PRIA

INTERNATIONAL ACADEMY

Initiative in Education & Lifelong Learning

Certificate Programme

Civil Society Building

Unit 2

Civil Society And Other Actors

Units Of Certificate In Civil Society Building

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- Historical And Cultural Roots Of Civil Society
- Wider Aspects Of Civil Society
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Introduction

The first unit emphasised building a conceptual understanding of the concept of civil society. In this unit we will take you one step forward by focusing on civil society's relationships with other actors, which include the state, the market and donors. The third and fourth units will elaborate the functional aspects of civil society by exploring its contribution to development (Unit 3) and democracy (Unit 4).

In this unit, you will start by getting an overview of the concept of the 'trinity' we introduced in Unit 1, with an overview of the dynamic interaction inter-relationship between civil society, the state and the market. In the following sections, we will go deeper into understanding the relationship between civil society and state; civil society and the market; and civil society and donors. These sections will trace the historical links of civil society with other actors, assess contemporary realities and draw out implications for the future interactions.

Learning Objectives

After completing this Unit you will be familiar with the following (with reference to both India and the wider international context):

* The overall dynamics of relationships and interaction between the state, the market and civil society

* The practices and issues involved in civil society – state interactions and relationships

* The practices and issues involved in civil society – market interactions and relationships

* The attitudes and practices of donors towards civil society

2.1   The Trinity: State, Market And Civil Society

Recent years have witnessed dramatic changes in the social, political and economic circumstances of nations and communities throughout the world. As we discussed in Unit 1, the power, extent, roles and responsibilities of each of the three sectors of the 'trinity'– the state, the market and civil society – have changed. Indeed the very recognition that there are three rather than two sectors emerged only in the past few decades, replacing the previous polarity of state and market. So what are these three pillars of the trinity? How do we understand them separately and together?

2.1.1 The State

The 'state' can be defined in various ways. Here is one:

> "The collection of institutions, political, legislative, judicial, military,
> financial, etc., by means of which management of their own affairs, the
> guidance of their personal conduct, and the care of ensuring their own
> safety are taken from the people or delegated by them to certain
> individuals, who then have the right to make laws over and for all"
> (Malatesta, 1891, p. 1).

However, when people talk of the 'state', or the 'nation-state', they more commonly mean the 'government'. The institutions of state (arms of government) in a democracy are usually described as the legislature, executive and judiciary. The legislative arm makes laws and formulates policies; the executive arm (the public service bureaucracy) implements the policies; and the judiciary's main function is the protection of the rights of citizens.

Within and around the three arms are political parties, government agencies, the military and the machinery of law and order. In many countries of the South, this concept of the government of the nation-state was essentially put into practice after World War II. Before that they were under colonial administration, or in other words,

governed by other nation-states. Prior to the colonial era, most regions in the global North and the global South were governed through various tribal systems and forms of chiefdom, elders or monarchy.

Classification Of Nation-States

The governments of nation-states have been classified in various ways. One common institutional classification is described here:

- Presidential and parliamentary republics
- Parliamentary constitutional monarchies in which either the monarch does or does not exercise power
- Absolute monarchies
- States whose constitutions grant only a single party the right to govern
- Military or other forms of dictatorship

However, this is rather an academic and theoretical way of classifying governments, remote from the real world in which we live. What we need is a classification that enables us to see the extent to which different forms of government enable or disable the roles that civil society plays in social and political functioning (which we examined in Unit 1).

Based on an analysis proposed by Fayemi (2004), post-World War II, nation-states can be classified into the following:

- States that are still 'consolidating' their democracy (whether the presidential form or the parliamentary form), in the sense that there is some citizen participation in the creation of government, through elections, but where other democratic features, such as full human rights, for example, may not be fully evident.

- States in various forms of 'transition', which are neither consolidating democracy nor reverting to dictatorship. These states face various challenges in their quest to fully develop their democracy: these include those with single-party and/or part-monarchic political systems.

- States that are moving out of, or still in, 'conflict', or 'non-performing', in the sense that they are unable to ensure that the most basic needs of citizens are met even to a limited extent, due to such internal factors as civil unrest or war, corruption or insurgency, or external factors, such as regional conflict. (These states are sometimes referred to as 'failed states', although such a description is resented, quite understandably, by many citizens of those states.)

- States that are still under 'dictatorship' or absolute monarchy.

While it took place many years ago, the analysis of an international workshop of leading NGO workers on this matter are still relevant and valid today, particularly because it relates the classification of different types of state to the place and functioning of civil society within them. The workshop concluded that there are three types of state (PRIA, 1989):

- The first is characterised by dictatorship, military rule, autocracy or other forms of authoritarian functioning. In this type of state (examples at the time of the seminar included the Philippines, Chile, Brazil and Argentina) all work done by NGOs is seen as being antagonist to the authoritarian state and as attempts to subvert its power. Its seen as not belonging to any legitimate social order or governance.

- The second type of state is characterised by the existence of a single ruling party. At the time, this was widespread in Africa, across countries including Kenya, Uganda and Ghana. In this situation, the state appears to regard those NGOs that are service providers as legitimate and useful, but rejects those that work to empower people, or to support and strengthen the capacities of organisations working at the grassroots or to network with and/or support other NGOs, and by so doing, identifying and raising issues with the government.

- The third type of state is characterised as a 'settled, liberal, multi-party democratic state', examples at the time (and still) being India and Sri Lanka. Here, the consultation noted that while the state accepted the role and work of service-providing NGOs, its relationship with other types of NGOs still tends to

be problematic because it viewed such NGOs as being a threat to the state and being in such an area that is not being covered by the state or any of its agents.

Governance and administration are exercised in various ways. Some states are centralised and others are federal in the nature. The numbers of tiers of government and administration vary: in India, for example, there are three tiers: national, state and local. Only in countries with highly centralised systems of governance and administration is the question of state–civil society relationships relatively easy to discern: the more federated and de-centralised governance is, the more complex and multi-faceted the relationship is likely to be. Such complexity is made even greater when, as is the case in many federal or decentralised administrations, some powers are held by central authorities and others delegated to other tiers.

2.1.2 The Market

The market plays a major role in the economic development of society. Through it, buyers and sellers discover information and carry out exchanges, mainly of goods or services, for other goods or services, often through the use of money. The market is, along with the right to own property, one of the two key institutions in capitalist economies. Though markets may be located in a physical place (the marketplace), they increasingly exist in other locations, such as the Internet.

Wherever there are buyers and sellers, there are markets. Among the most important markets are:

- *Product, Or 'Goods And Services' Markets*: These are perhaps the most familiar (and oldest) forms of market, where people buy and sell their products or services. They exist at all levels from the tiniest village to the 'global marketplace'. These markets have a fundamental influence on the shape and distribution of economic opportunities. In reality, all the other forms of market, now described, are subsets of the goods and services markets.

- *Financial Markets*: In its simplest form, in this market, the seller is the saver or depositor and the buyer the borrower. The institutions of this market include (at

the one extreme of size and power) major banks and (at the other extreme) micro-finance institutions. As globalisation has proceeded, foreign currency markets have become significant. According to the World Development Report, issues arising from the operation of financial markets include unequal access to financial services, when only the elite can access financial resources (The World Bank, 2006). Financial liberalisation, in the absence of political accountability, can lead to the capture of the market by privileged elite groups and also to financial crises.

- *Share And Stock Markets*: Here, shares mean just that – typically shares in the ownership (and therefore profits) of companies – and stocks also mean just that – assets, whether private stocks or government stocks. Through share and stock markets, people are buying and selling both. There are many sub-components of these markets, including 'commodity' markets (food and raw materials and resources) and even 'futures' markets (buying/ selling on the basis of what the future value of stocks or shares or commodities or currencies, etc. will be).

- *Labour Markets*: For most people economic opportunities are primarily determined or at least mediated by the labour market. Again, the expression means exactly what it says – the buying and selling of labour, whether in formal or informal work. Labour markets may be characterised by uneven market power between employers (buyers) and workers (sellers), by limited mobility of workers, by discrimination, as well as by other factors which affect all markets, such as insufficient information (The World Bank, 2006).

Just as the state has its institutions, so does the market. These include national and multi-national corporations, financial institutions and their inter-locking arrangements, 'exchanges' (as in 'stock exchange') which are corporations that facilitate the processes of buying and selling in the market.

While states themselves may be players in all these markets (for they may have things to sell and need things to buy), the market is the essential core of the private sector. Prominent among the dramatic changes of recent decades has been the

steady growth of markets to fill voids created by the state stepping back from the provision of what were formerly seen as 'public' services, to leave their provision to the demand-supply imperatives of the market.

Hence, people talk of 'privatisation', 'marketisation' and 'commodification' of the provision of such services, and indeed of 'public goods' themselves, for example, most notably, even such an essential public good as water. The new global consensus is on shifting the balance of approach in favour of the market. Private, for-profit economic and business activity is thus being seen as the primary engine of economic development.

2.1.3 Civil Society

We have described and discussed the origins, meanings and functions of civil society in detail in Unit 1. There is a growing recognition not just among development actors, but among political and economic theorists and practitioners, of the importance of CSOs and institutions (including NGOs, community-based organisations, unions and religious associations) and of the 'civil' actions of individual citizens themselves. The roles these bodies play in bringing about sustainable development, strengthening democratic processes and institutions, and indeed creating the social stability and cohesiveness that make it possible for the state and market sectors to function is now being appreciated. There is also a re-discovery of the role civil society plays in the development of what is commonly called 'social capital'.

There must have been some ambiguity as to what the term 'social capital' mans. While it is a slippery concept to define and understand, it can best be understood by analogising.

In a manufacturing process, raw materials are converted, through human and/or mechanical or technological input, into finished products having greater value than the original raw materials – this is commonly called 'value-adding'. In civil society, the raw material is people. Through the processes of association, debate, learning, interaction and organisation that take place in civil society, the value of such people,

individually and collectively, becomes enhanced. This can be seen as the creation of civil society

Hypothetically, in a world without a civil society, the people would be atomised, and would act only out of self-interest. Where this is the case, the fragmentation and even conflict that may well result can quite easily be 'costed' in more conventional, economic ways. Thus, while the economic value of cooperation, trust, social networks and (civil) norms is difficult to ascertain, it is possible to show what costs would arise where society is uncivil rather than civil.
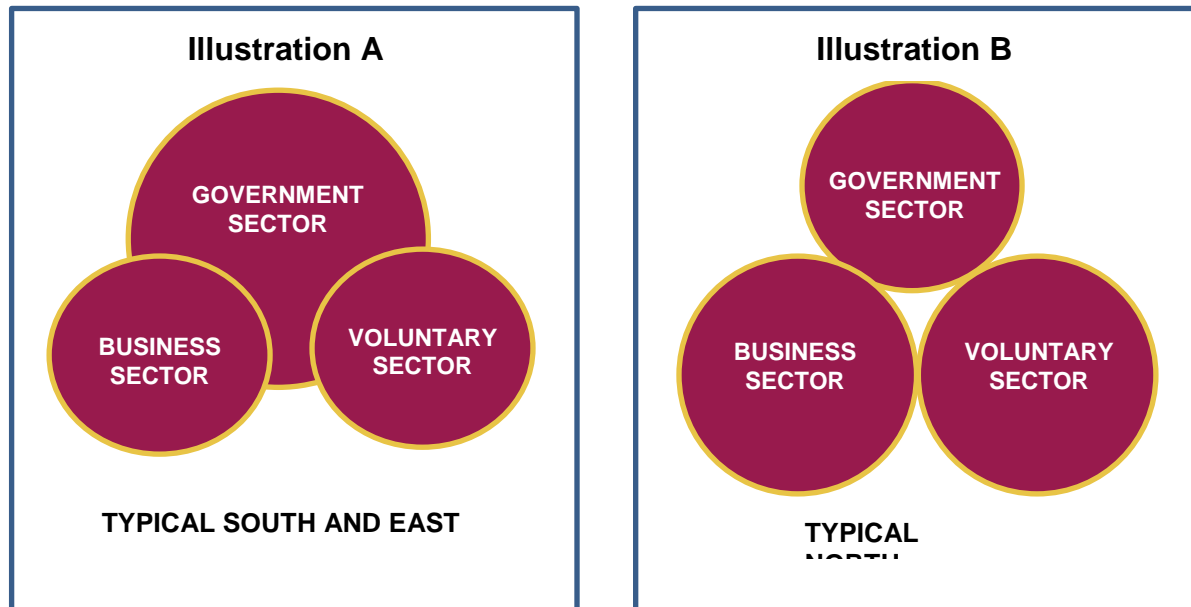
2.1.4 Interaction

Each of these three sectors thus has a unique character. Their relative importance and how they relate to and interact with each other varies across different cultures, regions and countries of the world, with their different histories and contexts. The following two simplified illustrations shown in the diagram, based on the 'trinity' concept we have used, show some of the possible variations.

In some cases (Illustration A), the state is or has been so dominant that it absorbs both the market and civil society. This was (and still is) the case in countries with communist or totalitarian regimes. Even in a country like India, the state took over the functions of large segments of both civil society and the market after independence. In other situations, (Illustration B) the role of government is more limited, and greater importance is given to both the market and civil society sectors (Fowler, 1996).

What is generally, and increasingly, recognised is that a balance between the three sectors is necessary for a sustainable and just socio-economic development, democratic governance and societal stability and cohesion. The diagram does not really show this interaction, but if all the circles overlapped in part to form a venn

diagram, as is partly the case with Illustration A, this would be more evident. Or in other words, the state, the market and civil society need to 'interact' in a manner that is mutually respectful, accountable and supportive.

Illustration A

GOVERNMENT SECTOR

BUSINESS SECTOR

VOLUNTARY SECTOR

TYPICAL SOUTH AND EAST

Illustration B

GOVERNMENT SECTOR

BUSINESS SECTOR

VOLUNTARY SECTOR

TYPICAL NORTH

(Fowler, 1996)

Such interaction is already occurring. Whereas the early years of marketisation and privatisation in the countries of the North witnessed the development of what are called 'public–private partnerships',[1] now, what are called 'tri-sector partnerships' are becoming more common, where all three sectors work together.

The following sections examine, in turn, civil society-state and civil society-market interactions.

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[1] Public-private partnerships are cases where the state and the private sector would form a partnership to provide a particular service formerly provided by the state alone, such as transport or utilities like water and electricity

NOTE BANK

Multi-Stakeholder Dialogue

Governance that is transparent and accessible to all is crucial in a people-centric decentralised democracy. This means a sharp shift from the traditional top-bottom where governments (elected representatives as well as bureaucrats) have a monopoly. This shift means inculcating the vantage point of the poor and taking their opinions into consideration. Such a process necessitates multi-stakeholder dialogues.

'Multi-stakeholder dialogue is a process to build a shared understanding on a particular issue, to create a common platform among different stakeholders through dialogue, discussion and debate and to initiate joint action planning. It is used when issues cannot be addressed or resolved by a single actor, but require co-operation between many different stakeholders or interest groups' (Bandyopadhyay, 2004, p. 14). Thus it is not a universal tool but one that can be used when there are concerns that common to the various types of parties involved. Multi-stakeholder dialogues can be conducted during the planning, implementation or monitoring stages of a project or in each of these stages as well (Bandyopadhyay, 2004). The process is complicated and can invite a lot of tensions between various parties involved and requires good planning on the part of the organiser.

Multi-stakeholder dialogues have become a strong tool in mainstreaming the voices of the marginalised. It has now become a democratic platform where groups that are traditionally unequal can participate as equal partners.

THINK TANK

Taking either something as large as a country with which you are familiar, or a city, or a village (or why not do this exercise for all three?) create a picture of it by using the variation of the 'trinity' suggested in this section in the form of a venn diagram of three overlapping circles. Make the circles as large as you think the power and responsibility of each sector is (in human or economic terms), and if and where they overlap – representing partnership action by two or more sectors – make the size of the overlap area similarly illustrative.
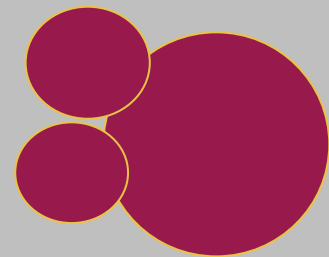
2.2   Civil Society And The State

As we have noted in the previous section, the relationship between civil society and the state is complex and dynamic. It has evolved historically and, at any point in that history, including the present, it is context specific.

2.2.1 Historical Trends

In Unit 1, we traced the evolution of understanding of civil society in Western and Indian/South Asian contexts. We noted that in all stages of history, the relationship between state and civil society was integral to such understanding.

In the West, while for some the individual was considered an integral part of the political process, such as in ancient Greece, for others the role of state was seen as restricted to that of protecting the rights of individuals (theorists of early modernity); to that of protecting the life, liberty and property of the citizen from external aggression and internal chaos, and providing a system of justice and public works and amenities (classical political economists). While some saw the role of civil society as that of limiting the power of state (liberal theorists), others felt that the state must subordinate civil society in the institutionalisation of ethical life (Hegel). Yet others felt that the reverse was the case (Marx).

Turning to South Asia, we note that, historically and at present, different countries show diverse patterns of democracy and governance. While India and Sri Lanka have had parliamentary forms of democracy since the early 1950s, Pakistan, and later Bangladesh, have had long periods of military dictatorship, and in Nepal the monarchical system has now been replaced with parliamentary forms of democracy. Bhutan's political system has developed from an absolute monarchy into a constitutional monarchy. The past decade has witnessed change – the reassertion of democracy has taken place in Bangladesh, Pakistan and Nepal.

In all these countries, however, the state has played a dominant interventionist role in promoting development, particularly in India (as discussed in Unit 1) and Sri Lanka.

2.2.2 The Contemporary Overall Reality

In the contemporary context there is much debate on the function of the state and its relationship with civil society. As we have noted in Unit 1, it is difficult to understand civil society without reference to the state. In the previous section we described how different types of state enable or disable the different roles that civil society plays and the different relationships CSOs of different purposes have with the state.

There is a growing recognition of the need for a new social contract between citizens/civil society and the state. This is not an academic or political theory; it is the view of people themselves. As we noted in Unit 1, one of the findings of a study by the Commonwealth Foundation, based on the views of 10,000 citizens in 47 countries, was that citizens of those countries (in both developed and developing countries) desired a strong state and a strong civil society as part of their dream of a good society (Knight, Chigudu, & Tandon, 2002).

From the study, the views of citizens about what constitutes a 'good society' emerged. It comprises three elements. The first relates to the fulfilment of the basic needs of citizens; the second focuses on the need for association with other people; and third is about participation in the governance of society.

- *Basic needs* include economic security, physical security and peace, and the provision of adequate services, such as food, water, shelter, health, and education

- *Association* with one another for the common good helps people learn to respect their culture and heritage, to care for it and share it with each other. It is the glue of social cohesion

- *Participation* needs to be achieved for there to be equal rights and justice and responsive and inclusive governance

In the study, citizens also clarified what they meant by a 'strong state'. It should, they felt, play three key roles:

- *Provider*: Citizens expect efficient and effective performance from their governments. They want public institutions to provide, or provide resources for, the 'essential services' that assure the economic, social and physical security of all the citizens, and not just some of them

- *Promoter*: Citizens want state institutions and political leaders to 'formulate', 'promote', and 'implement policies and laws' that assure human rights and social justice for all citizens

- *Facilitator*: Citizens want governments to play the role of 'sensitive facilitator' of civil society, of citizen action and of citizen participation

The people thus expect the state to perform the roles of a provider, facilitator and promoter. Totalitarian, hegemonic and authoritarian tendencies of the state are looked down upon. They neither want the state to be too controlling nor do they aspire for a laissez-faire type of society that succumbs to the forces of globalisation. They expect the state to be able to provide basic facilities like health and education at subsidised rates rather than letting the market decide their costs (The Commonwealth Foundation, 1999).

Citizens also articulated three main roles for themselves and civil society:

- *To be active citizens* demonstrating the virtues of active citizenship, which include aspects like being a responsible person and a good neighbour

- *To engage in collective citizen action* for the common public good

- *To participate in political processes* in a vibrant democracy, that allows citizens to play roles in wider public arenas. In other words, they want a participatory democracy.

2.2.3 The Contemporary Reality In India

According to Chandoke (2003) the state in India generally enables civil society by providing the legal and political environment for it to exist and maintain itself. However, the state lays down the boundaries of what is and is not politically permissible. It is within such frontiers that civil society plays its vigilance role, demanding accountability, and monitoring the delivery of services by the state.
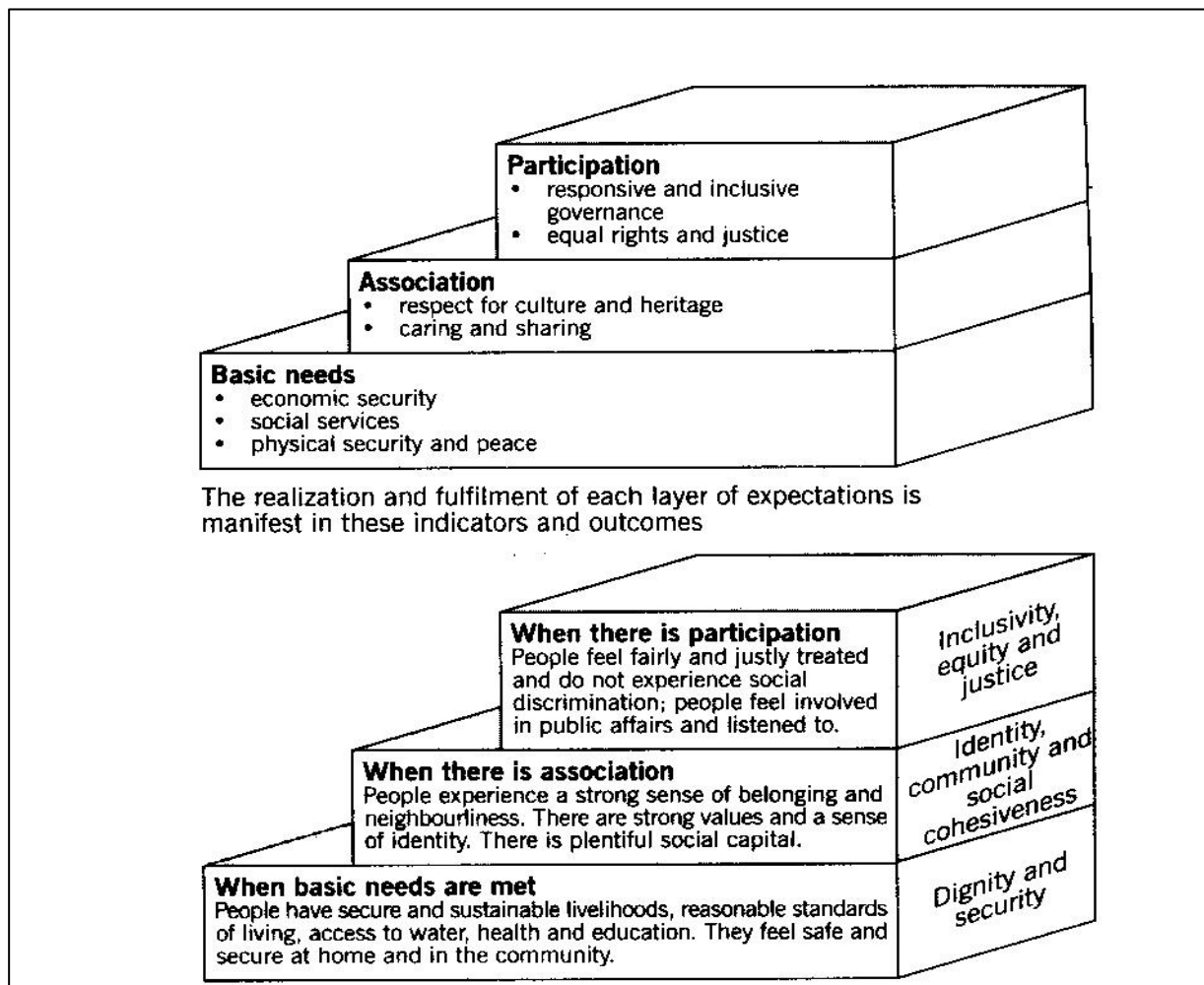
(Knight, Chigudu, & Tandon, 2002)

According to Tandon (2002) an important function of the state in India is to enable civil society in broad terms, but also to regulate the social, political and economic

space that it occupies – through the regulatory mechanisms of its agencies and through laws and legislation.

Important legislation that directly affects voluntary organisations in India is the Societies Registration Act (SRA), 1860, established by British colonial rulers. This Act includes everything related to the registration or incorporation of such organisations. Since then, the SRA and other relevant Acts have been amended by different state governments. While these legislations broadly provide legitimacy to voluntary organisations, they also become mechanisms for the state to regulate and control them.

Other legislations are related to finance. These include the Income Tax Act (1961) and the recently amended Foreign Contribution Regulation Act (FCRA) (2010). Amendments to the Income Tax Act have tightened state control over voluntary organisations, undermining their economic viability and autonomy. The FCRA was enacted during the state of Emergency in 1976 to regulate the flow of foreign contributions to voluntary organisations. Subsequent amendments to the Act have placed further restrictions on the receipt and utilisation of foreign contributions.

More broadly, the state has de-legitimised the institutional base of civil society and has attempted to appropriate its intellectual and ideological base. In India this has been done, as in other countries of the South, through use of the private mechanisms of media, education and culture as well as through public institutions and propaganda.

Since the 9/11 event, a new issue has arisen. Governments all over the world have become more and more concerned about security and their consequent actions have undoubtedly affected civil society, generally, and CSOs, particularly, as restrictions designed to curb or eliminate extremism and terrorism have affects generally on the freedoms of association and speech that underpin civil society.

Consequences For Civil Society

This hegemony of the state has several consequences for civil society and CSOs, as effectively traced by Tandon (2002):

- *Citizens becoming 'consumers':* Before the state existed to provide for its citizens, they played active and important roles in the functioning of society and its institutions. With the growth of state power and responsibility such 'active citizenship' steadily eroded to that of 'passive consumer'. The civic and political role of citizens has been lost in the process.

- *De-legitimisation of traditional institutions and practices of civil society:* These institutions and practices – such as traditional education provisions, historically – and culturally – rooted healthcare practices within communities, and, institutions and mechanisms of local self-governance, etc. – carried out similar functions to those now undertaken by the agencies of the state, long before the state in its modern form existed. Undermining their material base and taking over the jurisdiction of them were the two main strategies the state used for their de-legitimisation.

- *Homogenisation of policies, programmes, perspectives and solutions:* While the traditional institutions of civil society responded to the unique social, cultural, political, economic and geographical milieu of their communities in diverse ways, the state, out of necessity, has created uniform policies, structures, practices, approaches, officials, etc. This homogenisation has led to a steady decline of social, cultural and institutional diversity, as well as the erosion of civil society.

- *Dismantling of civil society:* As was noted in Unit 1, the stability and longevity of colonial rule in countries, such as India, was resisted by associations of civil society. They were, thus, seen as 'enemies' of the colonial state. Yet, long after the end of the colonial period, these attitudes and perspectives continue to exist in the practice of state governance in the newly independent countries of the South, where civil society associations continue to be viewed, even many

decades after independence, as in the case of India, as 'obstacles' to progress, or even 'enemies' of the state.

2.2.4 General Features Of The State-Civil Society Relationship

As we noted in the first section of this paper, in any country it is impossible to reduce state–civil society relationships to simple generalised statements. Even within one part or sub-state of a federated or otherwise decentralised nation-state such generalisations are impossible as well as unwise. One part or agency of government may enjoy positive relationships with CSOs while another may not, and likewise one part of civil society may enjoy positive relationships with government and another may not.

Typically, a number of positive, neutral and negative relationships will exist simultaneously. Typically too, any one of them will change over time, for governments change, as well as their priorities and pre-occupations at any particular moment in time. CSOs and their pre-occupations and priorities will also change. This is what was meant earlier when we noted that the relationships are highly 'context specific'. However, we can note four relationship modes that can exist, sometimes simultaneously. These relationships, as highlighted by Tandon (2002), are as follows:

- *Dependency:* This can exist where CSOs are in a 'dependent-client' position vis-à-vis the government. This dependency occurs most commonly in situations where voluntary organisations are either implementing social services or social welfare programmes formulated by the state and its agencies, and receiving funds from the state for such purposes. But this can be as much a dependency of ideas as resources.

- *Adversarial:* At the other extreme, the second mode of relationship can be characterised as adversarial; here, CSOs and the government are in conflict. The government perceives voluntary organisations as its adversaries in raising issues and concerns and operating in ways that challenge any of the policies, strategies and programmes of the government; the assumptions underlying its

development frameworks and models; and the practices of its representatives and agents. People's organisations and social movements that challenge vested interests may also be seen 'attacking' the government.

- *Cooperation:* Between these extremes is a third mode of relationship characterised by cooperation between sCSO and the government on agreed matters, but where each of the cooperating parties also agrees to respect the rights of the other to disagree on other matters. Here, common areas of policy and programme action are identified where CSOs and government agree to work together. Issues of health, education, micro-finance, environment, drinking water, housing, etc. are common areas for such cooperation. In the UK, Canada and New Zealand, recent years have seen the emergence of overall agreements between the governments and voluntary sectors of those countries concerning the roles of the two sectors, not just in the delivery of services but in the formulation of policies underpinning them. Such agreements are known as 'compacts' in the UK and 'accord' in Canada.

- *Neutral:* This mode of relationship also lies between the extremes of dependency and adversarial, but is more neutral in its character than that of cooperation. It is characterised by attitudes and policies on part of government that can be described as 'benign neglect', or in other words, the government letting civil society get on with its work in a manner that is tolerant rather than purposefully positive and supportive (Tandon, 2002)

NOTE BANK
National Cooperation In Bangladesh

Bangladseh Rural Advancement Committee (BRAC) in Bangladesh is one example of a large-scale civil society organisation working cooperatively with the government. A nationwide child survival programme was established called the Extended Programme of Immunisation. BRAC covered about 85,000 villages in Bangladesh to help organise the people to take advantage of the programme. This example of collaboration with the government in a national programme helped build the credibility and recognition of BRAC in the eyes of the government. Even so, many NGOs in Bangladesh feel that there is a widespread ill-feeling among bureaucrats towards them.

2.2.5 Emerging Ambiguities

Perhaps the best and most accurate way of describing state–civil society relationships is to say that they are characterised by a number of ambiguities, and the more prominent of these are now outlined here.

Voluntarism vs. privatisation: In many countries of the South, governments are under pressure from global financial institutions to cut back on public expenditure and institute 'structural adjustment' and 'privatisation' programmes. In such cases, they are turning to CSOs to play a greater role in the provision of basic services for the poor. Should such organisations substitute for the state in such service delivery? It can be argued that voluntary organisations should provide necessary services where they are critically needed, such as in crisis circumstances. But, they should not displace the official delivery mechanisms or absolve the state from fulfilling its moral and constitutional obligations.

Cooperation vs. sub-contracting: Governments are also calling upon voluntary organisations to promote development programmes that are largely designed by the state itself. On many occasions, the relationship becomes one of the contractor (the state) and the sub-contractor (the voluntary organisation), where the latter receives a certain payment for fulfilling certain targets prescribed by the state within a given development framework.

This approach has become common in programmes of health, family welfare, literacy and education. For the organisations involved, this goes beyond cooperating with the state to becoming mere sub-contractors for it. On the other hand, involvement with the programmes gives the organisations an opportunity to influence government policies. The challenge here is to ensure that the cooperation does not undermine the autonomy and independence of the voluntary organisations involved.

Disagreement vs. opposition: The work of voluntary organisations, based on the realities of their experiences at the grass-roots level, will give them diverse opinions, approaches and analyses. These will often be the very opposite of the perspectives and analyses of government officials and agencies and indeed of others involved in

the apparatus of the state, most notably political parties. These differences are generally viewed as deliberate antagonism and opposition by governments, leading to the latter discouraging the expression of differences and de-legitimising those engaged in such expressions.

The distinction between differences and disagreements on the one hand and deliberate opposition on the other thus needs to be understood by both parties. The overall agreements in the developed countries referred to above try to take this into account, although some civil society activists in those countries feel that through the agreements, CSOs are going too far in the direction of being subservient agents of the state.

Questioning vs. weakening: An important major role of voluntary organisations is thus to critique and question the policies, programmes and strategies of the government. Yet in situations where the state is withering away, or weakening as a consequence of international forces, there is the danger that continued and indiscriminate questioning may actually give support to the forces that are weakening or strangulating the state. Voluntary organisations, thus, may occasionally cooperate with the state in order to challenge and oppose more powerful international forces affecting the country, the government or the people. The principle of 'peaceful co-existence with dignity and disagreement' needs to be the operating credo of the state–civil society relationship (Tandon, 2002).

2.2.6 Implications For The Future

The above trends and ambiguities have profound implications for the manner in which both the state and CSOs function in the 21st century. For the state these include:

Putting Citizens At The Centre*:* As we have noted, citizens perceive that the state has become alienated from the people. The gap between the state and citizens needs to be bridged. This requires the restoration of citizens' sovereignty in the eyes and practices of the state by recognising that people have the necessary resources

and power to be able to make their own decisions within the bounds of civil society, as well as to make governments and corporations properly accountable.

Good Governance: Citizens' demands for accountability, transparency and predictability and for their participation in ensuring good governance have been long standing and are still growing. Some governments have been responding positively, while others just continue to act and operate in the old remote way. The need for good governance of the state has acquired prominence in the debates about both development and democracy. The essential features of good governance – accountability, transparency, predictability, as well as citizens' participation – may not guarantee an end to 'bad' governance but they can provide a basis to effectively deal with it.

For CSOs, the implications for the future are as follows:

- It is not only governments that need to put citizens at the centre and practice good governance, these are challenges for CSOs as well. Whether they act as sub-contractors of the state or adversaries of it, they too must nurture and cherish their links with and accountability to citizens.

- CSOs need to learn how to work in cooperation with the state (and with the private sector) without losing either independence, or their ability to raise and pursue issues of concern, and act as 'watchdogs' of government (and private sector) policies and programmes.

THINK TANK

Imagine that you are the manager of a national level CSO that specialises in monitoring and carrying out research into the extent to which satisfactory clean water provision exists in urban slum areas. While the 'Annual Water Report' you produce is widely respected and has had significant effects on quantity and quality of water provision in a number of cities, several city authorities have openly contested the validity of the statistics carried in the report.

You are therefore astonished when, one day, you receive a letter from one of these authorities offering you a large grant to come to the city and operate a large-scale project to

bring water supply to a number of areas in the city where current supplies are inadequate. The letter challenges you to take on the project, which will be run as a tri-sector partnership, and that it will 'give you a chance to practice what you preach'.

The letter also states that a condition of the grant is that all information related to the project and the areas covered will be confidential.

Your Board of Management has long ago decided that when the opportunity arose, the organisation should get more involved in operational work such as that offered in the letter and in partnership-based projects.

What do you do?

In no more than 500 words, weigh the pros and cons of accepting or declining the offer; and give a short account of the next steps you will take – both internal and external.

2.3   Civil Society And The Market

2.3.1   The Civil Society–Market Relationship

For development to be effective, it should be equitable and sustainable. Achieving a balance between the creation of wealth, on the one hand, and its use, distribution and continuity, on the other, needs actions by both the market and civil society sectors – both independently and in partnership with each other.

At the start of the 21st century, the private, for-profit sector has unprecedented size and influence. Corporations have control over much of the world's wealth and resources, making them powerful forces in society (Regelbrugge, 1999).

In the 'trinity' of sectors, as we have noted in Unit 1, the growth in the power and scope of the market sector has been the most marked development of the past three decades, far outstripping the contemporaneous growth of civil society.

As a result, market growth has negatively influenced civil society: the market's values and drivers are those of individualism, competition and private gain. These are very much in contrast to (and therefore in conflict with) the values and drives of civil society, which are about collective debate and action, cooperation and the gain that we have called the common public good. As we have noted, because we need all these values and drivers in society, what needs to be strived for is balance between the scope and powers of the three sectors of the trinity: if any one or two become overwhelming in either respect, not only are the other sectors threatened, but also the health and good functioning of society, as a whole, is undermined.

While in general terms corporate figures in the market want as little regulation from government and as little interference from elsewhere as possible, this does not mean, now and historically, that they have not involved themselves in wider societal matters. If society is unstable or unjust, it will obviously affect the ability of businesses to achieve their goals. Or, to use the language of business, it will adversely affect 'the bottom line'.

So, we can note that historically, in India, senior corporate figures were active in the independence struggle. Their counterparts in other countries, such as the USA and South Africa, have been similarly active in struggles for equal rights. And 'philanthropy' has long been associated with business: the founders of some of the world's and India's major corporations have established philanthropic bodies through which to 'redistribute' corporate profits long before the current age of globalisation and corporate social responsibility.

While such acts were voluntary and born out of a degree of self-interest, there is no doubt that recent developments in corporate policies and attitudes that now go well beyond such 'philanthropy' have come about as a result of a number of factors, of which a number involve civil society:

- The rise of the consumer movement generally, and more specifically the work of a leading American civil society activist, Ralph Nader, in more broadly monitoring not just the quality of corporate products and services but the whole spectrum of corporate policies and practices

- The emergence – symbolised by the growth of organisations such as Greenpeace – of environmentalism and of concern over exploitation of finite resources, the dumping of waste products (including radioactive ones) in the countries of the South and, more recently, the worldwide spread of concern about global warming and climate change

- The parallel emergence of concern about the exploitation of labour in countries of the South by major corporations (manifest not just in poor wages but unsafe working conditions and industrial practices as in the Union Carbide/Bhopal catastrophe in India)

- Greater scrutiny being placed on corporate (as well as government) practices by such international CSOs as Transparency International

Overall, the private sector has also been influenced by general civil society attitudes towards it, attitudes that have resulted in the relationship between corporations and civil society being characterised, as for the most part, negative and adversarial. What are these attitudes and what are they based upon? The general civil society perception of the private sector is that private companies:

- Feel little or no genuine sense of accountability to communities and civil society. Even where companies do act more responsibly, many in civil society question their true motives, labelling them as 'slick marketing', 'public relations gimmicks' and so on;

- Often act in an environmentally exploitative, or otherwise irresponsible ways;

- Often exploit their human resources/labour forces through low wages and unhealthy working conditions;

- Capture, appropriate and exploit natural resources that should be regarded as public rather than private goods;

- Connive with government in turning public services into private ones, without questioning for a moment whether such change is necessary or appropriate;

- Are purely profit-driven, and tend to distribute such profits to shareholders rather than re-invest them in the improvement of the goods and services provided, or in cutting the costs of them to consumers;

- Are non-transparent and unaccountable in the way they are run, lack proper structures of corporate governance and are prone to corporate corruption and malpractice;

- Regard broader societal affairs that have no immediate or perceptible relevance to them (such as poverty, social and economic exclusion) in an apathetic, unconcerned manner;

- Can be vulnerable and thus unsustainable by virtue of either or both of internal (corporate incompetence) or external (unforeseen changes in market forces) factors. What happens, if a company providing an essential service goes bust?

- Generally take selfish advantage of their position and power in the market.

Within civil society there is also a concern about the whole process of 'marketisation', whereby goods and services formerly in the public domain have been given over to market forces, seemingly without thought as to whether they are best provided through such an approach. So it is not just that CSOs are 'against' particular companies involved in the private provision of formerly publicly-provided services (although they may well be when such companies demonstrate any or all of the characteristics noted above). Rather, civil society questions:

- Is it in the public interest and is it for the common public good that this is happening?

- Why have other alternatives not been considered? These include, most obviously, what has been called 'communitisation' (turning over provisions to 'social enterprises' or in other words CSOs that make and sell goods and services, but within not-for-profit structures); and 'tri-sector partnerships' (which are discussed below)?

The power of the market and of private for-profit entities has increased over the past two decades through the processes of structural adjustment and globalisation. Civil society attitudes, on their part, have hardened and deepened.

2.3.2 Corporate Citizenship

"It will no longer do for a company to go quietly about its business, telling no lies and breaking no laws, selling things that people want and making money. That is so passé! Today, all companies, but especially big ones, are enjoined from every side to worry less about profits and be socially responsible instead…Only if corporations

recognise their obligations to society – to 'stakeholders' other than the owners of the business – will that broader social interest be advanced…" (The Economist, 2005).

The attitudes and questions prevalent in civil society mean that the relationships between civil society and the private sector continue, for the most part, to be negative. But, slowly and hesitantly corporations are beginning to go beyond occasional bouts of taking interest in wider societal affairs and beyond mere corporate philanthropy. And in civil society, there is a growing recognition – though slow and hesitant – that in the private sector there are resources (intellectual, human and financial) that need to be mobilised if there is to be any hope of addressing some of the large scale needs and problems that individuals, communities and the world as a whole face.

Since the mid-1980s there has been much progress in the corporate sector in the practice of what is called 'corporate citizenship' or Corporate Social Responsibility (CSR). This means the purposeful practice of a corporation's responsibilities not just to its employees, shareholders, customers and suppliers, but also to the communities where it conducts business and serves markets and to using human and natural resources responsibly. A growing number of businesses, large and small, are trying to be more responsible companies. One of the ways in which they are doing so is to support civil society and work more in consultation and partnership with CSOs (Regelbrugge, 1999).

The motivation behind this is often described not as 'self-interest', but as 'enlightened self-interest'. While we could have a long discussion about what 'enlightened' means, if anything at all, it does give at least an indication that private companies are beginning to see being 'good corporate citizens' as not just expedient in the 'here and now'. It also means that CSOs, albeit cautiously, are beginning to respond.

In doing so, however, the approach of CSOs is not dissimilar to that being adopted by many of them in dealings with government: agree, support and collaborate where it is possible, but without sacrificing cherished values and principles, and without giving up the right (and indeed duty) to criticise and advocate.

Against that backdrop, Tandon (1999) has suggested five broad themes that should guide corporate citizenship and, thus, frame civil society involvement in it:

- *The business enterprise as an institution of society*: Businesses should, in their institutional context, demonstrate socially relevant values in labour relations and human resource development, have high standards of workplace safety and health, and practice and promote transparent accountable corporate governance

- *How business relates to customers*: Companies should respond to consumers' demands that the production processes adopted by companies meet high quality standards, and minimise adverse effects with respect to their impact on workers, communities and the natural environment

- *Business as a responsible member of the local community*: This is the most debated aspect of CSR, particularly because communities are adversely effected by businesses trying to take away their land, water and other resources for construction of factories.

- *Sustaining the environment*: CSR requires paying attention to the life-sustaining and regenerative capacity of the ecology. Doing so is not merely adhering to the requirements prescribed by the law of the land.

- *Excluded populations:* CSR must be more than positively responding to issues that 'fit' the business. It calls for a greater contribution from corporate citizens to involve themselves fully in the processes and institutions of civil society that are trying to address such profound problems as poverty, hunger, illiteracy and health.

In recent years CSR has gained focussed attention from all the sectors. For example, in 2013, CSR in India gained a major impetus from the newly enacted Companies Act, 2013 which made CSR spending mandatory for certain categories of companies. The CSR provision is applicable to all companies with a net worth of

Indian Rupees five billion or more, a turnover of 10 billion or more, and a net profit of 500 million or more during any financial year. These companies are required to form a CSR committee with at least one independent director. The CSR spend of a company that meets the required threshold needs to be two per cent of the average net profits of the preceding three financial years. The duties of the CSR committee includes to formulate and recommend a 'CSR policy' to the Board which indicates the activities to be undertaken by the company, recommend the amount of expenditure to be incurred in relation to the CSR policy, and monitor the progress of the CSR policy. The Act suggests a number of activities for CSR which include eradicating extreme hunger and poverty, promotion of education, promoting gender equality and empowering women, reducing child mortality and improving maternal health, combating HIV/AIDS, malaria, etc., ensuring environmental sustainability, imparting employment enhancing vocational skills, social business projects, and contribution to certain funds like the Prime Minister's Relief Fund, etc. The companies have to give preference to their local areas while formulating its CSR policy. A staggering Indian Rupees 220 billion was expected to reach the social sector in 2013 with the mandatory CSR spending (Karunakaran, 2013). Not just the top 500 fortune companies but a lot of small and medium enterprises (SMEs) will be contributing to CSR spending. This development presents an enormous opportunity for CSOs to engage with, as many programme areas suggested by CSR laws are already the priority areas for many CSOs.

2.3.3 Tri-Sector Dialogue And Partnership

Dialogues and partnerships among the three sectors is a good step in formulating policies and delivering provisions that will help meet human needs and development goals that suit national and international commitments (The Commonwealth Foundation, 1999).

We have briefly referred earlier to 'tri-sector' partnerships (sometimes called 'multi-sectoral' partnerships). These are relatively new developments and have emerged from civil society concerns about partnership involving only government and the private sector.

In 2001-02, an experiment called 'Tri-sector Dialogues' was mounted by the Commonwealth Foundation as part of its Citizens and Governance Programme. In 10 localities across 9 Commonwealth countries, dialogues were convened in order to identify the underlying requirements for successful tri-sector partnerships. The dialogues brought together government, civil society and private sector actors, and began by discussing and agreeing upon a need or issue of local concern, and then to:

- Identify and agree how it should be tackled; and
- What roles and responsibilities each sector should take on in doing so

This approach was designed to deal with one major concern that many CSOs have about partnerships with one or more of the other sectors: the tendency for one of the parties alone to pre-determine what the problem is and what the response should be before inviting the participation of the other party. Of the 10 dialogues, two took place in India.

NOTE BANK

A tri-sector dialogue

Issue identified: Needs of street and working children

Context: Visakhapatnam is a city of 882,000 people (1992 census), which has seen a population growth of 73 per cent in 10 years, much of it unplanned, leading to overtaxed social services. 12.5 per cent of children aged 5-14 years in the state of Andhra Pradesh are child labourers – nearly twice the rate for India as a whole.

Approach: A preliminary meeting of NGOs working on issues pertaining to street and working children preceded the Tri-Sector Dialogue, which sought to identify the roles, relationships and responsibilities of the government, business and civil society sectors in this regard. All three groups were represented in small groups as well as plenary discussions. Participants agreed on the need for long term, consistent, institutionalised collaborations among these sectors, despite differences. The role of business people, many of whom employ child labourers, came under the microscope and there were calls for the sector's committed collaboration as responsible stakeholders of the city, and not just as occasional providers of funding.

Outputs: Proposed actions included a workshop on child rights and broad efforts, led by academics, to generate tri-sector deliberations on social issues. The role of the media to educate, and the need to sensitise trade unions, was highlighted. There was a proposal for urgent lobbying towards construction of a short-stay facility for girls

(The Commonwealth Foundation, 2004)

2.3.4 Implications For The Future

Civil society should see itself as playing a role in the reform of markets and their associated institutions, in particular, in order to address issues of accessibility to and equity in market functioning.

For example:

- Civil society can make financial markets more accessible to poor people through micro-credit schemes

- In the continuing process of reform of labour markets and institutions, CSOs, which include trade unions, need to work to ensure that an appropriate balance is struck between protection and flexibility

- Work by civil society towards the reform of goods and services, markets and institutions could include work on trade policies, building safety nets, and helping to assure that market expansion leads to more equal opportunities

As regards the continuing development of relations between civil society and business corporations, a number of issues need to be addressed. These include:

- In engaging with businesses, CSOs, as in their relationships with the state, should not sacrifice their role as a critic. They should be prepared and able to publicise unfair, deleterious corporate practices, and mobilise opposition to them through such means as the media and boycotts, while labour unions should continue to push for improved working conditions and practices. At the same time, CSOs should also be willing to identify, highlight, and associate themselves with examples of good corporate behaviour

- With CSO–corporate relationships and partnerships, and wider tri-sectoral partnerships still in their infancy, there is a need to document and thus better understand the nature, purpose and outcomes of such partnership, so as to develop a body of knowledge about its benefits and limitations, and when and what makes it an effective strategy. There is also a need to design appropriate

measurement and assessment tools so as to be able to measure the real benefits and outcomes of corporate citizenship activities. (Some CSOs are already working with companies on what is called 'social auditing'. This entails companies producing not just standard audited accounts, but also 'social accounts' showing the broader 'pluses and minuses' of the effects and impacts of the company's work)

- Companies and CSOs need to institutionalise their relationships; they need to move beyond being based on merely personal relationships. This will make the engagement more sustainable

- Meaningful incentive systems – not just through corporate 'tax breaks' – need to be developed that encourage companies to advance corporate citizenship and corporate-civil society relationships and partnerships

- There is a need to build forums, at local, national, regional and global levels, where three sectors of state, market and civil society can interact through tri-sector dialogues and partnerships

THINK TANK

Henry Ford famously said "The business of business is business". Yet the Ford Foundation is one of the largest corporate-linked donors in the world. Why do you think he changed his mind?

For all the talk and action about Corporate Social Responsibility isn't this all just another example of businesses acting purely out of their own self-interest; isn't CSR in reality just another way of increasing profits?

You are asked by a local company to produce a 'social audit' of its operations, and to summarise it in this simple table. Think of a company you know of and complete the table.

Positive impacts of the company	Negative impacts of the company

THINK TANK

Think of an issue prevalent in the area where you live. What role should each of the three sectors play in addressing it? Summarise your views in the table:

Identified issue ………………………………………………………………………………

Role of civil society	Role of government	Role of private sector

NOTE BANK

What is Philanthropy?

The dictionary defines philanthropy as the 'altruistic concern for human welfare and advancements, usually manifested by donations of money, property, or work to needy persons, by endowment of institutions of learning and hospitals, and by generosity to other socially useful purposes' (Dictionary.com, 2014, p. 1). But most practitioners and activists in the voluntary sector know that philanthropy entails various other factors and is more than just the 'largesse' of a rich corporation.

Schambra and Shaffer (2011) posit that the basis of voluntary action lies in the Tocquevillian idea that such activities compel 'individuals to assume responsibility for a small portion of the public business' (p. 444). Philanthropy as we know it today is highly institutionalised. We have various foundations that function solely for the purpose of giving aid to CSOs and other grassroot level actors. But, along with such monetary help comes its own set of restrictions. Most of the foundations work within certain ideological spaces and they further these ideas. This means that any donation that they expect organisations they fund to also work within said ideological boundaries.

Another major phenomenon in this area is grassroot philanthropy where the money is transferred directly to community-based practitioners and organisations and not to intermediate NGOs. Such philanthropy can be of three types (Ruesga, 2011):
i. Philanthropy to the grassroots – Here money is given to the communities but their vantage point is not considered
ii. Philanthropy with the grassroots – Here, the community members' are consulted before disbursing the money
iii. Philanthropy from the grassroots – Here, money is collected by the community and distributed amongst themselves

2.4   Civil Society And Donors

2.4.1   Historical Context

One among the many social, political and economic changes witnessed in the period since the end of World War II has been the growth of international aid agencies (while the word 'donor' has many applications, referring to any individual that gives something, here it is used as short-hand for such international aid agencies). Apart from contributing funds, these agencies have contributed to our understanding of the concept of civil society, of the relationships between the state, the market, and civil society (the trinity), and of the ways in which civil society contributes towards the attainment of development and democracy.

Donor recognition of the role of NGOs first came about in the early 1980s, especially in transitional societies, and was initially built on donors' recognition of the importance of peoples' participation to ensure that development is effective and sustainable. Such recognition came from the experiences of small-scale intervention by NGOs and, in particular, their use of such techniques as *Participatory Research* and *Participatory Development*, which are described in more detail in Unit 3.

A second important influence was the increasing engagement of NGOs' grassroots groups in the compensatory programmes created to cushion the poor from the impact of Structural Adjustment Programmes (SAPs).[2] In addition, during the 1990s, the United Nations organised a number of international conferences on various development issues. These conferences contributed to the growth of global civil society and citizen's movements, aiming to influence international debates and policies on development (Robinson, 1996). This is discussed in more detail in Unit 6 of this course.

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[2] *Structural Adjustment Programme (SAP):* The World Bank *Structural Adjustment Programme (SAP*) came into existence in 1980 to facilitate debt repayment by developing countries. Structural adjustment policies included more export-oriented industrialisation, economic liberalisation and privatisation and deregulation with shift in functions from state to the private and non-governmental sectors.

More recently, donor interest in civil society, and what are now termed CSOs, stems from their more political concerns related to democratisation and governance reform. These surfaced in the early 1990s with t hending of the Cold War, the demise of the Soviet Bloc and a series of political transitions, not just in Eastern Europe and West/Central Asia, but also in Latin America and Sub-Saharan Africa.

In these contexts donors focused (sometimes at the expense of their earlier concerns with development) on strengthening institutions of governance and reforming state and political institutions. In the early 1990s, donors began to make 'good governance' a conditionality upon which aid allocation would be made to governments, although it came to be recognised that such political conditionalities has limited success. More specifically, donors had a concern that formal democracy as it exists may be insufficient in enabling good governance. Therefore they vouch for a strong civil society to ensure democratic accountability and transparency from the side to the state (Clayton, 1996).

In the OECD[3] guidelines on participatory development and good governance published in 1995, which is an important reference point for Development Assistance Committee[4] (DAC) member states, four core elements were identified (OECD, 1995).The document allots a central role to civil society in all four elements; this aspect of CSO work is described in more detail in Unit 4.

By the late 1990s, the multiple roles of civil society – not just in development and in democracy but in fields such as diversity, gender, tri-sectoral partnerships and social enterprise – had become fully recognised. Political scientists reconfirmed the role of civil society as a counterbalance to totalitarianism; economists took it for granted that civil society would ensure growth with greater equity. All this led more and more donors, whether official agencies, private trusts and foundations, international NGOs

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[3] *Organisation for Economic Co-operation and Development (OECD):* Pursuant to Article 1 of a convention signed in Paris in December 1960, and which came into force in September 1961, the OECD promotes policies designed to achieve sustainable economic growth and employment and rising standards of living in member countries.
[4] *Development Assistance Committee (DAC):* In order to achieve the aims of OECD, a number of specialised committees were formed. One of them is the DAC, whose members agreed to secure an expansion of aggregate volume of resources made available to developing countries and to improve their effectiveness.

or multilateral agencies, to increase their recognition of and support to programmes to strengthen civil society generally and CSOs in particular (Pratt, 2003).

2.4.2 Classification Of Donors

Donors that provide assistance to CSOs can be classified in four main categories:

- *Bilateral government donors*, such as Canadian International Development Agency (CIDA); UK Department for International Development (DFID); Swedish International Development Cooperation Agency (SIDA); Danish International Development Agency (DANIDA); United States Agency for International Development (USAID); etc.
- *Multilateral agencies*, such as the World Bank, European Union, United Nation Development Programme, Asian Development Bank, Inter-American Development Bank, African Development Bank, etc.
- *Major Private Foundations*, such as The Ford Foundation, Bill and Melinda Gates Foundation, Open Society Foundation, Rockefeller Foundation, etc.
- *Northern International NGOs* (INGOs), such as dvv International, CORDAID, Oxfam, Action Aid, etc.

INGOs and private foundations often act as intermediaries for bilateral agencies. Such North-based NGOs have emerged as significant source of funding to Southern grassroots groups and CSOs.

2.4.3 Donor Priorities

The 'common ground' that exists among donors about why they like to support CSOs includes(Van Rooy & Robinson, 1998):

- That CSOs represent a way of 'by-passing' governments they regard as at best inefficient and at worst corrupt;
- That CSOs alone are capable of, and experienced in, practicing 'bottom-up' and participatory approaches to development;

- That, through their 'watchdog' role as monitors of government behaviour and performance, CSOs play valuable counter-balancing roles to state power;
- That CSOs play critical and effective roles in relief and rehabilitation efforts in the aftermath of natural or man-made disaster

Each donor has, however, its own particular interests and priorities. SIDA (Sweden), for example, is strongly supportive of human rights, while USAID places emphasis on democratisation. DFID (UK) gives emphasis to public sector reform and enhancing the competence of government. These different emphases are reflected in the different ways donors define civil society. Two examples are shown in this illustration:

Illustration: Two donor definitions of civil society

CIDA (Canada): *"…civil society refers broadly to organisations and associations of people, formed for social or political purposes that are not created or mandated by government"* (CIDA, 1996, p. 21)

USAID: *"civil society… is defined as non-state organisations that can (or have the potential to) champion democratic/governance reforms"* (Hansen, 1996, p. 1)

Donor definitions, priorities and interests have an inevitable effect on the ways CSOs approach their relationships with donors. The downside of this is the 'dependency' syndrome and that CSOs can find themselves having to change their own priorities and practices as donor interests and priorities shift.

2.4.4 Current Donor Practices

Most of the assistance provided by official aid (bi-lateral) donors tends to be channelled through intermediary organisations rather than through direct funding to local organisations. Much donor assistance focuses on building the organisational capacity of CSOs, and different instruments are used by them to do so. More detail on this will be found in Unit 5, but the broad emphasis of the provision of funds and technical assistance is on supporting activities, such as training courses, workshops

and conferences; study visits; office equipment and infrastructure; publications and information dissemination; and research and policy work.

Reflecting their different priorities and interests, donors tend to fund particular types of organisations. Among the most prominent are trade unions, business and professional associations, faith based organisations, women's groups and federations, human rights organisations, indigenous community organisations and the media. SIDA and the EU channel large proportions of their assistance to human rights groups, while more than half of USAID assistance to CSOs goes to pro-democracy groups. Governance strengthening and civic advocacy are the largest categories for DFID (Van Rooy & Robinson, 1998).

2.4.5 Critique Of Donor Approaches To Civil Society

In recent years there has been criticism of donor understandings of the role of civil society and support for it. The criticisms, as effectively explained by Unsworth (2003), include:

- There is a view that, enthused by the 'third wave' of democracies that began in the late 1980s and early 1990s, donors have adopted the 'Tocquevillian' view of civil society (see Unit 1), which is a very simplistic notion, to promote democratic accountability. In doing this, donors are accused of imposing an alien, out-of-date, Western, liberal model which does not correspond to the realities of emerging democracies of the South.

- Many donors tend to view civil society as wholly virtuous, thus ignoring its 'uncivil' elements. Many overlook the fact that civil society is in itself a place where power struggles can impede rather than advance the process of social and political transformation.

- Donors can tend to equate civil society with a relatively narrow range of advocacy-orientated CSOs. By virtue of their status and structure as formal, institutionalised agencies, they can most easily meet the accountability requirements of donor organisations. Thus, it is held, donors tend to neglect the

role and importance of other types of CSOs, especially those which are more embedded in the socio-cultural milieu, such as religious, ethnic and traditional associations.

- Some donors promote their own agendas and co-opt CSOs onto them, rather than responding to the realities faced by CSOs and the ideas and initiatives they generate.

2.4.6 Implications For The Future

From the perspective of CSOs, there are a number of actions that donors need to take in order to improve the impact they have on civil society functioning. These include, as effectively stated by Pratt (2003):

- Donor agencies need to better articulate the role they play in enhancing and strengthening civil society in the South. CSOs feel, in particular, that it is important for donors to recognise the need for building long-term institutional partnerships with CSOs, not just short-term project-based partnerships (which tend to characterise the relationship at present). They also need to be consistent in their interests and priorities. These tend to change frequently at present, often without consultation with their partner CSOs.

- Donors need to define civil society more clearly so that, in particular, they enunciate whether their support is for democracy and governance, or for social and community development. Donors also need better to understand and adjust their practices and policies in individual countries according to the diverse political and institutional contexts in which civil society operates. Donors need to avoid a 'one size fits all' approach.

- Finally, there is a need for evaluations of how and to what extent civil society support programmes are actually creating changes in development and governance. Many donors simply assume that their support will lead to improved government transparency and more equitable distribution of resources, but this assumption has not been tested enough.

Summary

The trinity of the state, the market and civil society forms the crux of the discussion in this Unit. They share a complex relation with each other that ranges from mutual co-operation to widespread antagonism.

These relations are not static. They have changed with time and contexts. Globalisation and expanding power of the markets have had varying impacts on different CSOs and their reactions have also been different. This has much to do with the ideological heterogeneity within civil society actors. The role of donors in building civil society was also briefly discussed. Finally, the Unit also looked into the implications that the above trends have on the future of civil society.

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