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Theories of development have tended to downplay or ignore the importance of cooperative, or synergistic, relations between the state and society. At the local, regional and national levels, such relations are often critical to successful development strategies. Moreover, there is evidence that such relations can be constructed even in societies in which the stock of "social capital" is considered relatively small. This article, drawing on others in a special section on social capital and government in the journal *World Development*, argues that such synergy can be a powerful force for development.

The Structure of Synergy

"'State-society synergy' can be a catalyst for development. Norms of cooperation and networks of civic engagement among ordinary citizens can be promoted by public agencies and used for developmental ends." (1119) Before exploring the social and political conditions that allow such synergy to develop, we need to understand the structure of such relations.

Productive relations between governments and citizens' groups can take many forms. It is important to distinguish between the concepts of complementarity and embeddedness. The former refers to the conventional ways in which a mutually supportive division of labor can exist between the public and private sectors. Where complementarity is strong, the developmental output will be greater than the simple sum of the respective inputs from government and private groups. At its most basic level, this must take the form of the state providing and enforcing the rules and laws that strengthen private organizations and institutions. While traditionally understood to be important in fostering entrepreneurial behavior from economic elites, the rule of law is also important to complement the actions of less privileged groups.

Complementarity also takes the form of the public provision of intangibles such as knowledge through agricultural extension work, which enhances the effectiveness of farmers and peasants. Such intangibles can also include something like broad-based publicity, which can promote the formation of social capital to support government programs. Complementarity can also take a more tangible form, such as government-funded irrigation systems that raise private-sector productivity. Recent research has demonstrated the extent to which such programs, if administered properly, can not only add value to the provision of goods but increase the stock of social capital by increasing farmers' willingness to work cooperatively.

While the concept of complementarity forces no rethinking of the roles of the public and private sectors, the idea that effective synergy depends on embeddedness challenges mainstream precepts. Embeddedness refers to the "ties that connect citizens and public officials across the public-private divide." (1120) Irrigation is again a useful example. Comparing irrigation programs in Nepal and Taiwan, the latter was found to be much more effective and efficient, in part because of the dense web of ties binding together public officials and farmers at the local level. In contrast to Nepal, where the central government provided the inputs and the local farmers took responsibility for the day-to-day operation of the irrigation systems, in Taiwan the local irrigation officials came from the community, had knowledge of local conditions, and felt significant community pressure to be responsive to the community. "There is a division of labor but it is among a set of tightly connected individuals who work closely together to achieve a common set of goals." (1121)

Embeddedness also refers to government involvement in ventures commonly understood to be the realm of civil society. In Ho Chi Minh City, Vietnam, a successful revolving-credit association was organized by an agency of the city government, with financial support from an international aid organization. The city provided training and technical support, but local village leaders, in and out of government, provided the organizational skills and energy, building on existing kin and friendship ties. This type of synergy "helped transform traditional ties into developmentally effective social capital." (1122) Pervasive examples of embeddedness abound, too, in cases of successful relations between the state and economic elites. The well-known examples of East Asian development highlight the importance of such ties.

Complementarity and embeddedness are not competing conceptions; they are themselves complementary. "(T)he best way to understand synergy is as a set of public/private relations built around the integration of complementarity and embeddedness." (1124)

The Construction of Synergy

Synergy depends to a great extent on existing sociocultural conditions, but it can also be built, even in societies thought to lack such endowments. Obvious examples of endowments than enhance synergy include the stock of social capital within civil society, the effectiveness of government institutions, and even a low degree of inequality within a given society. The absence of such endowments certainly constrains the development of synergistic relations, but it does not preclude it.

Based on the research presented in the prior articles in this issue, it is clear that social capital is crucial to synergy, but the relatively low levels of social capital in many Third World settings are not the key constraining factor in constructing productive state-society interactions. "The limits seem to be set less by the initial density of trust and ties at the micro level and more by the difficulties involved in 'scaling up' micro-level social capital to generate solidary ties and social action on a scale that is politically and economically efficacious." (1124) Taiwanese farmers did not start with an exceptional level of solidarity, nor did the Vietnamese communities involved in the revolving-credit program referred to earlier. In a study of rural Mexico, strong community organizations were found to be important but developmentally effective only when they achieved regional scope. Interestingly, this often happened in collaboration with local reformists within national government programs.

Without micro-level social capital, there is little to build on. But such community-level ties are potentially available in many Third World communities. Transforming that social capital into synergy for development requires a competent and responsive set of public institutions. The limits to synergy may rest in government rather than civil society. Studies of East Asian industrialization have highlighted the importance of strong pro-development bureaucracies with close ties to industrial leaders. Similarly, China's relative success in its current economic transition owes partly to the continuous coherence of the government and the resulting ability to restructure local incentive structures to encourage entrepreneurship. This stands in stark contrast to the case of Russia.

One cannot analyze synergy, of course, without addressing issues of politics and interests, which many discussions of social capital fail to discuss. Such discussions often assume the existence of shared interests among a relatively homogenous group of people, who have only to develop trust to achieve collective action. While the idea of synergy presented here takes this a step further to assert that government officials may share the interests of their constituents, social capital is more usefully understood to exist in societies of competing and conflicting interests. How such conflicts are addressed, through political competition or repression, is critical to the emergence of transformative social capital. Political competitiveness seems to have a positive impact on the development of synergy. At the most basic level, it creates an environment in which citizens count. Even in situations of one-party rule at the national level, competing local interests can help generate pressure on local governmental institutions to be responsive to community needs. For such pressure to translate into meaningful action, however, the government must have the administrative capacity and cohesion to produce results.

The nature of the social conflicts underlying political competition is also important. Where inequality is high and conflicts are sharp, it is much more difficult to achieve synergy. "From Taiwan to Kerala, relatively egalitarian social structures are as much of an advantage for synergy as is political competitiveness." (1128) Building synergy for rural development in Taiwan, starting with an agricultural sector dominated by small family-owned farms in a country with one of the lowest Gini indexes in the Third World, is much easier than it is in rural Mexico, where a strong landlord class presides over an excluded peasantry.

Unfortunately, the latter is more typical of Third World societies. "If egalitarian societies with robust public bureaucracies provide the most fertile ground for synergistic state-society relations, most of the Third World offers arid prospect." (1129) Yet synergy can be constructed. Looking at cases where synergy has emerged despite unfavorable conditions, we can identify several factors that contribute. First, social identities and relations are regularly reconstructing themselves in response to changing conditions, and they can be reconstructed to enhance synergy. Second, organizational structures that enhance embeddedness and social capital at both the civic and the governmental levels can make a large difference. Finally, synergy often begins with the redefinition of problems in a way that allows public- and private-sector actors to recognize their respective interests and potential contributions to the development project.

“Synergy is too potent a developmental tool to be ignored by development theories. Like social capital, it magnifies the socially valued output that can be derived from existing tangible assets but requires minimal material resources in its own creation.” (1130)