc benefits as clients, to much more “institutionalised” relationships governed by predictable, transparent rules, in which individuals and groups are able to demand access to rights as citizens. We recognise that this implies very fundamental social and political transformation, which historically has been driven by economic change. But we believe that a start can be made by people organising at a very local level, initially around livelihood interests. If there are incentives for long term collective action, the latter could in turn become more institutionalised, and be the spring-board for engagement around more public, strategic issues. The rest of this paper seeks to work through the implications of this insight. What we can say upfront is that the work will be medium-term and structural, rather than limited to direct support for CSOs; that it will cut across all fields of development cooperation, not only civil society sector work; that it will focus as much on the state as on existing civil society organizations; and that programme design will be crucial. Our focus is on collective action by poor people, since they are in the majority, and are most disadvantaged when it comes to getting their voices heard. But action by other groups, especially if it offers the basis for alliances with poorer groups, is also a critical part of the total picture.

In the rest of this paper, we are not, essentially, recommending new interventions: we have no magic new keys that will unlock the gates to civil society heaven. Rather we seek to provide a different lens through which to view a whole set of existing interventions, including quite technical issues such as public expenditure management and taxation, as well as core development programmes in education and livelihoods. We aim to show how those arrangements have an important impact on the context for civil society / state relations, and on incentives for collective action. We begin by illustrating this below in relation to arrangements for decentralisation. We will then proceed with some more general remarks about programme design, and some specific suggestions regarding education, rural re-capitalization, and access to information. It is important to note that many of our recommendations relate to action which donors themselves are in a position to take.

### Decentralization: From Clients to Citizens

Everyone we spoke to identified decentralisation as an opportunity. People saw it as having the potential to improve policy making, delivery of services and accountability by bringing decision making closer to the people, and by involving elected representatives. There is a lot of interest in how to facilitate participation at cellule and sector levels, and several interesting instances of piloting this, including the Dutch funded programmes in Cyanguu and Gitarama as well as the “ubedehe” process in Butare, now being rolled out more widely. A number of donors have programmes in the pipeline to support decentralisation in specific provinces (we will discuss below, however, some major weaknesses of these programs as currently undertaken). The main areas of concern which were mentioned to us included uncertainty about how decentralisation is being viewed by central government and the line ministries; whether adequate funding will be available; and whether at district level and below there is the capacity to take on the new responsibilities.

Decentralisation constitutes an opportunity to create new incentives for collective action by poor and very poor people around shared livelihood interests that cut across more personal (including ethnic) identities; to create a more predictable, less personalised basis for relations between state and civil society; to improve equitable access to government and donor resources and thus reduce causes of conflict; and to start to build a degree of trust in government’s ability to manage public resources which could over time provide the basis for a different kind of political accountability and mobilisation. But we also see significant risks that the decentralisation process could be marginalised, or could reinforce cynicism and dependency –outcomes, we believe, that donor support is unwillingly contributing to. The key factors are not only levels of funding but the seemingly technical issues of funding mechanisms, accounting and auditing arrangements, local revenue raising, and the way programmes are designed.

For donor support to decentralization to contribute to civil society building and changed state / society relations, we believe it needs to have four crucial features. It needs to be predictable, pooled, locally accountable, and facilitated.

First, predictable (and long-term) funding. An adequate flow of funds through decentralised structures is essential to meet the enormous needs for investment in productive infrastructure and services in rural areas. But from the perspective of civil society building (as well as, for that matter, “developmental state” building), predictability of funding is as important as volume.

Predictable flows create incentives for people to mobilise: confidence that money will be available strengthens those incentives and helps to “institutionalise” the process. Throughout the world, including in Rwanda, there are plenty of examples of small groups of people getting together to get access to the relatively short term benefits offered by project funding, but all too often those arrangements collapse when the project ends. More predictable funding allows people to acquire the experience to plan for, manage, and monitor resources, to learn from mistakes, to gain confidence in their capacities, and to pass through elections and learn that they can change those people who did not do their jobs well. All this contributes to stronger and more “institutionalised” collective action. Finally, under conditions of extreme poverty and need, short-term or unsure funding typically strengthens dynamics of conflict. When people feel that project benefits may well be one-off, they have fewer incentives for compromise and more incentives for abuse, including corruption. Predictable funding reverses these trends. In short, more predictable funding –preferably at the cell level, at least initially (as in the ubudehe process)-- may not only lead to better material outcomes (simply because more money is invested at the local level), but may also allow people to acquire experience in collective action and local level democracy.

Second, none of this can happen unless donors are willing to pool their funds and channel them in an equitable manner to decentralised structures. This is so not only for obvious ethical reasons (why should one district receive vastly more funds than the neighbouring one?), but because of the distorted incentives separately funded projects create that undermine collective action. If some districts, sectors, or cells receive vastly more support than neighbouring ones for the simple reason that they were lucky enough to be covered by the an outside NGO or bilateral agency, the international community is reinforcing exactly the kind of clientelist system to which it so strongly objects when states engage in it. This is a system in which personal contacts, ideology, negotiations between remote powerful actors (donors carving up the territory into their own fiefdoms) –all processes outside the control of the vast majority of ordinary people—can bring about vast flows of money –or nothing. Such projects increase the power of those intermediaries that can access the foreign money – typically people belonging to elite groups that have entries into the international community.

Pooling challenges the whole set of clientelist relationships induced by direct donor or NGO funding of a particular district or set of partners. Assuming it also leads to more predictable funding it can provide the basis for government to start offering some services (for example primary education or a public works programme) on the basis of rights –which can in turn prompt a different quality of long term collective action, as people start to organise to claim them. Moreover it may be possible to build into detailed project design specific incentives for collective action (for a specific example of how this might be done, see further). By contrast, direct funding of projects outside the budget, even if the amounts involved are significant, cannot lead to the creation of universal, credible benefits, let alone rights. Only the state can provide these. Better co-ordination between donors is not an adequate response (though it would be a welcome interim measure).

Third, pooled and predictable funding should reinforce common audit arrangements at district levels and below. Indeed, accountability mechanisms should not be primarily to donors but should be those envisioned by the law: local committees, audit systems, elections, etc. Better public expenditure management is an essential building block for reducing distrust of government, and

providing entry points for civil society to challenge misuse or perceived unfairness. If this system is to be accountable primarily to local people, it needs to be accompanied by arrangements for putting out regular accessible information in kinyarwanda.

Fourth, these local structures need to be supported, in order to increase their management capacity, their capacity to deal with unavoidable conflict dynamics, and their degree of inclusion. This support ought to be light, adapted to local needs, and given both to decentralized structures, CBOs, and people's representatives. This is not blanket "sensitisation" but training and support around particular needs –planning systems, financial management systems, tools for conflict transformation, support for leadership, etc.

NGOs, CBOs, unions, churches –all of civil society in its diversity can play a major role in these processes, and it ought to be directly supported to do so. To be clear, the role of CSOs here is not to be project implementers, not to deliver major services, not to substitute for public action. Rather, their role is facilitation and mentoring for all partners at the local level– in the decentralised structures, in civil society, and, why not, with the private sector. For civil society organisations involved in these processes, this does not imply either a relatively apolitical role as service deliverers, nor a consistently adversarial role as challenger or "counterweight" to state power. Rather it implies understanding and working within a particular context to nurture and reinforce the opportunities it offers for a move from "clientelism" to citizenship, which includes both engagement with the state and crying foul as necessary. For that matter, parts of that work can be done in partnership with the state: MINALOC, for example, or the NURC.

Finally, it is important to note that the research literature on decentralisation does not suggest that it will in any way automatically or necessarily enhance either pro-poor outcomes, or indeed democratisation. Experience elsewhere suggests that there are risks that resources and political space will be captured by elites; that central government will use decentralised mechanisms to reinforce control; and that the whole process will be marginalised by inadequate funding and unwillingness to devolve real control over budgets, functions and personnel. We see that as all the more reason for donors to do what is clearly within their own control to maximise the prospects of positive outcomes, and nurture the opportunity to begin the long process of a different basis for state / society relations. Much of what we described above does not need lengthy studies, or significant pressure on unwilling local actors: it is in donors' hands right now.

#### Public Expenditure Planning and Review Mechanisms

Moving beyond decentralization, we believe that there are other opportunities to take a fresh look at a range of development issues which at first sight have little to do with strengthening civil society or state / society relations, but which are critical to influencing the broader enabling environment. Perhaps most important are the whole clutch of issues around public expenditure planning, budgeting and management, including a more coherent, transparent Medium Term Expenditure Framework; strengthening the public procurement process; arrangements for accounting and independent auditing; and above all tax. All of these are at the heart of creating a more institutionalized and public accountability: civil society will always remain weak without them.

Indeed, what this amounts to is the creation of a public sphere which is separate from the private sphere of personal relations, and governed by formal rules. Routinised and transparent procedures for decision-making and budgeting are then not only technical issues or matters of economic efficiency, but constitute key political conditions for civil society building. If decisions are made on the basis of personal whim or networks of clientelism, it becomes impossible for the non-connected to affect policies (or to even know about them). Where clientelism and cooptation dominate, and the state is pervaded by private interests, civil society can hardly exist (even though a fair number of NGOs may exist, and receive funding from abroad). As a result, odd as it may sound, the creation and well functioning of National Tender Boards, independent auditor's offices, standardized and transparent budgeting and financial expenditure monitoring processes, are all important for civil society development: they reduce the arbitrariness of the state, and hence increase opportunities for people and political representatives to interact with it on a rational, as opposed to a relational, basis.

To repeat, this means that a whole number of seemingly technical issues, discussed between experts who are kept remote from civil society sector programs, are actually crucial for civil society building. Tax, for example, is at the heart of political accountability, and donors need to stop seeing it as exclusively a fiscal issue. Historically a central part of the process of state institutionalization and democratization in many now-developed countries was a long process of bargaining over the right of rulers to raise revenue in exchange for guarantees of political rights through representative institutions. This in turn provided strong incentives for the state to nurture general economic prosperity and to develop efficient administrative mechanisms to collect tax and manage public resources effectively.

The sort of political processes described above were often conflictual, and are not susceptible to being reproduced or engineered by donor agencies. However, what is possible is to try to avoid some of the most evident negative or destructive consequences of mishandling tax affairs. In Rwanda at present, for example, it may well be possible that the government will meet or even exceed its IMF-negotiated targets, while producing a negative impact on civil society building. If there is no clarity about the use of the taxes, and if people see no benefits accruing from paying tax, they will further distrust government. At the local level, there may be opportunities to create more positive dynamics around taxes: more transparent, less arbitrary and regressive taxes would be a starting point, together with attempts to launch public debate linking payment of local tax to public expenditure issues.

Other parts of the development agenda which have implications for state/society relations include the whole way the PRSP process is managed, so that it works to strengthen (“institutionalise”) local political processes and policy making systems and avoids undermining them by creating parallel systems. The way in which education or other public benefit programmes are designed could enhance incentives for collective action (for example if Universal Primary Education came to be regarded as a credible right), or undermine trust if access to secondary education is not perceived to be merit based.

#### Other Possible Priorities

Education for all constitutes a major contribution to civil society building. It is not only important for economic development –“human resource development” in economists’ parlance, in which a

high quality educated workforce constitutes a basis for diversification of Rwanda's economy and its positioning as a central regional axis in services, as is well outlined in the Government's 2020 vision<sup>2</sup>—but also for political reasons. There are different arguments here. Education helps build basic the social and political capabilities that are required for collective action beyond the local level and social change. A better educated population depends less on the skills of the lucky few who can read and write, allowing for more democratic control and involvement. It can interact more easily with the formal institutions of the state and the aid system. A better educated population may be more able to resist the kinds of manipulation and self-serving discourses it has too often been subjected to in the past, with disastrous results. Finally, a meritocratic education system offers a possibility for social mobility, and as such acts as a stabilizing force in a society. If people can believe, and see, that through intelligence and hard work, it is possible to move forwards in life, no matter what one's station at birth was—whether in economic terms or in terms of ethnicity—they will have a stake in the system. In that respect, it is very encouraging that the majority opinion is that the current educational is indeed meritocratic. The major current constraint is economic, both at the level of the state, which lacks the resources to build more schools, equip them with qualified teachers and materials, and maintain them; and at the level of the households which lack the money to pay for the costs of education. Even the average annual RwF 540 primary education currently costs is too much for many households; the Rwf 23,000 for secondary education is far out of the reach of the large majority of the population. Innovative thinking should be pursued by donors on how to overcome some of these constraints through long-term grant commitments.

Second, access to information and knowledge. Programmes that seek to ensure level playing fields in information on public issues --whether gacaca, decentralization, elections, justice, privatization, economic policy, or land reform-- can play an important role in civil society building. On all these issues, there exists a sharp pyramid of knowledge, with the top cadres of the local power structure—senior Rwandan officials and foreigners—being quite well informed. At a significant distance behind this are the major NGOs, both foreign and local, and far, far behind, small local organizations, associations, and ordinary citizens. As we outsiders are typically in the (sub-)top, we under-estimate how little is known by almost everyone else, and how debilitating this lack of knowledge can be; surely, there will be no meaningful civil society (or democracy), without much more broad-based access to knowledge. Projects specifically designed to get information to circulate could be very useful here. An easy part of this, of course, for donors is transparency about their own activities and programs, including translation in kinyarwanda of major documents.

But it is more than information that is at stake; knowledge is important as well. In other words, beyond the facts of who does what where and with what sort of resources, we need analysis, learning, and research. Field research on issues of current public interest; support to local universities or research centres; well-organized local dialogues that feed into national policy processes --all of these may generate alternative policy options and help foster a climate of debate on public issues as well as offering better analysis. To some extent, this is already happening. Some Rwanda research centres are being funded; some NGOs already do execute, or commission quality research on public issues—ProFemmes, for example, has quite a tradition of that, as does LIPRODHOR in its field; RISD has shown it can be done for land reform, while CCOAIB even did it for the politically sensitive issue of corruption. This work should be amply supported.

Donors could look for ways of building into a wide range of development interventions mechanisms for providing access to good quality, objective accessible information about resources, process and outcomes (and to start with donor programmes).

Third, we deeply believe it is very important to explicitly deal with the overwhelming poverty of the large majority of Rwandans. There will be no meaningful (representative, embedded, diverse, or institutionalized) civil society if the vast majority of people lack even the most basic conditions of human dignity, forced to constantly engage in—and too often lose—the fight for mere basic survival. Rwanda’s rural economy is severely demonetized; most observers agree that a significant push is required for rural development that would benefit the poor. Donors should give more thought on how to get resource flows down to the masses. Many of the proposals presented above actually do some of that, but it seems likely that a more massive push is required. In this respect, the USAID-funded work by John Mellor proposing a massive, 10-year, Labour-Intensive Public Works (LIPW) scheme, is very promising. Donors should work with the government of Rwanda to make rapid progress on this matter. There may be a particular opportunity here to think about how detailed programme design can reinforce incentives for collective action by very poor people. The PRSP already refers to the Maharashtra Employment Guarantee scheme in India as possibly offering some useful lessons. The key features of the scheme were that incentives for collective action were built into the scheme (a minimum number of people need to be in search of employment before work sites are opened); it provided a legal guarantee that employment would be available if certain conditions were met; and over time that came to be regarded as a credible right backed by predictable funding, so both poor people and politicians and NGOs saw it as worthwhile to organise to claim those rights. The scheme has its faults and is unlikely to be directly replicable elsewhere. But it does have some features which could inform the design of a range of public programmes.

#### Post-script: A Tentative Conflict Analysis

Everything we have proposed has an impact on dynamics of conflict, not necessarily because it was explicitly designed to do so, but because all actions that affect the public sphere, that bring significant external resources into severely resource-constrained areas, and that organise people and strengthen institutions, are political, and can thus impact on conflict dynamics. For that reason, it is worthwhile to try to think through this as much as possible –a sort of preliminary, rather conceptual, conflict impact assessment. Below, we present a first tentative analysis of some key points, focusing in on the specific decentralization proposals we outlined.

#### Positive

- creates significant incentives for collective action at local level, strengthening nascent civil society dynamics
- these incentives for collective action, moreover, may not be based on ethnicity or other historical divisions, but on local economic or social interests. This may create cross-cutting cleavages as well as cross-cutting opportunities for collaboration. It may become harder to set people up against each other along identity lines.
- creates greater legitimacy of the state, seen as delivering important resources and behaving in more accountable ways. This would strengthen both the current regime and the legitimacy of the state itself. Both of these can decrease conflict dynamics, depending on how the regime uses the state for the rest.

- if resources become more stable and assured (instead of one/off massive injections), competition for them may decrease and the role/power of elite intermediaries may decrease.
- if accompaniment takes place, people's self-confidence, degree of organization, capacity to speak out, etc. may be increased

#### Negative

- Being forced (or given the opportunity) to distribute resources in a very resource-poor situation may lead to local conflicts, especially given the deep divisions and distrust that exist between people.
- If certain social groups end up being excluded in the processes of local decision-making and collective action, their frustration and anger will rise.
- If mechanisms of control (both local control and the control exercised by the state, through audits etc.) do not work, the whole process may be perceived as illegitimate. People's overall sense of anger and distrust will only increase.
- To the extent that people become truly engaged citizens, who seek to hold their leaders at all levels accountable for their behaviour (as is the intent of the law), these leaders may not appreciate that. They may be challenged, and resort to Rwanda's time-honoured strategy: sowing division, reinforcing the country's deep divisions.

Persons met

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- 13) Nathalie Gahunga, Swiss embassy
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- 41) Noel Twagiramungu, LDGL
- 42) Florian Ukizemwabo, LIPRODHOR
- 43) Jan Vanheukelom, Belgian Ministry of Development Cooperation
- 44) Lars Waldorf, Human Rights Watch
- 45) Mark Wildemuth, US embassy

46) Robert Wilkinson, consultant

47) Brian Williams, International IDEA

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+ various researchers