

## Chapter 2

### The Different Aims of the Contemporary Use of the Term "Civil Society"

Despite a long history in western political thought, civil society has only recently reemerged as a central issue in contemporary debates encompassing distinct subjects of inquiry such as the state, economic development and democratic political theory (Dahendorf 1995, Leftwich 1993, Peet and Watts 1993, and Calhoun 1993). Renewed interest in civil society is a direct product of popular widespread concern about the failure of political regimes and economic strategies, that characterized the 1980s (Diamond 1994, Robinson 1995, White 1994). As Batista (1994) has observed, civil society is "an appealing concept at a transitional historic moment", and it has been both theoretically and practically approached in various political traditions and contexts. Interestingly, as Seligman (1992, p.15) reminds us, "much like today, the emergence of the idea of civil society in the later seventeenth century was the result of a crisis in social order and a breakdown of existing paradigms of the idea of order."

Civil society has received renewed attention because of its association with successful struggles against

different forms of totalitarian regimes of both capitalist and socialist variety (Calhoun 1993, Pereira 1993, Robinson 1995). On the other hand, the failure of protest movements such as the Tianamen Square Protests to achieve desired political transformations has also been attributed to the weakness or absence of civil society institutions (Tong 1994).

The existence of strong civil societies has also been pointed up as significant by aid donors and multilateral development agencies such as the World Bank and the International Monetary Fund as a necessary condition for sustainable economic development (Landell-Mills 1992). Nevertheless, according to Leftwich (1993), it was not until recently that these agencies started to display a serious or consistent interest in promoting either good governance or democracy in the nations in which they operated projects. Leftwich sees a relationship between the rise of pro-democracy movements in the developing world and the collapse of official communist regimes, the experience of structural adjustment lending and the resurgence of neo-liberalism in the West, with a rising interest among multilateral development agencies on civil society. Williams and Young (1994, p.94) point out that the roots of these agencies' interest in civil society seem to arise from their

recognition that a "neutral and effective state, cannot be sustained without a corresponding liberal public sphere".

In addition, as a concomitant and interwoven phenomenon, there has been increased recognition of non-governmental organizations (NGOs) as institutions that are essential for the construction of strong civil societies, especially in developing countries. NGOs are so deemed because they are believed to enhance the access of disparate segments of the citizenry to governance and development processes (Ritchey-Vance 1991, p.27; Clark 1991, p.5).

Despite all of this interest, White (1994) suggests that civil society is a more suggestive than precise concept, and are not necessarily free of controversy at that. Similarly, Holmen and Jistrom (1994) caution that NGO is a rather fuzzily defined concept. Furthermore, when civil society and NGOs are brought together in discussions of economic development theory, most authors tend only superficially to address their connections (Clark 1991, Farrington and Bebbington 1993, Frantz 1987). The result of this loose treatment of civil society and NGOs is that both become analytically imprecise and difficult to assess empirically.

This chapter 1) reviews some of the most important theoretical constructs concerning civil society and its relationship to the State, 2) discusses the analytical difficulties surrounding the contemporary uses of the term "civil society", and 3) identifies the organizations that together constitute civil society, and their specific roles in influencing regional governance and economic development processes.

### **From Natural Law to Social Contract: The Rise of the Civil Society and State Dichotomy in Liberal Thinking**

The idea of a universal law of nature arising from a natural providence and from the workings of right reason was the reigning view in western political philosophy from Plato until the early seventeenth century. Sigmund (1971, p.viii) points out that natural law as originally conceived by the ancient Greeks and Romans had, as a central assertion, the premise that "there exists in nature and/or human nature a rational order which can provide intelligible value-statements independently of human will, that are universal in application, unchangeable in their ultimate content, and morally obligatory on mankind."

The economic transformations which began in the early sixteenth century that led to the freeing of labor and capital also undermined the traditional system of social relations and governance (Seligman 1992). Thus, the emergence of the idea of civil society in the latter seventeenth century was the result of a crisis in social order and a consequent breakdown of existing paradigms of the idea of order. This contradictory period marks a "take-off" towards civilization which characterizes the "uniqueness of Western History", because it was grounded in the definitive features of human dignity, freedom, and the "honor" of the individual (Szucs 1988).

Taylor (1990, p.121) lists five distinct ideas that contributed to the 16<sup>th</sup> century European conception of a concept of civil society separate from the idea of the State:

1. The medieval idea based on Natural Law Theory that society is not identical with its political organization and that political authority is only one organ among others.
2. The Christian idea of the Church as an independent society.
3. The development within feudalism of a legal notion of subjective rights.
4. The growth in Medieval Europe of relatively independent, self-governing cities.
5. The medieval polity, in which a monarch ruled with the intermittent and uncertain support of a body of estates.

Taylor argues that despite the fact that the roots of modern liberal democracy can be recognized in these particular facets of medieval political arrangements, the progress from one phase to another was not trouble-free. For Keane (1988, p34), "the history of liberal political thought from the mid-seventeenth century until the nineteenth century is thus the history to justify might and right, political power and law, the duties of subjects and the rights of citizens." The consequence of this evolution is that further thinking had to be devoted to the nature of a social contract that could replace the dominant paradigm centered in the idea of natural law.

Initial attempts to utilize the idea of a social contract to replace the Medieval idea of natural law can be traced to Thomas Hobbes and John Locke (Young 1994). Hobbes and Locke , despite their common reliance on early notions of natural law and private ownership as pre-condition for participation in civil society, proposed very different views of the nature of the relationship of the State and civil society.

In Hobbes' theory, the social contract creates a state, not society (Cohen and Arato 1992, p.87). Moreover, Hobbes preached the necessity - given humankind's nature - of Absolutism. The Leviathan, an absolute monarchy, was seen

as a necessary Faustian bargain: Hobbes granted unlimited power to the sovereign in order to protect civil society from its demonic impulses." That is, only an absolute authority could keep the worst impulses of humankind in check. In turn, Leviathan was only accountable to God. If therefore, an absolutist ruler ruled cruelly on Earth there would be no recourse on earth -- one could hope only that Leviathan would be punished after death.

Locke on the other hand, defined government as a trust, set out by society which is the first step of the social contract which takes individuals out of the state of nature (Taylor 1990, p.104) . Moreover, despite surrendering some of their freedom when entering civil society and submitting to the government, "men", according to Locke could not submit themselves to absolute government or to enslavement, because man's natural freedom was a moral right.

Montesquieu in his *Spirit of the Laws*, offered an innovative alternative to Hobbesian absolutism. Despite assuming a strong monarchical government which was not removable, Montesquieu introduced the idea of limiting government by the rule of law, and the formation of an independent mass of agencies and associations which

ultimately have to defend the law against despotism (Taylor 1990).

Different authors (Bratton 1994, Keane 1988, Shills 1991) discuss Adam Ferguson's *Essay on the History of Civil Society* as a watershed event in developing a contemporary definition of civil society. Keane (1988) points out that Ferguson recognized that the solidarity of society may be undermined not only by commerce and manufacturing but also by the emergence of a centralized constitutional state. The best way to counter the corrupting influences of power and wealth for those controlling the state was therefore to encourage the creation and strengthening of citizens associations.

For Bratton (1994) Thomas Paine's radical polemic on the *Rights of Man* constituted a major step in developing a distinctly modern concern with limiting State power in favor of civil society. Paine believed that "only individuals had political rights, including the right to withdraw consent from the social contract; governments for their part, had the duty to serve citizens in the common interest" (Bratton 1994, p.54)

The work of Alexis of Tocqueville, however, is often cited as having special importance in contemporary debates



on the relationship between State and civil society, and especially in the development of modern liberal thinking concerning the cultural foundations of democratic social capacity (Woods 1992, Keane 1988). In his *Democracy in America*, Tocqueville drew attention to the political dangers brought by a too powerful universal state. Tocqueville saw the State as a dangerous means of preserving freedom because the State could exceed its proper function and become crushingly tyrannical even as it sought to provide services (Isaac 1993, p.356).

Tocqueville also argued that mechanisms for preventing the monopoly of power by the state would be provided by the growth and development of civil associations. In his view, government both requires a citizenry with certain aptitudes and assists in their generation. Voluntary associations would also assist importantly in that process. Tocqueville urged:

all the citizens are independent and feeble; they can do hardly anything by themselves... They all, therefore, become powerless if they do not learn voluntarily to help one another. If men living in democratic countries had no right and no inclination to associate for political purposes, their independence would be in great jeopardy... If they never acquired the habit of forming associations in ordinary life, civilization itself would be endangered. (Young 1994, p.35)

Tocqueville, however, did not question the State as an institution which secures a controlled and ordered liberty in the face of possible individual tyrannical exercises of pure strength and/or social degeneration into disorder and chaos. Nevertheless, as Woods (1992) observes, this definition of associations as "essential socializing agencies" is the very distinctive characteristic of Tocqueville and other liberal thinker's approach for maintaining the norms of a liberal-democratic society. In particular, Tocqueville saw voluntary associations as the best diffusers of the rules of democracy society but also as venue for acculturation to democratic virtues of collaboration and compromise. Therefore, voluntary associations were placed in the role of not only of being strong bastions against potentially tyrannical governments but also as powerful checks against social egotism.

In summary, the evolution of modern liberal thinking was related to profound economic and social changes that occurred at the beginning of the 17<sup>th</sup> century. Those changes ultimately left the medieval political tradition in contradiction with the needs of an emerging capitalist society. The liberal thinking emerged around the necessity to achieve a positive solution to the perceived tension between modern nationhood and its concomitant construct (a

strong State), and the emergence of individualism and sovereignty of the citizenry. In this regard, the role attributed by Tocqueville to voluntary associations resonates in contemporary discussions about the potential and limits of democracy.

### **Civil Society as a Product of Society's Dialectical Historical Evolution: The Legacies of Hegel and Marx**

Common to the formulation of Hegel and Marx was the conception of civil society as historical product (Robinson 1995,p.71). Rather than treating civil society as a result of natural laws, both thinkers understood civil society as the product of a long process of historical transformation governed by the emergence of a sphere of market relations under capitalism.

Hegel, in his *Philosophy of Right*, defined civil society, or rather the civil part of society, as that portion of society which could be distinguished from the family and the state. It was the market, the commercial sector of society and the institutions which were necessary to the functioning of the market and protection of its members. For Wood (1990, p.62) the straight identification made by Hegel of civil with bourgeois society was "more than

just a fluke of the German language." Wood believed that Hegel unequivocally posed the market economy as the arena where the tensions between private and public, particular and universal interests could be positively resolved.

Hegel transformed the concept of civil society as presented by liberal thinkers in at least four ways. First, Hegel saw civil society as the result of historical development, and "not a natural or metahistorical reality in which one can seek a normative order beyond the exigencies of history" (Seligman 1992, p.50) Second, civil society is conceived as an arena of conflicting particular interests, which in themselves cannot overcome their particularity to attain the universal (Seligman 1992, p.50).

The third critical transformation was Hegel's response to what he identified as a "self-crippling tendency of civil society." According to Keane (1988), Hegel believed that civil society as an ethical order would be only realized through its transformation, or via its sublation to the State, which ultimately was the realm of the truly ethical made concrete. Finally, by restricting participation in the public sphere to members of the state-constituted legislature, Hegel transformed public opinion from a potential critical power and mediator between individuals

and state into a mechanism of integration from above (Cohen 1982).

Marx challenged the Hegelian view on both the State and civil society. He denied the universal character of the modern state (Marx 1967). Rather he viewed the modern state as reflecting the needs of the capitalist system, and representing the interests of the capitalist classes. Concomitantly Marx saw civil society as "the corruption of society's natural bonds" by bourgeois competition and egoism, and that only in the eighteenth century, in 'civil society', did the various forms of social connectedness confront the individual as a mere means toward his private purposes, as external necessities." Gouldner (1980, p.357). Thus, civil society for Marx was only a corrupted social connectedness in which social relationships are used and viewed only instrumentally.

In the Marxist system, civil society and the State form a dialectical antithesis (Carnoy (1984, p.67)). Civil society dominates the State. As a result, for Marx, the notion of a social space independent of the state (the civil society) was nothing more than the consolidation of capitalist class interests behind ideological claims of reason and universality (Woods 1992, p.81). At the organizational level, for Marx, civil society consisted of

different dimensions of reproduction (material, biological, and social) in which the economy was inherently involved. Marx's civil society was one in which the propertyless mass of the population was coercively held in subjugation by the owners of the instruments of production (Shills 1991, p.6).

Another important distinction between Marx and liberal philosophers was his vision of how to establish proper relations between the individual and society, between the public and private realms. Given the inherent class orientation of civil society and the State, these dichotomies would be only overcome in a reunification of civil and political society after a revolutionary process in a non-specified future (Seligman 1992).

In summary, the differences between the Hegelian and Marxian philosophies concerning the societal roles of the State and civil society are intrinsically linked to the nature of the capitalist system and the societal arrangements that follow its existence. Hegel saw the capitalist State as the supreme manifestation of human rationality and civil society as a potential tool to integrate society into the State. On the other hand, Marx identified the State with the defense of the interests of capitalism that were formulated within the realm of civil society. Moreover, in his historical vision both State and

civil society had to be abolished in order to achieve social justice.

### **Civil Society as a Hegemonic Project: The Gramscian Model**

Despite sharing the methodological and epistemological foundations of Marxism, Antonio Gramsci (1971), arguably one of the twentieth century's leading Marxist interpreter and activists, reintroduced readers to a critical relationship near and distant to Marx himself: the role of culture and ideology in capitalist society.

Gramsci's definition of hegemony implies that the capitalist class "attempts... to use its political, moral, and intellectual leadership to establish its view of the world as all-inclusive and universal, and to shape the interests and needs of subordinate groups (Carnoy 1984, p.70). The Gramscian model is an important attempt to liberate Marxism from its reputed basis in crude economic determinism (Vilas 1993, p.40). By elevating the concept of hegemony to a predominant place in the science of politics, Gramsci "seized much more than earlier writers the role of the superstructure in perpetuating classes and preventing the development of class consciousness" (Carnoy 1984, p.66). Gramsci defined civil society as "an inherently conflictual

arena, where civic institutions reproduce and disseminate the hegemonic ideas and values associated with capitalism, but which are subject to contestation" (Robinson 1995, p.71). As a result, Gramsci regarded civil society as part of the superstructure, which makes the practical implications of his model quite different from the original Marxian formulation.

Gramsci saw civil society as a source of political change: At the tactical level, "the stable conquest of power by the subordinate classes is always considered as a function of transformation which must be operated in civil society." At the theoretical level, "hegemony aims not only at the formation of a collective will capable of creating a new state apparatus and transforming society, but also at elaborating and propagating a new conception of the world" (Bobbio 1988, p.90).

The implicit recognition of the importance of associational activity in the Gramscian model resembles the same relevance displayed in Tocqueville (Woods 1992, p.83). Nevertheless, there is a clear distinction between the Gramsci emphasis on associational activity and that offered by Tocqueville, because Gramsci's argument was conceived as anti-capitalist weapon to be used by the working classes (Wood 1990, p.62). Wood believes that Gramsci appropriated



the concept of civil society to extend the struggle against capitalism beyond its economic foundations, reaching its cultural and ideological roots.

Ultimately, Gramsci's model may not represent a total rupture from Marxian philosophy. However, the reliance given by Gramsci on associational activity to confront the hegemony of the capitalist State may prove useful to analyze contemporary struggles over democratization and/or the control of economic resources.

### **The Difficulties Surrounding the Contemporary Use of Civil Society as an Analytical Category**

The diverging models of civil society and the State emerging from western political philosophy have generated many competing interpretations of the contemporary role of the idea in theory and in practice. Robinson (1995) believes that these distinct interpretations mainly divide into the liberal and Marxist streams. On the other hand, White(1994) argues that most authors have responded to the existence of these competing models by obscuring and even "dusting off" some of their practical implications for civil society as an analytical tool.

As a result, the precise meaning of civil society has remained rather elusive, and it is used in a variety of ways for a variety of purposes, often functioning as an expedient rather than a theoretical concept. However, there have been several notable recent attempts to offer a comprehensive formulation of the concept of civil society. For example, Shills identifies three main components of civil society. First, it is a part of the society comprising a set of autonomous institutions that are distinct from the family, the class, the locality, and the State. Second, it is the part of society that conducts a particular set of relationships between itself and the State, possesses mechanisms that safeguard the separation of the State and civil society, and maintains effective ties between them. Third, it is a wide-spread pattern of refined and civil manners (Shills 1991, p.4).

My analysis of the most current applications of the concept leads me to suggest that there are some important distinctions in its utilization. First some disagreement regards the kind of political and economic environments in which civil society's organizations are said to be able to flourish and influence the process of democratic governance. Bratton points out that civil society "cannot flourish amid political disorder, lawlessness, an inadequate physical

infrastructure, or intermittent essential services" (Bratton 1988). Civil society is most likely to expand to fill institutional gaps where the retreat of the State is intended, planned, and graduated. "A country is only strong when an orderly civil society works with the State" Hall (1995, p.23).

A slightly different view follows from the description of the recent Chilean and Polish transitions (Loveman 1991, Hojman 1993 and Kolarska-Bobinska 1990). These authors suggest that civil society organizations were rather weakened after the transition to democratic government was completed. Moreover, they also suggest that civic organizations tend to become more influential when they clearly act in opposition to the State. In the case of Chile, the paradox of grassroots' reaction to the presence of authoritarian regimes -- which in many cases had the support of traditionally co-opted civil organizations -- resulted in the development of stronger and more independent civil organizations (Oxhorn 1995, p.6).

A second element, which is almost an extension of the first, concerns the class profile of organizations which are responsible for driving the emergence of strong civil societies. Analysts of the democratization process in East Asia argue that the contemporary development of civil

society is rooted in small enterprises, educational institutions, and the media (Calhoun 1993). In Latin America, civil society is principally driven by the politics and structure of class (Vilas 1993). Vilas points out that, though the civil society which has been mobilized in recent decades is much more than the proletariat, few within it are from the ruling classes or wealthy groups. Accordingly, basic human needs for a broader share of the population is the motivating factor for most people operating within social movements in poor countries. Developing nation civil societies will tend to be less diverse than their counterparts in rich countries, and the actions of civil society will reflect more starkly the polarities of class conflicts (Pereira 1993).

A third element is to what extent the renewed interest in civil society is controlled by global interests rather than by concerns with local democratic governance. For example, several authors have noticed that aid and multilateral development agencies have provided a strong institutional basis for the legitimization of civil society as a tool for improving governance (Azaraya 1994, Robinson 1995, White 1994).

## **The World Bank's Interpretation of Civil Society**

Expressing the views of the World Bank, Landell-Mills (1992) claims that a strong civil society can play a key role in balancing the power of the State, facilitating accountability, and underpinning popular democracy. Landell-Mills identifies four ways in which civil society might be nurtured: (1) by facilitating the dissemination of information; (2) by strengthening the rule of law; (3) by expanding education and the capacity of self-expression and (4) by generating surplus resources to support associational activities without compromising their autonomy. Robinson (1995) observes that donor assistance has encompassed all four areas cited by Landell-Mills. However, according to Robinson, given the fact that the overall objectives of foreign political aid are often multi-faceted and rarely altruistic, it would be difficult to assess the impact of interventions designed to strengthen civil society. On the other hand, different authors analyzing the recent utilization of civil society by the World Bank as a tool for improving governance, argue that such utilization is often tied to the goal of decreasing the presence of the State in the economy, opening the way for the growth of private enterprises (Williams and Young 1994, Stevens and Gnanaselvam 1995). Williams and Young contend that the World

Bank's definition of civil society, informed by its own brand of economic orthodoxy, targets for destruction those affective communities and their native visions of development. In the case of Africa, these types of communities have been considered critical for the development of the associational life that is so critical for the full development of a strong civil society (Azaraya 1994).

#### **Civil Society: Impacts on Democratic Governance and Economic Development**

White (1994) enumerates four complementary ways that the growth of civil society can contribute to democratic governance by (1) altering the balance of power between State and society to achieve a balanced opposition in favor of the latter; (2) enforcing standards of public morality and improving the accountability of politicians and State officials; (3) transmitting the demands of organized groups, and in the process providing an alternative sphere of representation; (4) instilling and upholding democratic values; (5) disseminating information, and (6) generating a wide range of interests that may cross-cut the principal polarities of political conflict.

Diaz-Albertini (1993) suggests that in the case of weakly institutionalized societies in the Third World (i.e., societies where pluralist and democratic practices are not the rule and where political institution building is still an ongoing process), the organizations of civil society, especially those that are development-oriented, must face an additional task: to create channels of communication, negotiation, and bargaining among the different political actors, in both the State and civil society.

Meanwhile, the increased participation of civil society organizations in economic development programs may have strong social implications because this participation creates the possibility of a social system based on institutional pluralism rather than one dominated by either State or market agencies (Brett 1993). Similarly, civil society's organizations are deemed as having several comparative advantages over governmental agencies in the process of economic development (Fowler 1991). Among some of these advantages, Fowler includes the cost-effectiveness of service delivery, greater ability to target poor and vulnerable sections of the population, to demonstrate a capacity to develop community-based institutions, and to be better able to promote the popular participation needed for sustainability of benefits.

In summary, both in the contexts of democratization and economic development, civic associations are not being expected solely to provide a mediating space between the State and the rest of Society, but to be innovators and change agents in the formulation and implementation of public policies.

### **Potential Bottlenecks for the Effective Functioning of Civil Society Organizations**

Several authors have suggested that in order to fulfill most of the roles discussed previously, civic associations may face internal tensions that can limit their contribution to democratic and economic development processes (Brett 1993, Fox 1992, Fowler 1991). One such tension concerns internal democracy. Fox (1992) argues that most authors tend to assume, rather than to demonstrate, that civil society's organizations are actually democratic. In this regard, Fox suggests that the degree of internal democracy could be measured by the use of a particular aspect of internal democracy -- social accountability<sup>1</sup>-- as a basic parameter to measure its strength in a given

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<sup>1</sup>Smith-Sreen (1995) argues that accountability in the case of member-organization would translate as "being answerable to the members." It would mean that a given organization is responsible to the members for the outcomes of all decisions made by the leadership.



organization. Fox suggests that a good way of establishing the degree of accountability is to examine whether the formal mechanisms of interaction between leadership and membership adopted by a given organization are actually being enforced in practice.

Second, there is the issue of the political and financial autonomy of civic associations in relation to the State and other external institutions. At the political level, based on the Latin America experience, Pereira (1993) suggests that the State can undermine the political autonomy of civil society by sponsoring and protecting, and at times creating, associations that in other societies have tended to exist independently of the State. Similarly, Oxhorn (1995) argues that, in Latin America, the State monopoly over the collection and distribution of economic resources, and the setting of national priorities has impaired the emergence of autonomous organizations. As a result of this State intervention, civil society has been slower to develop an autonomous presence in Latin America. Meanwhile, Fowler (1991) observes that organizations that increased their autonomy from the State by establishing relations and obtaining financial support from foreign donors may also face problems in maintaining their autonomy. A clear danger for these organizations is to become dependent on the funds

and values of their donors (Price 1994, Riddel and Bebbington 1995, Van der Heijden 1987).

I will argue that weak internal democracy and autonomy coupled with financial instability can have a deleterious effect on civil society organizations' ability to participate effectively in democratic and economic development processes. Finally, these factors combined can also hamper the ability of civil society organizations to formulate and effectively advocate policies that reflect the needs of their constituencies.

### **The Composition of Civil Society**

When the idea of civil society loses conceptual precision, it becomes an "all purpose catchword embracing a wide range of emancipatory aspirations, as well... as a whole set of excuses for political retreat" (Wood 1990). Despite attempts to provide a definitive reading of its meaning, most current definitions which pose civil society as an intermediate sphere of social organization or association between the basic units of society -families and firms- and the State, present some serious problems for empirical verification (White 1994). Diamond (1994) adds to White's efforts towards clarification in two ways. First,

Diamond defines civil society in a more specific fashion as being " the realm of organized social life that is voluntary, self-generating, (largely) self-supporting, autonomous from the State, and bound by a legal order or set of shared rules." In addition, Diamond points out that "as an intermediary entity, standing between the private sphere and the State, civil society excludes individual and family life, inward-looking group activity (e.g., for recreation, entertainment, or spirituality), the profit making of individual business firms, and political efforts. Second, in order to establish the grounds for an analytical framework concerning the composition of civil society, Diamond divides civil society organizations into seven categories depending on their goals and membership. These categories:

- 1) economic (commercial associations and networks); 2) cultural (religious, ethnic, communal and other institutions and associations that defend collective rights, values, faiths, beliefs, and symbols); 3) informational and educational (devoted to the production and dissemination -whether for profit or not-of public knowledge, ideas, news and information); 4) interest-based (designed to advance or defend the common functional or material interests of their members, whether workers, veterans, pensioners, professionals, or the like); 5) developmental (organizations that combine individual resources to improve the infrastructure, institutions, and quality

of life of the community); 6) issue-oriented (movements for environmental protection, women's rights, land reform or consumer protection); and 7) civic (seeking in nonpartisan fashion to improve the political system by making it more democratic through human rights monitoring, voter education and mobilization, poll-watching, anti-corruption efforts, and so on).

Finally, Diamond also includes in civil society, the mass media and other institutions which contribute to the flow of information and ideas (e.g., universities, publishing houses, etc.) but which do not represent associations formed by organized interests.

### **The Rise and Roles of the Civil Society's Organization in Economic Development**

The types of groups identified by Diamond as the basis of civil society have received different labels in the democratic and economic development literature. In the United States, the term nonprofit has been widely employed to identify the organizations listed by Diamond which are involved in some type of service delivery to the communities and which are not organically linked to the State (Smith and Lipsky 1993). Meanwhile, the term non-governmental

organization (NGO) achieved wide acceptance in Europe during the 1970s and 1980s to designate the same sort of organization (Willems 1996). Both terms, however, emphasize legal before functional characteristics which may create difficulties in establishing their precise roles and the services they can provide (Weyers 1981). Similarly, Meyer (1993, p.1278) suggests that the term NGO is not free of controversy, and it "means many things to many people." Meanwhile, there are suggestions that a broad use for the term is not a problematic. The term NGO has been used in broader and narrower forms. In a broader form, it was used to define a wide spectrum of international relief agencies, and other development-oriented nonprofits from the North, Southern nonprofit development organizations, grassroots organizations and advocacy groups (Clark 1991). Meanwhile, others prefer a narrower definition for the term. In its narrower version, NGO is defined as a "voluntary, non-profit organization of citizens." (Ritchey-Vance 1991, p.27). According to Ritchey-Vance, the NGO universe includes community-based grassroots organizations, popular movements, and professional or technical support institutions. Nevertheless, the term NGO is nowadays commonly utilized in many studies about the contribution of civil society's organizations to the economic development process (Diaz-

Albertini 1993, Clark 1991, Fisher 1993, Lehman 1990, Williams 1990). Frantz (1987, p.122) observes that many NGOs have emerged either out of the process of facilitating the aims of a social movement<sup>2</sup> or out of the institutionalization of that same movement.

### **The Roles of NGOs in Economic Development**

Landim (1987, p.37) stresses that NGOs' actions are guided by a basic characteristic which is an orientation to the strengthening of civil society as whole. This would take on special meaning when dealing with societies that have strong authoritarian traditions and which traditionally exclude most of the population from access to participation, cultural expression, and minimal material living conditions. Accordingly, Weyers (1981) suggests that NGOs in developing countries help to bring development down to the grassroots. Weyers argues that NGOs can mobilize popular participation in self-help projects, promote the development of national culture, and link resources available at the national level with needs in marginal communities. Meanwhile, the World Bank (1996) has identified a set of roles for NGOs

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<sup>2</sup>Frantz defines social movement as "popular movements that occur outside the realm of political parties and unions, that express themselves in function of one or various collective demands that are defined on

participating in Bank supported projects that resembles the roles proposed by Weyers. For the Bank, NGOs are important tools for channeling development resources to community-based service delivery organizations, providing services or technical resources, and the strengthening of grassroots organizations institutional capacity.

Concomitantly, there is an effort by different authors to identify the different types of NGOs and their potential roles in economic development. Carrol (1992), for example, suggests that NGOs involved in the economic development process can be divided into two major groups: membership support organization (MSO) and grassroot support organization (GSO). Carrol distinguishes MSO and GSO as follows:

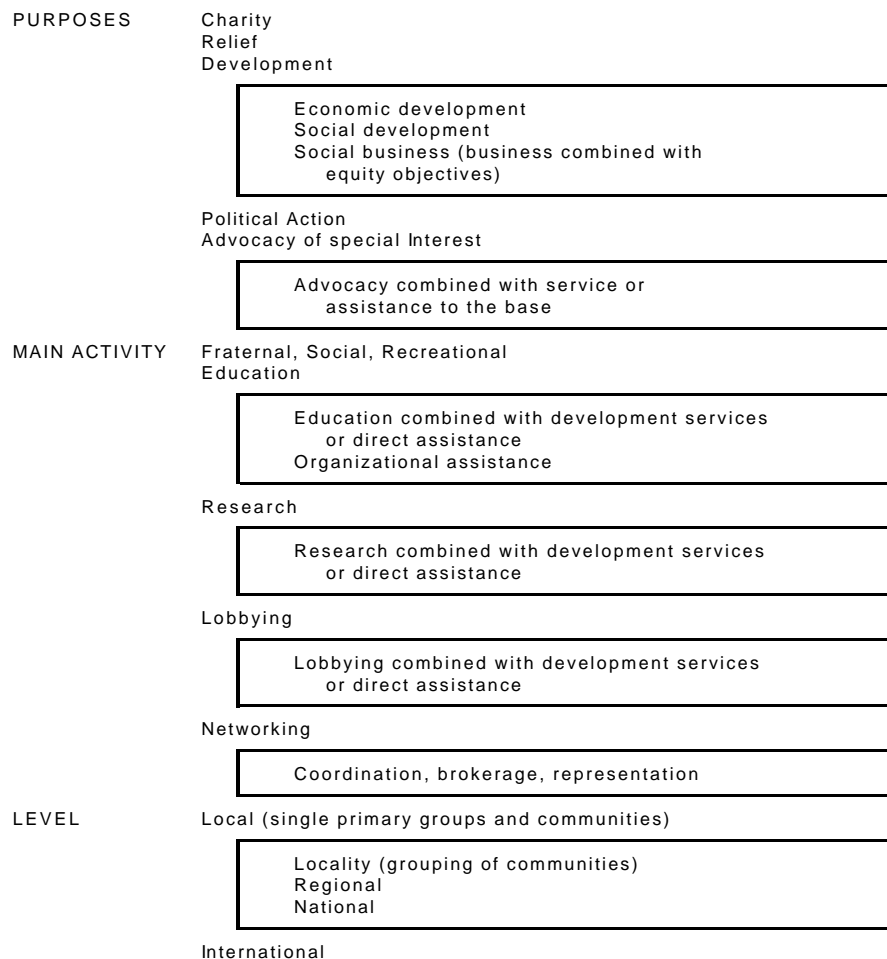
- ◆ An MSO is a civic development entity that provides service and linkages to local groups. An MSO represents and is accountable to its base membership, at least in principle. A primary or base-level membership organization is a local cooperative or labor union. A regional association of such groups is a secondary, or second-level, group. This is sometimes capped by a third-level national federation.
- ◆ An GSO is a civic development entity that provides services and/or allied support to local groups of disadvantaged rural or urban households and individuals. It may also provide services indirectly to other organizations that support the poor or perform coordinating or networking functions. An GSO, however,

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the basis of perception of community needs and that normally result in the formation of demands which are recognized as legitimate rights.

is professionally staffed and independent from grassroots political control.

Carrol argues that MSOs and GSOs include organizations within civil society that have specific development purposes and that operate at certain levels (Figure 2.1)



MSOs and GSOs are within the boxes

Figure 2.1 Identification of MSOs and GSOs within the Spectrum of NGOs (Carrol 1992)



Finally, Carrol observes that unlike international NGOs, MSOs and GSOs are single nation-centered and operate within the legal framework existing in their respective countries.

### **The Economic and Institutional Impacts of the Rise of NGOs in Economic Development**

The broad scope of activities provided by NGOs, especially GSOs, has led these organizations to become attractive options to leading development donors (Garrison 1993). The flow of funds to NGOs from developing countries seems to reinforce the argument established by Garrison (1993). Estimates from the United Nations that reveal that the total Northern NGO aid to NGOs located in developing countries increased from US \$1.0 billion in 1970 to US \$7.2 billion in 1990 (MacDonald 1995). Moreover, NGOs have displaced governments as the primary recipients of official aid. The rise in number of recipients has been equally impressive. Some estimates now indicate that there are 3,000 Northern NGOs active in developing countries, and that their work is being complemented by between 30,000 and 50,000 local NGOs (Charlton and May 1995). In Latin America and the

Caribbean more than 6,000 NGOs have been created since the mid-1970s (Tolba et al. 1992).

The increased presence of NGOs in areas of economic development that previously were solely the province of the State has led to important changes in the relationship of NGOs with official donors; especially the World Bank (Shihata 1992, Williams 1990, Williams and Young 1994). Despite the fact that the World Bank still continues to work primarily with governments, NGOs are increasingly collaborating directly in the implementation of Bank-supported projects (Williams 1990).

Another important development was the creation by the World Bank of channels of institutional interaction with NGOs located in both the Northern and Southern hemispheres. The establishment of an NGO-Bank Committee in 1982 was one of the progressive steps taken by the World Bank to strengthen relations and expand operational cooperation between the Bank and NGOs (Shihata 1992). According to Shihata, the Bank has since increased its efforts to enhance the participation of NGOs in all stages of Bank-sponsored projects<sup>3</sup>. However, as Nelson (1995) demonstrates, there are still problems at both ends of this interaction. According

to Nelson, the participation of NGOs in Bank-sponsored projects is still heavily concentrated in the implementation stage, and that in only 25% of the cases have NGOs enjoyed voice in project design. Meanwhile, the NGO-Bank Committee has been plagued by several limitations (e.g., the diversity of the NGO sector, ambiguity in the roles and constituencies of both parties) which have served to undercut its usefulness as a channel for dialogue (Nelson 1995, p. 56). Finally, regardless of existing difficulties, there are no indications that either NGOs or the World Bank are planning to cease their present collaboration. This reality raises some important questions about the participation of NGOs in Bank-sponsored projects. For example, can Bank-sponsored NGOs be expected to remain autonomous and representative or does NGOs collaboration lead to some degree of political co-optation and erosion of autonomy and therefore representativeness?

## **Conclusion**

This review of different conceptualizations of civil society reveals the difficulties that surrounds its usage in

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<sup>3</sup>A World Bank sponsored-project has according to Shihata the following stages: (a) the analysis of development issues, (b) project identification, (c) project design, (d) project financing, (e) project implementation, and (f) project monitoring and evaluation.

contemporary studies of democratic transition and economic development processes. This difficulty is compounded by the fact there are persistent differences in what are the potential contributions of civil society's organizations to those processes. Moreover, despite the present popularity of civil society in the economic development literature, there is little empirical evidence that NGOs actually improve the internal democracy and social accountability of regional development programs. Therefore, it is important to examine cases where NGOs have been included to represent the interests of segments commonly marginalized in the process of economic development

In this case-study, NGOs entered the process as representatives of the local civil society. In general, their efforts were aimed at influencing the direction of the implementation of PLANAFLORO, a World Bank sponsored regional development program in the Brazilian Amazon. Again, collectively, the group sought to insure that the funds provided were well targeted to the population. Therefore, this analysis of NGO participation in the PLANAFLORO will focus on assessing the following issues:

- 1) How reliably do NGOs represent the political and economic interests of their perceived constituencies in economic development programs?

2)To what extent is the autonomy of local NGOs compromised by their interaction with State and financial institutions, and international NGOs in the regional development process?

3)Do NGOs actually have the institutional capacity to fully influence of development in which they participate?