

answer the question, “What is the future of international collective bargaining?”

Andrew R. Timming
Faculty of Social and Political Sciences (Ph.D. candidate)
University of Cambridge

References

- Munck, Ronaldo. (1988). *The New International Labour Studies: An Introduction*. London: Zed.
- Munck, Ronaldo, and Peter Waterman (eds). (1999). *Labour Worldwide in the Era of Globalization: Alternative Union Models in the New World Order*. Basingstoke, UK: MacMillan.
- Waterman, Peter. (1998). *Globalization, Social Movements, and the New Internationalisms*. London: Mansell.

Fukuyama, Francis. 2004. *State-Building: Governance and World Order in the 21st Century*. New York: Cornell University Press. xiii, 137 pp. ISBN 080144923

Perhaps no issue is more important in foreign policy today than state building. Since World War II, the United States has led eight major state-building efforts. The results have been mixed with clear cases of success in Japan and Germany, clear cases of failure in Somalia and Haiti, and mixed success in Kosovo and Bosnia. It is too early to pass judgment on the current efforts in Iraq and Afghanistan, but the difficulties have been obvious. One thing that is clear across all of these cases is that transferring the desirable aspects of a liberal democracy is one of the most difficult policy achievements. In this slim volume, Francis Fukuyama attempts to add to our understanding of the state-building process.

The main problem with past efforts at state building, Fukuyama argues, is the “failure to unpack the different dimensions of stateness” (p. 5). Over the past two decades, the focus of the development community has been on the scope of state functions. Along these lines,

the standard advice was a series of measures aimed at reducing the degree of government intervention. The author argues that this myopic view overlooks a critical dimension of stateness, namely, the strength of government. While the scope of the state relates to the range of activities it undertakes, the strength of the state relates to its ability to execute those activities and effectively enforce laws. Fukuyama contends that this oversight has led to weak and failed states that are “the source of many of the world’s most serious problems” (p. ix). To illustrate his point, the author cites Russia as a prime example where rapid privatization in the absence of a strong rule of law resulted in a corrupt oligarchy.

After clarifying the two key dimensions of stateness, Fukuyama turns his attention to the transferability of institutional capacity. He concludes that knowledge of organizational and institutional design, in contrast to social and cultural factors, is the easiest to transfer given that we have a general theory of organizations and public administration. Drawing on the theory of the firm, Fukuyama offers an analysis of the various forces at work in building governing institutions. The topics discussed include organizational ambiguity, principal-agent problems, and issues related to centralized and decentralized organizations. The conclusion is that we need to understand which state-building activities need to be spearheaded at a national level and which ones will be more successful if undertaken at a local level. The determining factor is the “degree of local variance” for each activity. Some institutions, such as central banking, are easier to transport because they are separate from local conditions and therefore can be effective without a full understanding of these conditions. Other institutions, such as a legal system or education, have a high level of local variance because they must consider the local conditions, such as culture, in order to operate effectively.

In the third chapter, Fukuyama briefly focuses on nation-building efforts in Iraq and Afghanistan, pointing out the distinct difference between the two. Afghanistan never had a modern state so nation-building efforts must start from scratch. Iraq, in contrast, had reached a relatively higher level of development in the prewar period. Those looking for an ethical discussion of foreign intervention and attempts at imposing democracy will not find it here. One noteworthy over-

sight is that Fukuyama never discusses whether the aim of nation-building efforts should be a strong state or a strong liberal democracy. There is a potential tradeoff between state strength and constitutional liberalism. Unfortunately, this tradeoff is not discussed or even recognized.

There are a few major areas that could have been addressed in more detail. Fukuyama correctly recognizes that culture pervades state-building efforts and increases the difficulty of transporting institutional capacity. Even in the case of organizational and public administration capacity, which are the easiest institutions to transfer, Fukuyama admits that they are “heavily impacted by social structure, culture, and other variables not under the direct control of public policy” (p. 82). Despite this recognition, the author fails to discuss any potential means of shaping and influencing culture. In *The Great Disruption* (1999), Fukuyama analyzed the role of social capital in the United States. It would have been interesting to apply the insights developed in that book to the issue of state building. For instance, how does social capital influence state-building efforts? How can social capital be created or shifted to align with the aims of the state-building efforts? The author does not acknowledge these questions.

Another related topic is how common knowledge and popular support will be created around the state-building efforts. One critical aspect of achieving a self-sustaining order is ensuring that the populace “buys into” and ultimately supports the state-building efforts. Fukuyama fails to recognize the role of public opinion and popular support in achieving success in state-building efforts.

One potential avenue for understanding this aspect of state building can be found in communications theory—specifically, the two-step flow of communications hypothesis. In its simplest form, this hypothesis says that information is not simply made publicly available and accepted by the populace. Instead, public information is filtered through opinion leaders and then passed on to the populace. One finds a similar notion in diffusion theory developed by sociologists. This theory considers how an idea, innovation, or product moves through a social system. Much of the diffusion literature makes reference to opinion leaders—those who are the first to adopt an idea

or product. In both theories, these opinion leaders have well-established reputations and hence create convergence. In the context of state building, the issue is how to identify and incorporate these opinion leaders into state-building efforts in order to coordinate the populace around the aims of those efforts.

Despite these issues, Fukuyama's book offers many important insights into the complex process of state building. The author not only provides a framework for understanding the process, but also provides an insightful analysis of the various forces at work in transferring institutional and governance capabilities. Policymakers will find many important lessons applicable to current and future state-building efforts. Academics will find interesting questions that will serve as the basis for future research in this area.

Christopher J. Coyne
George Mason University

References

Fukuyama, Francis. (1999). *The Great Disruption: Human Nature and the Reconstitution of Social Order*. New York: Free Press.

Arum, Richard and Walter Mueller, eds. 2004. *The Reemergence of Self-Employment: A Comparative Study of Self-Employment Dynamics and Social Inequality*. Princeton: Princeton University Press. ISBN 0-691-11757-8

This book consists of 11 essays documenting the phenomena of "self-employment" among various nations of the world. The list of nations covered includes Taiwan, Japan, Italy, (post-Soviet) Russia, Hungary, Australia, the United States, the United Kingdom, France and Germany. The editors of this book (both professors of sociology) have done an admirable job of commissioning, editing, and analyzing these diverse bodies of data (sometimes comparable and sometimes not). All the contributors are sociologists and this gives a certain *bias* to the work (pp. 455–458). The group of researchers has been meeting since August 1999 "to develop and implement a unique analytical