CIVIL SOCIETY
IN CANADIAN DEVELOPMENT POLICY:
BETWEEN DEMOCRATIC DEVELOPMENT
AND MARKET LIBERALIZATION

by

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ABSTRACT

In the 1990s a new international development assistance paradigm emerged, conditioning economic aid on political restructuring. Within this "new orthodoxy" civil society in developing countries became a panacea, a universal means to achieve the twin goals of neoliberalism: democratic development and market liberalization. This thesis seeks to challenge the prevalent linking of civil society with processes of democratization in the developing world first by exploring civil society's conceptual premise, and then by locating its use by the Canadian International Development Agency (CIDA) in the dynamic interrelations of society, the state and the market. By arguing that civil society is more valuable as ideal-type than as an 'actually existing' social category, and by contextualizing the reification of civil society in neoliberal development politics, this thesis problematizes the discursive application of civil society as means to ensure the equitable distribution of development benefits.

Keywords: development; democracy; civil society; neoliberalism; CIDA

To my parents, Uri and Dorona

for showing me the value of scholarship

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Last, but far from least, I am overflowing with love and gratitude to Tracy and Noam for their inspirational nourishment, tireless support and infinite love. You are what truly matters.

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LIST OF ACRONYMS

CCIC	Canadian Council for International Co-operation
CIDA	Canadian International Development Agency
FAC	Foreign Affairs Canada
GRO	Grassroots Organization
HRDG	Human Rights, Democracy and Good Governance
IFI	International Financial Institutions
IMF	International Monetary Fund
LDC	Less Developed Countries
MDG	Millennium Development Goals
NGI	Non-Governmental Institution
NGO	Non-Governmental Organization
ODA	Official Development Assistance
OECD	Organisation for Economic C-operation and Development
RBM	Results Based Management
SAP	Structural Adjustment Program
UN	United Nations
UNDP	United Nations Development Program
WB	World Bank

INTRODUCTION

1. The "New Orthodoxy"

In the early 1990s a new doctrine for international development assistance[1] emerged, in which donors explicitly conditioned the provision of economic aid on recipients' political-institutional restructuring. The new development paradigm was evident at all levels of the development establishment from international institutions such as the United Nations Development Program (UNDP) and the Bretton Woods institutes (International Monetary Fund (IMF) and World Bank (WB)) to international and national development agencies. Leftwich (1996: 4) has referred to this wide-ranging consensus as a "new orthodoxy" in development policy.[2][3] Although political conditionality per se was nothing new – the confluence of benevolent and geo-political agendas has marked the history of development since its inception in the late 1940s – the new orthodoxy (or "new policy agenda") made for a "striking departure" from previous forms of political conditionality by specifically focusing on the promotion of human rights, good governance and democracy, all bundled under the panoply of "democratization" (Crawford, 2001: 1).

This shift in development policy reflects the confluence of three more general trends: the first is a larger movement of democratization that accompanied the end of

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[1] Throughout this thesis 'international development assistance,' 'aid,' and 'development' are interchanged. Unless indicated otherwise, they refer to the same policies and programs that seek to improve living conditions in the developing world through the provision of financial and/or technical aid. They do not, however, refer to 'emergency aid,' which is usually dispensed with minimal preconditions and within a more flexible policy framework.

[2] For a detailed chronicle of the introduction and adoption of the new orthodoxy by transnational and international institutions, see Chapter 1 in Crawford, 2001.

[3] The term "new orthodoxy" derives its acidic meaning from its relation to what many in the development community consider the "old orthodoxy" (also referred to as "developmentalism"). Here, the subtext implies a blind and unrelenting acceptance of the policies emanating from the Bretton Woods institutes.

the Cold War and the collapse of the Soviet bloc (a trend Huntington (1991) termed "the Third Wave" of democratization). Under the new global conditions and balance of power there was less need for Western donors to support authoritarian regimes as part of Cold War *Realpolitik*.[4] Encountering a shriveled ideological opposition that lacked a substantial economic or military might to back its position, Western donors found it easier to condition aid on the adoption of liberal, market-supporting democratic models.

The second trend was the wide acceptance that – contrary to previous approaches that held authoritarian regimes as better positioned to enact sweeping economic reform – "democracy was valuable as providing the political context most likely to sustain economic reform efforts," whereby "democratisation was desirable not only as an end in itself but also as a means to the end of economic liberalisation" (Crawford, 2001: 13; see also Gerring et al., 2005). Here the economic and political imperatives for development seamlessly blend into a universalized policy initiative.

Third, was the growing need to justify and protect aid budgets at donor countries. For large donors, policies emphasizing democracy, human rights and good governance provided "a new rationale and a fresh profile for development aid" (Crawford, 2001: 14), an idealistic agenda wrapped in inspiring rhetoric capable of rallying politicians and their constituents behind a reinvigorated global development programme.

Attentive to the trends reshaping the development discourse, the Canadian International Development Agency (CIDA) was not left unaffected by the new orthodoxy. While both the concept of civil society (invoked explicitly or as "non-state actors") and the "emerging international consensus on the goals and principles of development cooperation" are evident across a range of CIDA policy statements that

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[4] The contextualization of post-WWII development in the agenda of Cold War *realpolitik* is shared by many contemporary development scholars. Under this view, international development was first and foremost deployed as part of the Truman Doctrine that sought to contain the expansion of Soviet inspired communism. Under the Doctrine, US military strength and nuclear deterrence were complemented by the worldwide dissemination of Western financial and technical aid (see Sussman & Lent, 1991; Escobar, 1995).

date far back to 1996, it is their appearance together in CIDA's *Canada Making a Difference in the World* (2002) that best explains the motivation and framework for including "non-state actors" in CIDA's programs:

> It is a consensus which has emerged from over 50 years' experience in development cooperation and a growing body of research into development effectiveness. It is a consensus which reflects the knowledge that past approaches to development cooperation – from the reconstruction emphasis of the 1950s, to the focus on state planning in the 1960s, to the heavy reliance on market-based solutions and structural adjustment in the 1980s – were too narrowly focused and often failed to recognize the cultural and political context in which development takes place. It is a consensus which reflects the evolution in development thinking accompanied by a tremendous growth in the number of organizations and institutions involved in development cooperation. This growth has led to a recognition of the important role of non-state actors as deliverers of development assistance, advocates of social and political change within the developing world, and vehicles for raising public awareness of the importance of international cooperation. (CIDA, 2002: 1)

While I analyze in depth CIDA's working definition of civil society in chapter one, it is important to note that there is no consensual or even widely agreed-upon definition of civil society to which CIDA's definition may be compared. However, we may take as our point of departure the following definition of civil society as that realm that "involves the activity of citizens in free association who lack the authority of the state ... Such activity is motivated by objectives other than profit-making" (Swift, 1999: 4-5).[5] Although CIDA emphasizes the importance of civil society to the achievement of more effective and equitable development policies, throughout its recent policy statements the definition and use of civil society tend to be highly functionalistic and insensitive to the contested and at times contradictory nature of the concept. The aim of this work, therefore, is to problematize the use of civil society in Canadian development policy by demonstrating the complexity and fluidity that are inherent to civil society as both a theoretical concept and applicable category.

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[5] We may note that Swift's definition, while providing a minimalistic notion of civil society, lacks in both analytical precision and applicability to many contexts in which civil society is invoked (what about non-citizens? How can we differentiate state and non-state activities in an environment that increasingly features hybrid governance forms? Do coerced associations inherently detract from civil society's political functions? etc.)

For this purpose, this thesis combines concrete policy analysis with conceptual explorations of the more abstract kind. However, the systematic analysis of a decade's worth of CIDA and Foreign Affairs Canada (FAC) documents provided here merely serves as a platform for what is predominantly a theoretical discussion.[6] This, by all means, does not represent a rejection of all policy-centered analysis, but reflects my belief that theory and practice are inseparable. Insofar as policy is socially and discursively constructed, I believe that the exploration and explication of the concepts that underlie the discourse of development may contribute to the crafting of better-informed and more equitable policies. Accordingly, this work is inspired by the methodology of discourse analysis that by its concern with the ways in which the world (events, relationships, etc.) is textually represented and with the roles, identities and interrelations of those who take part in this representation embodies a viable mode of linking discourse, ideology and societal power relations (Fairclough, 1995). While acknowledging the potential gap between policy articulations and their myriad implementations on the ground, the approach undertaken in this work agrees with Codd's assertion that, "Fundamentally, policy is about the exercise of political power and the language that is used to legitimate that process" (cited in Peskett, 2001: 2). Insofar as "policy documents produce real social effects through the production and maintenance of consent" (ibid.), discourse analyses of policy statements allow us to bring language and social action – structural and functional aspects of the discourse – together, thus providing counter-hegemonic agendas with an analytic tool to bring about social change (Fairclough, 2001).[7] While Fairclough's DIE (description; interpretation; explanation) model served to structure my thinking about the textual manifestations of the ideological underpinnings of policy it was not used to structure the thesis itself.

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[6] Some of the policy documents analyzed below can be found in the public domain while others were obtained through the Federal Access to Information Act.

[7] As Hammersley (2002: 2) posits, "all discourse is action and all action is discursive."

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2. The Discursive Reemergence of Civil Society

The inclusion of civil society in development policy can be seen as part of a larger wave in which institutional forces outside of government (yet sometimes connected to it) have been increasingly involved in social, economic and political discourses in developed and developing countries alike.[8] Especially in the developing world, many of these non-state actors are directly involved in development by funneling funding from local governments and international donors to project implementers, and therefore providing a valuable link between donors and the communities affected by development. As Swift (1999: 3) writes, this has effectively created a large "development enterprise" that spans the entire developing world.

The "associational revolution" (Salamon, 1993), heralded by both the Left and the Right,[9] is also echoed in academic scholarship, where Keane (1998) identifies the resurgence of "the language of civil society" in the last two decades. Consistent with the "early modern democratic heritage" of eighteenth century Europe, civil society, for Keane, denotes the continuous attempt to imagine a society in which state apparatuses are checked by society at large through "a complex and dynamic ensemble of legally protected non-governmental institutions that tend to be non-violent, self-organizing, self-reflexive, and permanently in tension with each other and the state" (1998: 6). Here, civil society is predominantly differentiated from the state, and represents the assumption that,

> the exercise of power is best monitored and controlled publicly within a democratic order marked by the institutional separation of civil society and state institutions. Seen from this power-sharing perspective, state actors and institutions – just as civilians living within the state-protected institutions of a heterogeneous civil society are forced to recognize social differences and to share power among themselves. (1998: 11)

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[8] These extra-state social institutions are sometimes labeled "Third Sector" to denote their structural separation from both the government and the private sector.
[9] See Seligman, 2002: 13; Swift, 1999: 4.

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In a similar vein, yet from a more radical standpoint, Cohen & Arato (1992) argue that the recent attention allotted to civil society can be explained in the context of the pronounced and perplexing debates that mire modern political theory, where civil society may indeed represent new avenues for exercising social and political agency. Here, the 'rediscovery' of civil society in contemporary political theory may allow political theorists and activists alike to transcend the hopelessly entrenched struggle between proponents of elite and participatory models of democracy, and between supporters of the welfare state and those neoconservatives who tirelessly push for its dismantling. For Cohen & Arato, "the concept of civil society indicates a terrain in the West that is endangered by the logic of administrative and economic mechanism but is also the primary locus for the potential expansion of democracy under 'actually existing' liberal-democratic regimes" (1992: viii). This, in a nutshell, is the source of both civil society's appeal and problematic as an explanatory concept: by seamlessly melding descriptive and ascriptive, normative and utopian discursive dimensions, civil society allows for the expansion of the utterly politicized discourse of individual freedoms and social cohesiveness, their interface and possible translations into viable and sustainable social institutions. It is in this context that civil society will be analyzed in the remainder of this thesis.

3. What Follows

The argument made in this thesis is twofold: first that civil society does not denote an actually existing social category but an ideal-type, and as such it is constantly prone to ideological manipulations. Second, that, as a malleable concept that is continuously shaped by its discursive applications, civil society is operationalized in development to advance neoliberal objectives that may not necessarily overlap with the concept's historical and conceptual connotations. Consequently, I commence with a conceptual discussion that attempts to unpack

some of the theoretical complexities of civil society. By focusing on the influential articulations of civil society in the work of Tocqueville, Putnam and Gramsci, the first chapter aims to illustrate the value civil society still holds for contemporary political discourses while placing signposts for its potential misapplications in the context of democratization aid.

The second chapter offers an analysis of concrete development trajectories, discussing civil society against the backdrop of the state's function in development, and arguing that current applications of civil society in development cannot be understood without adequately accounting for the fluctuating – yet continuous – influence nation-states hold over the provision of economic growth in developing societies. The goal of this section is to provide a historically grounded challenge to delineations of civil society that either focus exclusively on state-society relations or discard the state entirely.

The third chapter picks up where the second ends by exploring the function of civil society under the dominant neoliberal political-economic paradigm, where market liberalization and democratic development overdetermine the potential for political action based in civil society. Here, the discussion of Karl Polanyi's socio-historical theory of the market is used to contextualize the hopes and contradictions that underlie the operationalization of civil society in CIDA's policy.

I conclude with a brief recap of the arguments presented, and offer a few policy recommendations that may help stir Canadian development assistance to paths that truly materialize local ownership of development. While it is beyond the scope of this thesis to purvey the history, complexity and contemporary application of civil society in their fullest, I hope this work will serve as an exposition or brief interrogation of what seems to be a growing trend in the development world, in which the rhetorical use and extensive application of politically loaded terminology over time works to flatten the latter's richness and subsequently its potency to indicate real and imaginary horizons for political agency.

CHAPTER 1:
THE ASSOCIATIONAL TERRAIN OF DEMOCRACY

Man was born free, and everywhere he is in chains.

Jean-Jacques Rousseau, *The Social Contract*

Feelings and opinions are recruited, the heart is enlarged, and the human mind is
developed by no other means than by the reciprocal influence of men upon each other.

Alexis de Tocqueville, *Democracy in America*

1. Aid Effectiveness, Civil Society and "Local Ownership of Development"

By 1996 CIDA was facing a host of internally and externally induced problems, not

the least of which were a considerably shrunk budget, the lingering effects of an

institutional schism between the Agency's policy branch and its field operations,

dwindling public support for Canadian foreign aid (Morrison, 1998), and the

introduction of a new minister for International Cooperation – one of eleven different

politicians who would carry the ministerial responsibility over Canadian foreign aid

between 1989 and the present (Goldfarb & Tapp, 2006). But even more important, the

Agency was still mired in the messy debris of Structural Adjustment Policies (SAPs) –

a set of imposed, uncompromising, "one-size-fits-all" economic measures whose

colossal failure was proportionate to the hubris-floated expectations that justified

their implementation.[10] SAPs, while failing to satisfy what were called in

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[10] SAPs have been implicated in major systemic crises in several developing countries (for example,
Argentina, Indonesia and Ghana) with "devastating social and economic consequences for citizens in these
countries, particularly people who are poor and vulnerable" (Randel et al., 2004: 10). In Zambia, for
instance, SAP-induced government withdrawal from crop marketing and public transportation management
led to diminishing selling opportunities for poorer, remote farmers, resulting in the redistribution of

development lingo the 'basic needs' of Less Developed Countries (LDCs), were

highly successful in diminishing local economic and political autonomy, and

contributing to socio-economic inequality that resulted in various instances of

economic implosion and social strife.[11]

CIDA's response came in its policy on Human Rights, Democratization and

Good Governance (HRDG), where it was made clear that economic transformation

cannot be pursued in a social vacuum:

> CIDA's vision of sustainable development builds on the inherent link between political,
> economic, environmental, social and cultural processes in all societies and seeks to
> integrate this understanding into the Agency's efforts to promote development.
> Underpinning this vision is the recognition that the equitable distribution of power and
> resources within and between societies, and public participation in decision making, are
> critical to the success of CIDA's work. (CIDA, 1996: 3)

While the linking of Canadian economic aid and political restructuring (in the

form of political conditionality) was no longer a novelty,[12] for the first time the way

by which such linkage could be made was illustrated, positioning civil society as the

focal point of development strategies. Here, civil society served as the premise for the

correlation between the pursuit of economic development, the safeguarding of

human rights, and the establishment of participatory democratic practices.[13] In the

quest for wholesale democratization in LDCs, civil society was to provide "a voice for

popular concern," increase popular participation in decision-making, and thus

promote the augmentation of 'formal' democratic procedures with 'informal'

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marketing opportunities in favour of richer farmers who were located closer to the existing (yet still
inadequate) transport infrastructure (61). SAPs and their implications are further discussed in chapter two.
[11] As Randel et al. (2004: 48) note, SAPs led to large scale stagnation and regression where they were
applied.
[12] Such links were already made in the report of The Special Joint Committee Reviewing Canadian Foreign
Policy (SJC-CFP), *Canada's Foreign Policy: Principles and Priorities for the Future* (1994), where,
alongside the admission of SAP failure, Canadian Official Development Assistance (ODA) was to be
conditional upon a "reduction in excessive military expenditures" and "increased transparency of
government operations" (cited in Morrison, 1998: 389).
[13] The correlation between human rights, democracy and economic development was officially delineated in
Foreign Affairs Canada's policy statement of 1995, where it was established that "The Government regards
respect for human rights not only as a fundamental value, but also as a crucial element in the development of
stable, democratic and prosperous societies at peace with each other" (FAC, 1995: 34).

democratic sentiments and values that reflect a more equitable sharing of power and resources (ibid.).[14]

During the 1990s, while declining financially, Canadian aid to civil society in LDCs increased rhetorically.[15] But as evident in CIDA's *Canada Making a Difference in the World* (2002), the justification for increasing aid to civil society was augmented to also address growing concerns in parliament and the Canadian development community over the Agency's effectiveness and accountability. Although *Canada Making a Difference in the World* is mainly focused on the internal structural-bureaucratic changes required to improve CIDA's administration of aid (moving towards program-based initiatives and setting new geographical and thematic emphases), the policy statement locates civil society at the center of efforts to improve "aid effectiveness" by recognizing "the important role of non-state actors as deliverers of development assistance, advocates of social and political change within the developing world, and vehicles for raising public awareness of the importance of international cooperation" (CIDA, 2002: 1). The emphasis on capacity building of civil society organizations as an indispensable counterpart to other forms of aid reflects CIDA's increased willingness to accommodate the positions of Canadian development NGOs and individuals who took part in the process of consultation that

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[14] The manifestation of the need for both 'formal' and 'informal' types of democratic promotion in policy is evident in the 1993-4 ODA budget in which, for the first time, bilateral funding (aid dispensed directly to recipient countries) to non-governmental entities surpassed funding to governments themselves (CIDA, 2005b: Table A).

[15] Both the nominal and real values of Canadian ODA to all sectors of developing countries have steadily declined from the early 1990s to the present (see CIDA, 2005b: Table A; Randel et al., 2004: 181). In the last 4 years, CIDA's direct financial contribution to civil society organizations (Canadian, local and international Non-Governmental Organizations and Non-Governmental Institutions) has shrunk from $235.16M in 2001-2 to $211.87M in 2003-4 (CIDA, 2005b: Table G). (Note: unless specified otherwise all sums noted hereto are in Canadian dollars.)

preceded the statement's publication.[16] Here, the dominant role of civil society in promoting equitable development equally reflects CIDA's commitment to effectively meet its development goals and the political reality in which it must maintain what Morrison (1998: 3) calls "the humanitarian impulses" of the Canadian public.[17]

   Canada Making a Difference in the World provided the framework for a "comprehensive approach to development cooperation" that was aligned with the UN's Millennium Development Goals (MDGs),[18] and encompassed the five principles advanced by the Organization for Economic Co-operation and Development's (OECD) Development Assistance Committee (DAC)[19]: 1) local ownership of development strategies; 2) improved donor coordination; 3) stronger partnerships between donors and recipients; 4) employment of a results-based approach with improved monitoring and evaluation; and 5) greater coherence in those "non-aid" policies of donor countries that influence the developmental state of aid recipients (CIDA, 2002: 4).[20]

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[16] On which the statement comments: "While a broad range of issues was identified in these consultations, two stand out in particular. First, that CIDA's approach to strengthening aid effectiveness must address the role of civil society in Canada's aid program and in development more generally, and second, many expressed support for a stronger public engagement program on development issues as essential to buttress CIDA's programs to improve aid effectiveness and to build support among Canadians for renewed funding for development cooperation" (CIDA, 2002: 3). Interestingly, the Canadian Council for International Co-operation (CCIC) had the following comment on the same process: "While stated in the introduction, the subsequent content of the policy statement of future directions has virtually no discussion of the important roles of civil society in development cooperation, nor for the effective implementation of new programming approaches for poverty reduction. Even more worrying, the policy statement explicitly returns to an exclusive focus on government-to-government programming relationships, as the primary means for realizing CIDA's contributions to poverty reduction. This focus was substantially criticized in early consultations as incomplete and new sections on roles for civil society and the responsive programming mechanism were added to later draft versions. These are no longer present in *Canada Making a Difference in the World*" (CCIC, 2002).

[17] This is also evident in the aggressive introduction of Results-Based Management (RBM) principles to CIDA programming, which featured the growing centrality of success indicators to development initiatives. RBM becomes quite 'sticky' when it concerns social and political development objectives that traditionally frustrate attempts at quantification (see for instance CIDA's justification of HRDG indicators in Kapoor, 1996; 1997, and their wide application in CIDA, 2004).

[18] Outlined in the United Nations Millennium Declaration of Sept. 2000, the MDGs provide eight "timebound and measurable goals and targets for combating poverty, hunger, disease, illiteracy, environmental degradation and discrimination against women" (UN, 2002: 1). It's important to note, however, that none of the MDGs directly address institutional-political aspects related to the acute problems they seek to remedy.

[19] See OECD, 1996.

[20] The necessity of policy coherence is argued within both the context of globalization (which is

Within this new framework for improving aid effectiveness civil society plays

a significant role in realizing the first principle of "local ownership of development,"

as:

> Participatory processes, particularly those engaging civil society and the people
> expected to benefit, are essential to establishing clear, locally owned priorities for
> development cooperation. They are also critical to ensuring that aid investments
> help meet the needs of the poorest and most marginalized people in a society. (5)

Therefore,

> Engaging civil society and the people directly affected by aid programs is an
> integral part of the comprehensive development model ... CIDA agrees with the
> importance of ensuring that local ownership is defined and achieved through
> consultative processes involving government, civil society and other groups
> within developing countries and will continue to foster this in its programming.
> (3)

Insofar as "local ownership of development" can only be achieved by promoting

inclusive processes of decision-making over development priorities and provisions,

no such process will be complete without the participation of civil society. However,

although the latter provides invaluable popular representation, thus anchoring

development decision-making in a wide array of opinions and interests, civil society

itself does not "own" the process. That onus, yet remarkably rewarding task, is left to

local governments who are expected to operate in a responsive, accountable and

transparent manner.

CIDA's increasing emphasis on civil society's role in development decision-

making is also framed by the rhetoric of a new model for development that equally

engages local governments and citizens, representing a shift of development weight

from donors to recipients, who through a host of egalitarian (or non-SAP-ish)

"characterized by increasing linkages among states and among public policy issues") and the context of
Canadian interests, where aid, trade, investment, debt relief, intellectual property and technology transfer
policies may have contradictory and counter-productive results: "In an environment in which investment and
trade flows to developing countries increasingly dwarf flows of development assistance, the need to ensure
that major policies which affect these areas work in tandem has never been greater" (CIDA, 2002: 17).

structural and institutional measures are expected to assume the brunt of the effort to achieve successful poverty reduction. This shift, initiated at the International Conference on Financing for Development (held in Monterrey, Mexico, during July 2002),[21] was carried by the anti-developmentalist assumption that "development strategies, if they are to be sustainable, must be developed by recipient countries – their governments and people – and they must reflect their priorities, rather than the priorities of donors" (2002: 4). Civil society, then, is instrumental to achieving "local ownership of development" by supporting local governments' commitment to the values and mechanisms of 'good governance' and to the equitable distribution of aid benefits by facilitating participatory and inclusive decision-making. In other words, "local ownership of development" cannot be excised from local ownership of political procedures.

The inclusion of civil society as a distinct partner in defining "local ownership of development" signifies an approach to LDC democratization that moves away from an exclusive focus on the narrow procedural aspects of democracy to a more encompassing view of democracy as the whole gamut of state-society relationships. Here, CIDA may be seen to adopt a more participatory view of democracy, one that "fosters human development, enhances a sense of political efficacy, reduces a sense of estrangement from power centres, nurtures a concern for collective problems and contributes to the formation of an active and knowledgeable citizenry capable of taking a more acute interest in government affairs" (Held, 1996: 267-8). However, civil society's ability to realize its democratic potential by replacing "hierarchical power structures with egalitarian ways of making decisions" (CCIC, cited in Swift, 1999: 20) largely rests on how it is perceived by relevant development partners – donors and recipients alike.

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[21] "Under the Monterrey Consensus, developing countries committed to lead and take ownership of their development policies. This includes ensuring that governance structures support the achievement of poverty reduction, by empowering citizens to guide and share in the development process. It also includes creating a better environment for the private sector development essential to generate resources for social development" (CIDA, 2005a: 5).

2. The Associational Terrain of Civil Society

The composition and democratic effect of civil society are made explicit in CIDA's

own definition, offered in its HRDG policy of 1996:

> The term civil society refers broadly to organizations and associations of people, formed for social or political purposes, that are not created or mandated by governments.
> Included are non-governmental organizations, trade unions, cooperatives, churches, grassroots organizations and business associations.
> These groups are important in terms of this policy for their role in articulating and advocating for popular concerns. This advocacy function gives voice to a variety of interests and perspectives that governments and decision makers may otherwise not hear. Many also provide a range of services to their members or communities, a role which, depending on the nature of the group, can have a direct bearing on the promotion of human rights and democratization. (CIDA, 1996: 21)

This definition is complemented by a lengthy list of organization and association

categories CIDA deems worthy of civil society status.[22] A quick glance at the list

reveals that all associations that correspond to these categories share two defining

characteristics: they are voluntary; and they are neither governmental institutions nor

private sector organizations that are dedicated directly to making profit (i.e.

businesses, which are differentiated from business associations which – although

representative of the interests of profit-making – do not seek profits themselves).[23]

The identification of civil society with "organizations and associations of

people" clearly echoes Alexis de Tocqueville's influential account of early nineteenth

century American democracy, the product of his nine-month visit to the US during

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[22] The detailed list includes "grassroots non-governmental organizations (NGOs) working at the community level, focused on particular issues, or based in particular sectors of society; for example: women's rights, health, social welfare, children's issues, education, popular theatre, legal advice, refugee support, people with disabilities, consumers rights; national NGOs that address such issues, and umbrella organizations; churches and church-based organizations; cooperatives and cooperative federations; media; indigenous communities, and community organizations; trade unions, and trade union federations; professional associations, including lawyers, doctors, nurses, auditors, public administrators; business associations, such as chambers of commerce; regional and international NGOs and networks, and regional and international trade unions and labour organizations" (CIDA, 1996: 14).

[23] This is further reflected in the categories CIDA uses for funding through "bilateral" and "countries in transition" channels (see CIDA 2003b; 2003c).

1831-2. In *Democracy in America* (originally published in 1835-1840) Tocqueville

observes the wealth and diversity of associations that mark American civil society:

> Americans of all ages, all conditions, and all dispositions, constantly form associations. They have not only commercial and manufacturing companies, in which all take part, but associations of a thousand other kinds – religious, moral, serious, futile, extensive or restricted, enormous or diminutive.... If it be proposed to advance some truth, or to foster some feeling by the encouragement of a great example, they form a society. (Tocqueville, 1899 (Vol.2): 114)

For Tocqueville, the practice of associational life works to mitigate the ever-

present tension between equality and freedom,[24] safeguarding American democracy

from the afflictions of what Claus Offe (2005: 34) calls the two "pathologies of

'equality' ": atomistic individualism and overbearing state power. While Tocqueville

finds equality (carried on the wings of the democratic revolution) to be the inevitable

trajectory of human development,[25] he insists that it does not necessarily ensure

freedom. Furthermore, in a political reality that features constant tradeoffs between

the two, equality may even negate freedom:

> Although men cannot become absolutely equal unless they be entirely free, and consequently equality, pushed to its furthest extent, may be confounded with freedom, yet there is good reason for distinguishing the one from the other. The taste which men have for liberty, and that which they feel for equality, are, in fact, two different things; and I am not afraid to add that, amongst democratic nations, they are two unequal things.... I think that democratic communities have a natural taste for freedom: left to themselves, they will seek it, cherish it, and view any privation of it with regret. But for equality, their passion is ardent, insatiable, incessant, invincible: they call for equality in freedom; and if they cannot obtain that, they still call for equality in slavery. They will endure poverty, servitude, barbarism – but they will not endure aristocracy. This is true at all times, and especially true in our own. All men and all powers seeking to cope with this irresistible passion, will be overthrown and destroyed by it. In our age, freedom cannot be established without it, and despotism itself cannot reign without its support. (Tocqueville, 1899 (Vol.2): 100-103)

In regards to the democratic tidal wave anticipated by Tocqueville, John Keane (1988)

argues that "the decisive political problem of modern times concerns how the

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[24] What Offe (2005: 12) calls "the first question of political sociology."
[25] See Offe, 2005: 8.

equalizing tendencies triggered by this democratic revolution can be preserved without allowing the state to abuse its powers and rob its citizens of their freedom" (49-50). For Tocqueville, the associational terrain of American democracy models a successful solution to exactly that: the perennial conundrum underlying all variations of the social contract. As a French aristocrat bearing the "wounds of a European self-consciousness suffering from post-revolutionary turbulence" (Offe, 2005: 8), Tocqueville is well aware of the potentially despotic or anarchic outcomes of political equality.[26] In this respect, a vibrant civil society comprised of civil and political associations resists "the effects of individualism by free institutions" (Tocqueville, 1899 (Vol.2): 108), providing a platform for social cohesion and solidarity that help curb the individualistic competition that is a corollary of equal economic relations. In Tocqueville's words, an association-based political life "imparts a desire of union, and teaches the means of combination to numbers of men who would have always lived apart" (Tocqueville, 1899 (Vol.2): 123). It thus teaches citizens to think and act beyond their narrow self-interest in pursuit of the common good.

Even more importantly, associational life provides a mechanism for preventing the abusive consolidation of state power, where, in lieu of substantial opposition, "The power invested by civil society in [the political apparatus] ... is turned back on civil society itself" (Keane, 1988: 49). In this context, associations help maintain the stability of the state by providing citizens with a dialogical outlet for social and political intervention that simultaneously reduces the potential for government abuse of citizen rights and the popular upheaval it may spark. Here, Tocqueville discovers a notable link between civic and political behaviour, noting the 'spill-over' effects of either kind of association onto the other:

In their political associations, the Americans of all conditions, minds, and ages,

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[26] The difference between established democratic societies (where democracy is a "steady state") and societies in which democracy is still a "novelty" is very significant to Tocqueville, who notes that it is the transition to democracy (or to political equality) that unleashes the destructive dynamics of political equality (see Tocqueville, 1899 (Vol.2): 107-8; Cf. Offe, 2005: 12).

daily acquire a general taste for association, and grow accustomed to the use of it. There they meet together in large numbers, they converse, they listen to each other, and they are mutually stimulated to all sorts of undertakings. They afterwards transfer to civil life the notions they have thus acquired, and make them subservient to a thousand purposes. (Tocqueville, 1899 (Vol.2): 127)

In the other direction, self-organized and free civil associations form a "collective and habitually practiced 'art' of association" (Offe, 2005: 32), providing citizens with a "taste for liberty." As people form associations in pursuit of common goals they develop the social affinity and citizen skills necessary for the collective decision-making that stands at the foundation of democratic processes. These democratic attitudes, customs and habits, in turn, shape the institutions that enable the democratic environment in which they thrive, thus forming a "virtuous circle" (Offe, 2005: 13) in which democratic attitudes and institutions are mutually constituted. By stressing the mutual constitution of civil and political life, Tocqueville reveals his adherence to democracy as "a social condition and not just a form of government" (Aron, cited in Whittington, 2001: 22), a precarious yet uncannily elastic balance of society and government where "the enjoyment of a dangerous freedom" renders "the dangers of freedom less formidable" (Tocqueville, 1899 (Vol.2): 127).

Tocqueville's inspiring illustration of the link between associational life and the consolidation of democratic values and practice has recently inspired a surge of neo-Tocquevillean political theory that emphasizes the value of community trust, reciprocity and solidarity to the sustaining of a robust democracy (see for instance Putnam, 1993; 1995). However, we may ask ourselves whether all associations carry the same democratizing effect. One may rightly argue that groups such as the Ku-Klux-Klan or the mafia are not exactly ideal representations of democratic values or norms. But we need not appeal to such extreme examples: commerce chambers or small business associations may not pursue goals that necessarily contribute to a more just distribution of wealth (at least in terms of taxation policy), while some

church groups or other religious-based associations may not necessarily promote tolerance in the case of extending universal human rights (as with such issues as gay marriage, for instance). As Armony (2004) argues, "different types of civic organizations and other associational forms relate to specific aspects of democracy" (3),[27] and in some cases the involvement of "average citizens" in associational life may adversely contribute to "the collapse of democracy, to the exclusion of minorities, and to the deepening of society's fragmentation" (1) – all ostensibly antidemocratic tendencies. If not all associations carry the same democratic effect, clearly we need "a more complex and contingent view of associational life in relationship to social and political identities and processes" (Hall & Trentmann: 2005: 19), one that would allow us to identify what kind of associations may deliver which kinds of democratic effects and under what conditions.

3. The Democratic Potential of Associations

In his *Democracy and Association* (2001) Mark Warren provides us with a direction for such analyses. Aiming to rethink the nature and location of collective action in an era that is marked by dramatic changes to the locus, domain and nature of politics, Warren attempts to explain what we can and cannot expect from associations in terms of their democratic effects, and why (2001a: 4).[28]

According to Warren, associations function in ways that translate into a diverse range of democratic effects. These are divided into "developmental effects" that pertain to individuals' capacities to participate in collective decision-making

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[27] Armony lists such democratic aspects as "individual rights guarantees," "state decisions about the use of coercion," and "the legality of decision-making processes and the principles of accountability and transparency" (2004: 3).

[28] "Developed liberal democracies today are complex and differentiated in their structure, postconventional and pluralist in their social landscape, and embedded within increasingly globalized markets, political regimes, and cultures" (Warren, 2001a: 206). These factors contribute to the reduction in state-distinctive forces and capacities and a corresponding shift in political theory from state-centric analyses to explorations of alternative paths for integrating self-governance and collective action as "nineteenth-century concepts meet twenty-first-century realities" (226).

(such as citizenship skills, knowledge and motivation); "public sphere effects" that provide the social infrastructure required for autonomous political dialogue and judgment (such as the communicative means to represent difference and commonality when engaging in political deliberation); and "institutional effects" that support democratic conditions by underwriting democratic institutions (allowing for both support and resistance to modes of representation and legitimation).

Democratic effects may be delivered by a variety of associations, which can be categorized according to a three-part taxonomy that accounts for the structural conditions that determine associations' democratic potential:

Voluntary or nonvoluntary: whether associations are voluntary (displaying what Warren calls higher "ease of exit") or compulsory (the state being the ultimate specimen here) determines their internal procedures – ways in which conflict is handled, alternative or dissenting voices are heard, and objectives are set. Although in the liberal political tradition – very much under the influence of Tocqueville – it is mostly voluntary associations that are assumed to play a vital democratic role, Warren contends that nonvoluntary associations, by their need to resolve conflict internally – as exit is seldom a viable option – endow their members with more democratic developmental experiences.

Constitutive media: the ways in which associations make collective decisions and enable collective action can be organized either by means of coercive power (as with the state), by "the unintended consequences of economic exchanges" (the market) (109), or by customs, traditions, norms and other social resources. Whatever media an association operates in – power, money or social resources – and the degree to which an association is vested in its constitutive media determine the type of external pressures it faces, and consequently, its capacity to pursue various purposes in varying degrees of opposition to existing structures and norms.

Purposes or constitutive goods: while not all associations explicitly strive to achieve democratic purposes, the manifest purposes of an association, be it to acquire

status goods, identity goods, public or individual material goods, exclusive or inclusive social goods, influence its democratic effects – even if only incidentally.

Warren concludes that,

> not every kind of association can perform every kind of function. To the contrary, there are trade-offs: associations that are able to perform one kind of function may, for that very reason, be unable to perform another. A robust democracy will require, at the very least, a pluralism of different effects related in aggregate as if it were an associational ecology with numerous niches and specializations. (12)

Although for the purpose of democratic pluralism a wide range of associations may be considered to provide the range of democratic effects required for a vibrant, "democratic associational ecology," not all associations are created equal; that is to say, some provide more viable democratic effects than others. From this perspective, striking a balance of associations is crucial as "an associational ecology is democratic when no single kind of democratic effect marginalizes other effects" (208). Such a balance can be achieved only when taking into consideration the various degrees of inter-associational ties, state-association dependencies, internal and external checks and balances to associations' potentially antidemocratic effects, and the individual and group implications of associational membership or "attachments."

Warren's taxonomy improves upon Tocqueville's relatively crude dualism of civil and political associations. Subsequently, he manages to successfully sidestep such sticky issues as the differentiation of explicitly political organizations from perceivably civil organizations that may engage in political advocacy (once again, trade unions, commerce chambers and even churches come to mind), an issue that gains exponential complexity in an era of pervasive market politics that blur the distinctions between social, economic and political activity. But although Warren's analysis provides a much-needed "second-level" account of the democratic potentials of associations – one that does not overly abstract associations nor digress into disaggregate particularity *ad infinitum* – the organizing principle for his taxonomy

remains largely endogenous to associations themselves. Although he notes that "the democratic potentials of particular associational kinds depend upon their contexts," as "democracy describes an ecology of effects flowing from a multiplicity of forms of collective decision and action" (207), he gives short shrift to the influence of existing political structures and institutions over the range of formations, democratic potentials and democratic effects associations may produce.[29]

As Tocqueville clairvoyantly understood, the democratic potential of associations is largely determined by existing political structures – not so much by their legal or institutional constraints as by the type of state-society relations they embody. This is precisely why he proclaimed America "the most democratic country on the face of the earth," for American political arrangements perfectly match the American people's highly perfected "art of pursuing in common the object of their common desires" (Tocqueville, 1899 (Vol.2): 115).[30] In other words, the American combination of weak government that does not pose an authoritarian threat, and strong associations that pick up the slack left by a government that is not strong enough to facilitate all the public and private sector activity that is required to mobilize the nation's vast resources, mirrors the people's social and political culture. Thus for Tocqueville, America provided an ideal exemplar – untainted by revolutionary paradoxes and firmly rooted in a specific historical moment – of a democratic balance between liberty and equality; a middle ground between the despotic impulse and the anarchic abyss.

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[29] On the primacy of political structures over civil society's potentials to serve as platform for social change, Foley & Edwards write: "to understand any polity we must look first at the political settlements that ground it, and to the effects that such settlements have on social forces and civil society" (1996: 40-1). In similar fashion, Armony writes: "civic engagement is directly affected by political institutions and shaped by conditions of social and economic inequality.... the socio-historical context influences the nature, dispositions and orientations, and impact of civic engagement" (2004: 3). While Warren correctly identifies the trends that reshape American politics he does little to account for these changes in his proposed associational taxonomy.

[30] Elsewhere Tocqueville states that, "I do not regard the American constitution as the best, or as the only one, which a democratic people may establish" (1899 (Vol.1): 240). The value in American democracy, then, is derived from its fit to American culture and not from its fit with Tocqueville's own political ideals.

Foley & Edwards (1996; see also Outhwaite & Ray, 2005: 147-175) hint at civil society's context-dependent qualities when they illustrate two archetypical models of civil society that are premised in contrasting relations of state and society. While the first model ("Civil Society I") emphasizes "the ability of associational life in general and the habits of association in particular to foster patterns of civility in the actions of citizens in a democratic polity" (Foley & Edwards, 1996: 39), the second model ("Civil Society II") "lays special emphasis on civil society as a sphere of action that is independent of the state and that is capable -- precisely for this reason -- of energizing resistance to a tyrannical regime" (ibid.). By reflecting different responses to different political environments in which citizens may enjoy a varying degree of political freedoms, these models allow us a glimpse of the range of democratic effects civil society may bring to bear on developed and developing societies.

4. Civil Society I: Associations and Socialization

The first model of civil society can best be understood through the influential work of Robert D. Putnam on the declining vibrancy of American public life and the redemptive role associations may play in its revival. In *Bowling Alone* (1995) Putnam laments the weakening of American civic engagement, which he attributes to the demographic, economic and cultural transformations American society has undergone in the latter part of the twentieth century. According to Putnam, civil society, comprised from dense networks of civic-oriented associations, makes for a powerful antidote to the antidemocratic effects of modern social fragmentation by providing the infrastructure for socialization since there is a strong correlation between "the norms and networks of civic engagement" and the performance of representative government (65).[31] [32]

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[31] As Carole Pateman put it, we "learn to participate by participating" (1970: 105).

In Putnam's formulation, networks of social organization encourage the creation of "norms of generalized reciprocity" and "social trust" (or "social capital"[33]) that in turn translate into patterns of communication and coordination that allow for effective and inclusive collective action (67). Based on extensive empirical evidence that correlates social trust and civic engagement, Putnam asserts that, "Members of associations are much more likely than nonmembers to participate in politics, to spend time with neighbors, to express social trust, and so on" (73). However, the success of these dense networks of associations to facilitate the type of civic engagement Putnam seeks depends on them being horizontal and not vertical (as in more traditionally hierarchical patterns of patron-client relationships). Here, the more associations are wide-based and free to enter, the more likely they are to cut across social cleavages, a crucial factor in Putnam's articulation of the link between associational socialization and democratic robustness:

> Dense but segregated horizontal networks sustain cooperation within each group, but networks of civic engagement that cut across social cleavages nourish wider cooperation.... If horizontal networks of civic engagement help participants solve dilemmas of collective action, then the more horizontally structured an organization, the more it should foster institutional success in the broader community. Membership in horizontally ordered groups (like sports clubs, cooperatives, mutual aid societies, cultural associations, and voluntary unions) should be positively associated with good government. (Putnam, 1993: 167-75)

In contending that political associations ("segregated groups") do not provide de-polarizing functions in ways that bridge social and political divisions – as they seldom display the wide ranging cross-social cooperation that is essential to the

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[32] This claim has been repeatedly criticized, usually along the lines of Bourdieu's *The Forms of Capital* (1986), where he stresses that "resources in general, attitudes and norms such as trust and reciprocity, and social infrastructures such as networks and associations cannot be understood as social capital by themselves. Social relations may or may not facilitate individual and collective action – and therefore operate as social capital – depending on the specific contexts in which they are generated" (Edwards, Foley & Diani, 2001: 266-7). As we shall further see, the issue of whether socio-political contexts overdetermine civil society's democratic potential lies at the centre of "the civil society argument."

[33] "By analogy with notions of physical capital and human capital – tools and training that enhance individual productivity – 'social capital' refers to features of social organization such as networks, norms, and social trust that facilitate coordination and cooperation for mutual benefit" (Putnam, 1995: 67).

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creation of social capital – Putnam seems reluctant to attribute social capital creation

to associations that "advance a cause, pursue policy change as their central vocation,

or provoke conflict" (Foley & Edwards, 1996: 46). However, disassociating

associations from the conflictual realm of politics and viewing their activities entirely

through the lens of cooperation and consensual decision-making seems to create a rift

between the civil and the political, essentially depoliticizing civil society. As Foley &

Edwards argue, in doing so, Putnam wants to hold the civil society stick at both ends

as,

> He clearly wants an activated and engaged populace, and he argues that the
> socialization performed by civil associations is vital to the creation of such an
> engaged citizenry. Yet in the end only those associations qualify that invoke a
> civic transcendency whose spirit claims to 'rise above' the divisiveness of
> protracted sociopolitical and cultural conflict" (ibid.).

Their analysis shows Putnam's civil society to be methodically differentiated from the

political system, providing citizens with democratic "habits of the heart" but without

the institutional instruments to realize the 'spill-over' effect he attributes to

associational life.[34]

Putnam's illustration of a depoliticized civil society should be seen within its

historical and political context. In the anti-state climate typical of the US, Putnam's

emphasis on extra-political means to encourage civic engagement with public issues

comes as little surprise as his communitarian approach reflects a basic mistrust of the

government's own capability to nourish the environment it requires to properly

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[34] In Warren's terms, we may perceive Putnam's work as exclusively pertaining to the democratic
developmental effects of associations. Its weakness, therefore, lies in its reluctance to meaningfully illustrate
the interrelations of democratic developmental effects with democratic institutions.

function.[35] As Whittington (2001) notes, while Putnam puts forth the thesis that "government policy is more effective when unrelated voluntary associations flourish," reflecting his hopes to "discover a link between a strong civil society and a strong state," his analysis "has little to say about the political mechanisms for translating popular desires into government policy" (2001: 23). In remaining vague on this dimension of state-society relations, Putnam, against his manifested objective, in effect maintains the same discontinuum between social and political activities that he seeks to abolish. Furthermore, by separating civil and political activity, his civil society model may de facto lead to elitist models of democracy. By placing social capital – the nexus of political participation – in exclusively civil domains, Putnam disconnects civil society from its political institutional arrangements (political associations, parties, etc.) and thus inadvertently removes civil society from political decision-making. Instead of cultivating a more responsive government he ends up solidifying the gap between rulers and ruled.

The implications for development policy are clear. Supporting a model of civil society that follows Putnam's lead (as with emphasizing the service delivery capacities of civil society organizations) can be interpreted as more than merely a display of belief in civil society's autonomy and capacity to correct the lack of government responsiveness to social needs. It can be seen as furthering a disconnection between governments and citizens that already plagues the developing world, instead of encouraging a more meaningful embedment of governments in popular social networks.

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[35] As Warren (2001b) notes, "Although we need to reestablish a cooperative basis for American politics, the communitarian version of democracy is insufficient because it fails to appreciate politics as the realm of conflict and power as well as collaboration" (172). Furthermore, "By avoiding conflict, the communitarian strategy limits the boundaries of community and cooperation to those already in, or to those who can forge unity through discussion alone. In a society structured by profound inequalities along race, class, and many other lines, good faith discussion represents only part of the process necessary to rebuild a conception of the common good. In the end, communitarianism does not provide an adequate strategy for overcoming the divisions that prevent broad-based cooperation for the improvement of our common society" (181; see also Foley & Edwards, 1997).

5. Civil Society II: Associations as Countervailing Power

In the work of the Italian Communist Antonio Gramsci we find a similar methodic separation between civil and political society, as the former is articulated as alternative to the dominant social order which the latter maintains. However, the anticipated end-result of Gramscian politics embodies different presuppositions of state-society relations.

For Gramsci (1971), civil society with its non-state and non-market associations and institutions represents a buffer between "political society" and "economic society," in effect sheltering the ruling class from the turmoil caused by the fluctuations, crises and shockwaves of capitalist economy. However, although civil society is dominated by the property-owning ruling class – through their successful reproduction of the dominant bourgeois sense of reality, or "egemonia" ('hegemony')[36] – it may serve as the ideal site to spark the proletarian revolution. This is due to its non-hierarchized nature of parallel, overlapping and interrelated structures and institutions, where the hegemonic grip of the ruling class is harder to maintain. As Keane (1998) notes, "It is precisely the complexity of civil society that enables those who are well organized and cunning to penetrate its manifold structure" (15), a characteristic that may equally benefit an organized proletariat willing to wage what Gramsci likens to a stationary war of attrition (or "position"), fought in the fortresses and trenches of civil society. Here, securing the revolutionary autonomy of civil society is the first important step to overcoming the ruling class's political and economic domination.

In his opposition to the Bolshevik strategy of violently seizing state power (through a "war of movement"), which may result in an equally oppressive – albeit

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[36] This definition of hegemony follows Keane, 1998: 15.

communist – dictatorship (or "statolatry"[37]), Gramsci echoes Tocqueville's warning of the dangers that loom in the transition to egalitarian governance, and understands that political arrangements (as with state apparatuses) cannot be artificially removed from 'actually existing' social conditions. Seizing state power, from this perspective, does not inherently impart freedom or equality unless it is robustly anchored in social transformations based in civil society. But as with Putnam, it is important to contextualize Gramsci's notion of civil society with its political moment. The reality of fascism, operating largely through a reinforced state executive, provided a tangible despotic present extending beyond the foreseeable future. This motivated Gramsci to reject the Hegelian concept of civil society as unity in the universal ethical state (where civil society "withers away" to be subsumed into "regulated society")[38] for a more Marxian approach to social unity that ultimately dissolves the state.[39] This underlies Gramsci's assertion that "only the social group that poses the end of the state and its own end as the target to be achieved can create an ethical state – i.e. one which tends to put an end to the internal divisions or the ruled, etc., and to create a technically and morally unitary social organism" (Gramsci, 1971: 259). As Hardt (1995) notes, by declaring "the re-absorption of political society within civil society" (Gramsci, 1971: 253) as the desired outcome of the proletarian revolution, Gramsci in effect inverts the relationship between the Hegelian concepts of state and civil society, privileging what he finds to be democratic in Hegel's conception of civil society while rejecting the latter's notion of the state as the ultimate result of "social flow" (1995: 30). Instead of the state subsuming civil society, it is civil society that re-absorbs the

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[37] In "statolatry" Gramsci notes the dominant identification of one aspect of the state ("political society") with the whole (1971: 268-9), or in other words, the identification of 'state' with 'government,' which Gramsci notes is merely a "representation of the economic-corporate form," and the source of confusion between "civil society" and "political society" (262). However, it is important to note, as the translators/editors of *Selections from the Prison Notebooks* do, that Gramsci "did not succeed in finding a single, wholly satisfactory conception of 'civil society' or the state," and instead used several definitions of state and civil society (as part of the other; contradictory to the other) that are not always consistent (207).

[38] Gramsci, 1971: 263. See also Hardt, 1995: 30; Keane, 1988: 15.

[39] For the state, according to Marx in the *Communist Manifesto*, was nothing but the executive "committee for managing the common affairs of the whole bourgeoisie" (Marx & Engels, 1962: 223), and was to be swiped away by the proletarian revolution.

state in the creation of a utopian society in which the absence of social class structures and the abolition of state coercion meld freedom with equality.[40]

Gramsci's articulation of civil society as a platform for political transformation has been immensely influential on new democratic movements that were created against the backdrop of authoritarian state apparatuses (especially in Latin America and postcommunist Eastern Europe).[41] This is no coincidence for where the state represents an unassailable object for legal-institutional transformation social movements may identify with the "possibilities of democratic representation available through the passages opened by the ideological, cultural, and economic institutions of civil society," in hope that "the activation of the forces of civil society" will make the state "porous" and destabilize its dictatorial power (Hardt, 1995: 31).

However, the very strength of Gramscian politics where civil society is a potential countervailing power also reveals a soft underbelly in terms of the universal democratizing applicability of civil society. It seems that the democratic potential of the Gramscian model of civil society decreases inversely to the viability of other, more institutional outlets for social and political transformation. Where more stable or consolidated democratic conditions exist, there is no guarantee that civil society associations will remain true to a Gramscian vision of a dehierarchized society in which liberty and equality prosper, for "If civil society is a beachhead secure enough to be of use in thwarting tyrannical regimes, what prevents it from being used to undermine democratic governments?" (Foley & Edwards, 1996: 46).[42] From this perspective, both the problematic *and* the appeal of the Gramscian model of civil

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[40] We may note that both directions of subsumption are marked by the same totalizing effect, as the synthesis of state and civil society results in their mutual abolishment (as Keane sharply notes, "Gramsci's political strategy is driven by the reverie of abolishing civil society by means of civil society" (1998: 16).)
[41] See Kumar, 1993: 389; Outhwaite & Ray, 2005. Interestingly, Keane (1998: 12) locates the earliest site of a neo-Gramscian application of civil society in the work of the Civil Society School of Japanese Marxism.
[42] See also Hall & Trentmann's observation that "Just as civil society was not always opposite or outside political society, so it was not always a 'soft' opposite to totalizing ideologies, but sometimes harnessed to modern ideologies themselves" (Hall & Trentmann, 2005: 17).

society are rooted in the same characteristics: its perceived autonomy and its potential subversion by well-organized and motivated social powers. However, if civil society is indeed potentially autonomous from "political society" as Gramsci maintains, nothing guarantees its mobilization for any specific political objective – equality and freedom notwithstanding. Conversely, if civil society is not sufficiently autonomous from hegemony than we may question its revolutionary potential to begin with.

The potential for antidemocratic politics leveraged by civil society seems to reproduce Tocqueville's fear of the impending results of a "dangerous freedom" where associations may provide the organizational infrastructure required to overthrow a despotic regime but lack the institutional checks and balances needed to ensure a lasting democratic outcome. This potential antidemocratic outcome to social transformations vested with democratic hopes and "democratic reason"[43] leaves much to be desired in terms of conceptualizing civil society as a means for democratization in both developed and developing countries.

6. Conclusion: Civil Society as Ideal-type

The analysis offered thus far suggests that there is no inherent or natural connection between democratization and an associational model of civil society. First, as shown by Warren, not all associations carry the same democratic potential or effects, and some may even be detrimental to democratic values and governance. Second, as shown by the analyses of Tocqueville's account of American associational life, Putnam's articulation of the socializing agency of associations, and Gramsci's posing of civil society as site for counter-hegemonic resistance, the democratic potential of civil society is highly contingent on both the historical moment in which civil society

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[43] "[A] wise and good democratic will" (Held, 1996: 273).

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is invoked, and on the specificities of the political environment in which it operates.[44]

This last point makes evident the most pertinent flaw of 'the civil society argument' (in Walzer's terms), as the myriad particularities of social and political contexts frustrate civil society's universal applicability as an agent of democratization.

In effect, despite its conceptual origins as a realm of public life unhampered by the state – a characteristic that historically framed civil society as antidote to state-sanctioned authoritarianism – civil society cannot be articulated in disconnection from the state (a fact well evident in CIDA's own definition of civil society). As Michael Walzer (1992) argues, in its need for political agency to engage with existing political institutions and procedures civil society is not entirely autonomous from the state. Furthermore, "civil society, left to itself, generates radically unequal power relationships, which only state power can challenge" (1992: 104), and therefore requires the protective and regulatory support of the same state it wishes to affect. As civil society simultaneously necessitates curbing and expanding state power, the paradox of civil society is revealed as "only a democratic state can create a democratic civil society," yet "only a democratic civil society can sustain a democratic state" (ibid.). We may deduce, then, that insofar as civil society's potential to serve as countervailing power to the state is premised on its relative autonomy from the political system, expectations that a spontaneously created and autonomously functioning civil society will transform the political system may seem exaggerated.[45]

But civil society is not only expected to democratize nation-states by facilitating decentralized counter-state power. In its neo-Tocquevillian formulation it is also charged with socializing a fragmented, hyper-individualized and disintegrating network of local and national communities, providing democracy with the basis for collective decision-making. As C. Douglas Lummis (1996) notes, civil

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[44] See for instance Trentmann's note on the lack of correlation between civil society (as both viable concept and vibrant social reality) and the formation of the British liberal democracy on the one hand, and the demise of the Weimar Republic on the other (2004: 33).

[45] See Skocpol (1996) for a similar argument that emphasizes the historical and conceptual fallacy in approaching civil society as separate from the political environment.

society is expected to do so without effacing the cherished pluralism of modern society for, "Unlike a mass party, civil society is not a herd but a multiplicity of diverse groups and organizations, formal and informal, of people acting together for a variety of purposes, some political, some cultural, some economic" (31).[46] In Lummis's formulation civil society is expected to spontaneously and almost miraculously materialize an issue-based coalition that dialectically maintains social pluralism and social cohesion.[47] Clearly, as evident in the fate of the Weimar Republic, such expectations of civil society turn a blind eye to the reality of associational life in which civil society itself is prone to conflicting struggles over issues of values, representation and power, which in post-WWI Germany translated into the overall weakening and ultimate decimation of democracy (Trentmann, 2004: 33).

How then can we interpret and frame the resurgence of "the language of civil society" (in Keane's apt terms) within contemporary political theory? And what can such an examination contribute to the sober explication of development policy in general, and CIDA's HRDG policy in particular? The answer may lie in the perpetual struggle to reconcile freedom and equality, order and pluralism, collective action and individual choice. Here, as Keane (1998) notes, civil society is revealed in its most valuable form as an "ideal-typical category" that "both describes and envisages a complex and dynamic ensemble of legally protected non-governmental institutions that tend to be non-violent, self-organizing, self-reflexive, and permanently in tension with each other and with the state institutions that 'frame,' constrict and enable their activities" (6). While I would argue that reading civil society as a description of

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[46] And Hall & Trentmann add: "a civil society will always wobble between allowing difference, and insisting that such difference be bounded. Hence civil society must be at once an agreement, a consensus, and a recognition of difference" (2005: 21).

[47] For a recent articulation of such expectations – albeit in the context of global capital, see Hardt & Negri's conceptualization of the "multitude," where the struggle against Empire produces the multitude as "singularities that act in common" (2004: 105). In their attempt to articulate Marxian class-based politics with a more pluralist view of society, Hardt & Negri maintain that "there is no conceptual or actual contradiction between singularity and commonality," and therefore, although functioning as social adhesive for the common struggle against Empire, the multitude remains "an irreducible multiplicity" (ibid.).

existing social institutions and their functions may prove unviable and ineffective (once again, as result of the seemingly infinite multiplicity of political forms, histories and configurations that frustrate attempts to abstract a 'civil society' from its 'actually existing' instances), we may wish to interpret civil society as a model for the good life – prescribing the means to relocate the weight of politics back from the state into society itself – perhaps even a conceptual toolkit from which an answer may be formulated to the question of "how can individuals be 'free and equal', enjoy equal opportunities to participate in the determination of the framework which governs their lives, without surrendering important issues of individual liberty and distributional questions to the uncertain outcomes of the democratic process?" (Held, 1996: 273). In other words, civil society's value lies in its potential to illuminate new modes to think the dialectic of freedom and equality.

As Rousseau's *Social Contract* so provocatively posits, as unnatural as it may be, maintaining the social order required for complex societies to conduct themselves necessitates the pragmatic relinquishing of some of our 'natural' rights. This is the essence of the social contract: we gain some security and some equality by giving up a certain degree of freedom; our social chains – embodied in our political arrangements – both liberate and enslave us at the same time. In a complex society where the plurality of cultural forms and individual freedoms serve as both emblem and justification for the liberal-democratic ethos, the logic of the social contract has only become more pronounced. However, where potential answers to the perplexing question of how to conceptualize the ideal social contract have traditionally focused on political institutional arrangements (i.e. the state), civil society represents a new direction to think of political environments and solutions. From this perspective, civil society serves as placeholder for different formulations of the precarious balance between freedom and equality by reducing the democratic structure to its foundations: the people's autonomous will and their ability to exercise that will. As Keane notes, "Democracy is an always difficult, permanently extended process of

apportioning and publicly monitoring the exercise of power within politics marked by the institutionally distinct – but always mediated – realm of civil society and state institutions" (1998: 9). In an era marked by the perceived decline of state power, civil society as ideal-type allows for contesting ideological positions to struggle over the meaning and function of democracy outside of the procedural or institutional facets of democracy without breaking the democratic rules.

Insofar as civil society denotes a range of ideological positions on the ideal balance between freedom and equality vis-à-vis the relationship of society with its political arrangements, the discourse of civil society is more valuable in disclosing the identities of its participants than in revealing the amorphous identity of an 'actually existing' civil society. In one of those ironic reversals that mark political history, civil society, once valued for its "non-ideological qualities" (Trentmann, 2004: 31-2), has become the nexus of fierce ideological contestation, at once aggravated by the globalized decline of state power and obscured by the non-political aura the concept still carries. The malleability of the concept is evident in the wide use made of civil society to substantiate social and political agendas across the political spectrum, where the promotion of libertarian and neoliberal anti-state agendas and participatory or radical democratic programmes invoke civil society without necessarily identifying an 'actually existing' social category.

With respect to CIDA's HRDG policy and the role civil society plays in promoting the new agenda of aid effectiveness, it should not be surprising that CIDA's working definition of civil society lacks depth and is insufficient to grasping the concept's complexity. Notably, CIDA's definition is deficient in its attempt to perceive and affect a wide array of social histories and political structures through a concept that folds countless contesting formulations in a distinctly Western context. As Glasius, Lewis & Seckinelgin (2004) note, there are "multiple interpretations of civil society and these depend more on political configurations in different parts of the world than

on cultural predilections" (10).[48] For instance, the varying patterns in which colonialism receded and the diverse social and political structures bequeathed to postcolonial nations in its wake, reflect significantly different state-society relations and thus appropriately ground the function of civil society in very different conditions. While still indicating a genuine desire to democratize developing countries, civil society should not be applied in a universalizing manner, and cannot be expected to function in similar ways across the developing world. Within the discourse of development the fuzziness inherent to the concept itself is amplified by the diverse social, economic and political conditions that exist around the world, requiring attempts to think democratic development through the lens of civil society to reconsider the linkages between, and formations of, social conditions and political arrangements in developing countries. Therefore, within the context of development, Warren's assertion that "Associations promise other ways of getting things done" (2001a: 3) should be bracketed and evaluated against the specific political arrangements – past and present – that narrow the horizons of equitable democratic development. In this context, CIDA's understanding of civil society's democratization effects ("tremendous growth in influence of voluntary sector organizations and global civil society networks has increased public participation in governance locally, nationally, regionally, and internationally" (2004: 10)) may be overly simplistic.

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[48] See also Hall & Trentmann (2005).

CHAPTER 2:
THE DEVELOPMENTAL STATE

[T]he diffusion of industrialism, carried out by national units, is the dominant event of our time.

Ernest Gellner, *Thought and Change*

1. The State in Development

As concluded in the previous chapter, the value of civil society as ideal-type lies in its malleability and dynamism as signifier of different formulations of state-society relations. But as such, civil society must be evaluated against existing and desired political structural arrangements. The modern state, from the treaty of Westphalia (1648) to the present,[49] may be considered exactly that: the ultimate, meta-political configuration, the basic unit of the international system and the common organizing concept underlying numerous political theories (Nandy, 1992; Schuurman, 2001). In recent years the state has faced numerous challenges proclaiming its imminent retreat – mostly along the postnational argument that marks globalization theory. However, as Sørensen (2004) aptly reminds us, the sovereign state is still very much a viable and relevant unit of political analysis, for although "states have lost influence and

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[49] While there are many similarities between ancient and modern states, as Thompson (1995) argues, the latter featured the consolidation of men, equipment and capital resources with the coercive military power that was required to sustain them, resulting in a nation-based development of methods of taxation, administration, and application of force (1995: 49).

autonomy in some areas, as indicated by the 'retreat' argument, they have also been strengthened in various respects identified by the 'state-centric' argument" (xii).[50]

As one may expect, recent debates over the perception and theorization of the state have not left the development discourse unaffected, leading to the 'rediscovery' of states as "essential spatial contexts for analysis, theory construction, and policy guidelines" (Schuurman, 2001: 61), and subsequently reigniting the debate on the ideal shape and function of the state in development or, 'the developmental state' (Leftwich, 2000; Lockwood, 2005).[51] Responding to those debates, this chapter will focus on the manner in which the developmental state has been theorized and challenged, and on how these transformations are reflected in the function civil society carries in CIDA's policy.

Upon analysis of CIDA's recent development policy statements, the state reemerges as a significant agent of development. CIDA cites the developmental state's ability to govern (coded "governance") as one of four essential elements required to combat abject poverty,[52] announcing with much conviction that "durable economic and social development does not happen in societies that are poorly governed" (CIDA, 2005a: 11). The state's continuous significance to development is also evident in Canadian ODA distribution where the lion's share of funds are still dispensed through 'bilateral' programmes (country-to-country) in which the recipient country's political apparatuses (i.e. its government, political parties, judiciary, etc.)

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[50] Sørensen also notes that the dominant views on the present reality and future trajectory of the state are very much influenced – even predetermined – by the ideological position of the discursive agents involved in the debate. In this context it is little wonder that liberals foresee a retreat of the state while realists project into the future a markedly strong state (2004: xii).

[51] Lamentably, it is beyond the capacity of this work to provide a thorough analysis of the shifts in the theorization of the state in general political theory. My analysis, therefore, will isolate only a few aspects of state theory that are most pertinent to contextualizing my conceptual discussion of civil society in development policy. For a more detailed analysis of the development of the state from antiquity to modernity, see Gellner, 1983; Hobsbaum, 1990.

[52] Along with health crises, lack of access to education and economic stagnation (CIDA, 2005a: 8).

maintain a varying level of responsibility over development funds and procedures.[53]

Clearly, as the creators of "the rules that other actors (companies, organizations,

movements, individuals) play by," and the providers of "security, freedom, order,

justice and welfare for their citizens" (Sørensen, 2004: xii), state apparatuses maintain

a leading role in facilitating social and economic development.

Although the developmental state's characteristics are still much under

debate, we may use the following definition provided by Adrian Leftwich (2000) as

our point of departure:

> The developmental state is a transitional form of the modern state which has
> emerged in late developing societies, from the nineteenth century to the present. It
> is a state whose political and bureaucratic elites have generally achieved relative
> autonomy from socio-political forces in the society and have used this in order to
> promote a programme of rapid economic growth with more or less rigour and
> ruthlessness. (167)

Key to this definition are the different formulations and implications an "autonomy

from socio-political forces" may bear on regime types, the state's economic agency

and popular legitimation, or in other words, the dialectic of efficacy and equality.

2. State-Centric Development: Efficacy and Autonomy

The state's involvement in social and economic development did not start in the

developing world, nor did it commence only following Truman's inauguration

speech in 1949 (signifying, for many, the start of institutionalized development[54]). In

the twentieth century, in the developed world, states have been heavily involved in

centralized economic planning even before the Second World War. Notable examples

are the Soviet 'Command Economy' of 1928 and the US's 'New Deal' that sought to

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[53] In the fiscal year 2003-2004, $1969.86M (72%) of Canadian ODA was administered bilaterally, out of
which recipient governments funneled $225.90M to the voluntary sector and $54.86M to the private sector
(CIDA, 2005b: Table L). Additionally, in CIDA's 2003-4 budget 'governance' was the second highest
category of expenditure receiving 18% of CIDA's $2.24B aid-program budget (CIDA, 2005a: 6).
[54] See Esteva, 1992.

mitigate the effects of the 'Great Depression' of 1932-3.[55] Although significantly different in both their manifested objectives and applied methods – the Soviets sought to restructure the social relations of production while the Americans sought to control markets and use public investment to stimulate growth – both models shared an overarching goal that converged in "the pursuit of economic growth through industrial expansion" (Robertson, 1984:10), a goal that continued to resonate with the modernizing agenda of the developing world in the 1950s.

In the early stages of development (following WWII), the prevalent notion of state-led development linked the developmental state's ability to operate autonomously from socially dominant classes, forces and interests to its ability to formulate and pursue "collective goals" in order to provide "collective goods" (Evans, 1995). The underlying assumption among development theorists was that the greater the autonomy the stronger the state, and a strong state was better able to transcend aggregate interests in the promotion of economic growth. Under the influence of modernization theory's belief in the rationalizing power of the nation-state, the latter was expected to provide cultural coherence and political stability that would later translate economic growth into social welfare (Nandy, 1992; Preston, 1994: 65). Accordingly, governments in developing countries were expected to lead their people to "unprecedented levels of prosperity and new heights of human dignity through a host of both macro-level and micro-level social and economic policies" (Migdal, 1988: 39). If the goal of development was growth, the agent of development was the state (Leys, referenced in Leftwich, 2000: 73), embodying a commonly agreed view that "it is states, not people, that plan progress" (Robertson, 1984: 5).

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[55] According to Lummis, Soviet "planned reorganization of the entire society according to the logic of 'large-scale machine production' " effectively started with the February 1920 Resolution of All Russian Central Executive Committee that initiated what Lenin believed was "history's first comprehensive, scientific, written plan for national economic development" (Lummis, 1996: 52-7).

In the developing world, and especially in those countries recovering from decades of European colonialism, the attempt to replace vacated colonial administrative bureaucracies made state building and central planning for development urgent and interrelated tasks. In fact, development and central state planning became effectively synonymous as national planning for development became a "means by which each regime could express to its subject population its will, its identity, and its active concern for progress" (Robertson, 1984: 35). Nationhood was thus reified in central state planning, as development became the de facto *raison d'état* (Nandy, 1992).

The state's role in post-WWII development is eloquently summarized by A.F. Robertson (1984: 61), who notes that, "The state has become the instrument by which very different regimes, pursuing a variety of ideologies, seek to take control of national resources and to put them to the most profitable use in a future which will always remain uncertain." Robertson sees the act of central state planning as the focal point of state development intervention, which during the post-WWII phase of development took the form of investment in industrial growth accompanied by the promotion of the shift away from agriculture; attempts to increase per capita income and reduce differences in wealth; and efforts to increase productivity while improving social welfare. These objectives could only be realized by unequivocal state autonomy derived from the state's "capacity to raise taxes, allocate and reorganize economic resources, deal with other states and international bodies, and deploy the physical force at its disposal in dealings with foreigners and with its own subject population" (Robertson, 1984:88). In other words, the state's function as a "central 'coordinating intelligence' or 'coordinating capacity' which can steer, push cajole, persuade, entice, coordinate and at times instruct the wide range of economic agents" (Weiss & Hobson, cited in Leftwich, 2000: 7) largely depended on its capacity to exercise power in the allocation of responsibilities and human and natural

resources through strong and capable state apparatuses. Economic efficacy was thus derived from unchallenged autonomy.

State autonomy vis-à-vis central planning can also be seen as part of the thrust of modernization in which state involvement in development provided a universal and rational foundation to precipitate – and reckon with – increased industrialization and urbanization. The state, from this systemic, evolutionary-functionalist perspective, was expected to reconcile progress and social order and provide balance and stability to national economic, political and social systems. In Parsonian terms, the state catalyzed the changes required for the shift from "traditional" to "modern" societies while simultaneously working to counteract "undesired" effects.[56] Insofar as progress, according to Parsons, enfolded an evolutionary process that leads to convergent – distinctly Western – social formations, the developmental state may be perceived as the single most important agent of progress, reproducing the European industrial state and its promise of "an entirely new order of society, one based on reason and science, whose realization would necessarily have as a consequence the fullest extension of human freedom" (Kumar, 1978: 21). Although modernization theory was incredibly influential in framing the works of the sociologists who gave postwar development theory its intellectual creed,[57] neither a new industrial order nor an abundance of freedom took hold en masse in the Third World.

Although democratic governance was originally an important component in the West's vision for the developing world, the prevailing assumption was that liberal-democratic rights would 'naturally' follow the improvement of living conditions and the promotion of reason, science and achievement values. Such was the conventional wisdom as to how Europe developed into a network of liberal-

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[56] In his sociology of action, Parsons (1951) expanded on Weber's contrasting principles of "tradition" and "rationality," and in an attempt to create a unified social science based on Durkheim's structural-functionalism, sought to show how all social action could be analyzed according to "pattern variables" that explain the transitions from antecedent to modern categories of social organization.
[57] Notably including Karl Deutsch, Daniel Lerner, David McClelland, Lucien Pye, Wilbour Schramm, and Ithiel de Sola Pool.

democracies, and the rationale behind David Apter's confident declaration that, "In industrializing societies it is the economic variable that is independent," while "The political system is the dependent variable" (cited in Lummis, 1996: 61). From this perspective we may identify in post-WWII development an explicit assumption that the developmental state's political system was essentially derived from its capacity to promote economic development, or its economic functional autonomy.[58] This becomes evident in the historical unfolding of the developmental state, where Huntington's famous statement that "the most important political distinction among countries concerns not their form of government but their degree of government" (1968: 1) was reproduced over again albeit in divergent formulations.[59]

3. Challenges to the State's Functional Autonomy: Dependency Theory and "Soft States"

The widely recognized failure of state-led development to improve living conditions during the first two decades of institutional development in the Third World drew several poignant critiques from both the Left and the Right. These critiques were not only valuable in introducing to a predominantly economicised discourse a sensibility for the political environment in which economic activity takes place, but were highly successful in problematizing the nearly ecumenical manner in which the state's functional autonomy was taken for granted within the development discourse.

Dependency theory sought to explain the lack of economic development in the Third World within the context of a larger international economic order. Influenced

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[58] While the predication of socio-political development on the material, economic reality may seem very Marxian in its essence, the overwhelming ideological position shared by the 'intellectuals of development' was vehemently anticommunist (see for example Rostow, 1960).

[59] In this context, C.B. Macpherson's distinction of "liberal democracies" from "non-liberal democracies" of the "communist" and the "underdeveloped" variants is insightful, for although the world witnessed quite the proliferation of "non-liberal democracies" those newly established states were considered by many in the West to be not democratic at all, an essentially political assertion that Macpherson (1965) sets to unveil and disprove.

by Lenin's theory of imperialism[60] and by Paul Baran's *The Political Economy of Growth*

(1957), it sought to explain the lack of development in some parts of the world as the

condition for the development and expansion of others.

In his *The Development of Underdevelopment* (originally published in 1966),

Andre Gunder Frank illustrated a model in which economic entities were categorized

according to their function as core or periphery ("metropolis" or "satellite"), where

the metropolis exercised a monopoly over its satellites, which in turn were

inextricably tied – economically, socially, culturally and politically – to their

metropolis. This model is further replicated on regional, national, and transnational

scales, resulting in the misuse and misdirection, expropriation and appropriation of

resources and economic surplus throughout the chain of dependency (Randall &

Theobald, 1998: 131).[61]

With the increased incorporation of Third World economies into what

Wallerstein (1979) termed the "capitalist world-system," dependency theorists

viewed economic stagnation in the developing world as a symptom of the global

hegemony of transnational capital, whose economic interests largely overlapped with

the geo-political interests of the more developed nations.[62] In essence, developing

countries were locked in relations of dependency on foreign capital investment while

bound to global economic rules they inherited from a colonial world order. As

Frank's illustration of the exploitation of satellites by the metropolis reveals,

autonomous capitalist development in developing countries was impossible due to

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[60] In which he writes, "imperialism is the monopoly stage of capitalism," where "the division of the world is the transition from a colonial policy which has extended without hindrance to territories unseized by any capitalist power, to a colonial policy of monopolistic possession of the territory of the world which has been completely divided up" (Lenin, 1969: 105). According to Lenin, the logic of capitalist market expansion was the foremost power in the move from colonialism to imperialism, an argument that appealed to many in the postcolonial ambience of the 1960s.

[61] Interestingly, while dependency theory borrowed extensively from Marxist theory, by its focus of analysis on national units it broke with the transnational nature of a global Marxist revolution.

[62] The roots of this process can be historically traced even farther to the emergence of European mercantilism and the epoch of colonialism, however, arguably the world economy was not entirely capitalist at the time. Also, development under the post WWII 'dominant paradigm' differed from previous global economic integration by its flaunting of economic growth in the ex-colonies as its main goal.

the same dynamics that resulted in the development of the developed countries, as

"Economic development and underdevelopment are the opposite sides of the same

coin" (1971: 33). Simply put, the impoverishment of "underdeveloped" countries is

inherent to the global economic order that is upheld by transnational capital, an order

that works to enrich the "developed" countries by maintaining a close-circuit world

economic system which "generates inequality" and "runs on inequality" (Lummis,

1996: 69).[63]

The implications of dependency theory to our understanding of the

developmental state are striking. While some later versions of dependency theory

focused on identifying the internal dispositions that cause and maintain the

conditions for dependency (mostly in terms of linking domestic class struggles to the

flow and interests of global transnational capital),[64] the overall message contained in

dependency theory held state autonomy captive by exogenous factors. As Wallerstein

(1979: 21) writes:

> One cannot reasonably explain the strength of various state machineries at specific
> moments of the history of the modern world-system primarily in terms of a
> genetic-cultural line of argumentation, but rather in terms of the structural role a
> country plays in the world-economy at that moment in time.

Within a skewed global political reality the ability to exercise the power required to

control and allocate the resources necessary for economic growth was never really at

the disposal of developing states, who found themselves increasingly and

inextricably bound to the interests of transnational capital (represented by

international or national economic structures). It follows that state apparatuses in the

developing world were not only lacking the degree of economic and political

autonomy ascribed to them by the dominant development paradigm, but were

actually functioning as "agents of metropolitan interests" with a "shadowy existence"

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[63] "Underdevelopment was and still is generated by the very same historical process which also generated
economic development: the development of capitalism itself" (Frank, 1989: 43).
[64] See for instance Cardoso & Faletto (1979).

that echoes Marx's notion of the state as an instrument for the maintaining of the bourgeois class's economic dominance – but on a global scale (Randall & Theobald, 1998: 163).[65] The developmental state, in other words, actually contributed to "underdevelopment."

Writing about the Indian state in the late 1960s and early 1970s, Swedish economist Gunnar Myrdal observed a political structural phenomenon he termed the "soft state." Based on the analysis of developmental failure in the context of the internal political conditions of developing countries, the soft state came to represent an incapacitated polity that lacks the means – cultural and material – to control and allocate the resources necessary for development. Soft states were thus characterized by:

> A general lack of social discipline ... signified by deficiencies in their legislation and, in particular, in law observance and enforcement, lack of obedience to rules and directives handed down to public officials on various levels, often collusion of these officials with powerful persons or groups of persons whose conduct they should regulate, and, at bottom, a general inclination of people in all strata to resist public controls and their implementation. (Myrdal, 1970: 229)

Due to its postcolonial "abhorrence of the use of compulsion" and its "determination to work only by the positive means of persuasion and incentives" (234), the soft state is steeped in a corrupting culture of lawlessness and unaccountability that perpetuates the political and social conditions that block the enactment, observation and enforcement of effective development policy. It follows, that the soft state lacks

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[65] As Leftwich (2000: 74) notes, there are two main conceptions of the state in Marx. While the 'classical' Marxist view of the state, as exemplified in the *Communist Manifesto* and the *Preface to a Contribution to the Critique of Political Economy* held the state as merely an instrument of the economic dominant class (the bourgeoisie), a second conception, found mainly in *The Eighteenth Brumaire of Louis Bonaparte* allowed the state more autonomy under certain circumstances (such as the weak French bourgeoisie under the authoritarian rule of Louis Bonaparte). Although, by large, it still served to further the interests of capitalism (see also Randall & Theobald, 1998: 172). Leftwich further argues that from a developmental point of view, the second state conception in Marx is essentially that of a modernizing state, "one which is active, pervasive and disciplining in the promotion of capitalist development," and is consistent with Marx's conception of capitalism as a "revolutionary modernizing force in human history" (2000: 75).

both the social legitimation and the coercive power necessary for autonomous distribution of resources, ending up impeding instead of facilitating economic development.

Myrdal attributed some of the popular resistance to new legislation in developing countries to the fact of its introduction by "the articulate strata at the top of society," galvanizing a powerful opposition rooted in the traditions and interests of less powerful, disparate classes. The soft state thus illustrates the consequences of an inequitable political environment in which the intellectual and political elite are *perceived* to manipulate state apparatuses in order to preserve the socio-economic status quo, even in instances when that really isn't the case. As a result, "Despite common declarations of greater equality as a main goal for planning and policies, the development ... has gone in the direction of increased economic inequality" (238).

Considered alongside each other, both Frank's and Myrdal's critiques revealed a reality in which state apparatuses in developing countries – rooted in local socio-economic, cultural and political conditions – were not sufficiently positioned to provide the developmental thrust that was anticipated by theories of the dominant development paradigm. They contributed to a growing recognition that an ensemble of known and unknown, exogenous and endogenous forces overdetermine state autonomy to the point where "the state in the third world could no longer be taken for granted, either as a set of institutions that may be thought comparable to Western states or as a given agency for social and economical transformation" (Leftwich, 2000: 97). This reckoning of the importance of domestic and international political dynamics to the capacity of the state to govern, and the demand for theoretical models that pay due attention to the specific conditions that dominate the (mostly postcolonial) developing world gave rise to a series of theories that sought to explicate the specificities of state apparatuses in developing countries and called into

question the dominant development paradigm's generic approach to developing states.[66]

The awareness and subsequent reaction in dominant development circles to the perceived incapacity of states to provide their people with Western standards of socio-economic welfare was highly congruent with the surging tidal wave of neoliberal politics with their emphasis on smaller government. Rooted in neoclassical economics, the overarching goal of neoliberal politics was the removal of impediments to the consolidation of the market as *the* central economic force. It follows, that in lieu of evidence of its capacity to deliver economic growth, the state itself was perceived as an obstacle in the path to 'free marketdom.'

4. Targeting Economic Efficacy: SAPs, the 'Hollowing Out' of the State, and "Embedded Autonomy"

Motivated by the effects of the global economic crisis of the late 1970s on the developing world, and informed by neoclassical economics, Western development institutions enacted sweeping neoliberal policies that minimized the state's function and presence in development, leaving it in effect 'hollowed-out.' As the state was

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[66] In his theory of "weak" states, Joel Migdal (1988) attributes the state's capacity to "penetrate society, regulate social relationships, extract resources and appropriate or use resources in determined ways" (4) to the results of the political struggle between state and other influential social actors – some of the latter preserving their political power from pre-colonial and colonial times. When social actors outside the state apparatus are stronger than the central government the state is considered "weak."
Similar in its emphasis on class struggle yet with inverse results, Hamza Alavi's theory of "overdeveloped" states offers an analysis of state power as a function of the (dis)proportion between state apparatuses (bureaucracy, military, political parties and other representative institutions) and social structures, a legacy of colonialism. His model underlines the inorganic institutionalization of the postcolonial state by the "metropolitan" class, maintaining a state apparatus that was designed to suppress potential dissent. Insofar as the state apparatus (or "superstructure") – as it was based in the international metropolitan structure itself – enjoys a disproportionate share of power over its local social "structure," the state is considered "overdeveloped" (Alavi, 1972: 61).
In a similar vein, and based on Weber's articulation of the patrimonial state, "predatory" states denote states that "extract such large amounts of otherwise investable surplus while providing so little in the way of 'collective goods' in return that they do indeed impede economic transformation. Those who control these states plunder without any more regard for the welfare of the citizenry than a predator has for the welfare of his prey" (Evans, 1995: 44). In predatory states the constant struggle over monopolistic and self-advancing control results in the lack of consistency, continuity or coherence of state institutions and an all-around political instability (Huntington, 1968: 398-9).

increasingly perceived as an ineffective economic agent, hopes for economic growth were vested in an all-encompassing, omnipotent market in a move reflective of the notion that "in settling matters of resource allocation, imperfect markets are better than imperfect states" (Colclough, 1991: 7).

Following Susan George (1988), we can make a distinction between the "unavoidable" and "avoidable" factors that compounded the impact of the global economic crisis of the 1970s on developing countries. While the former group includes the surge in oil prices in 1973-4 and 1979-80 and the ensuing rise in international interest rates – leading to insurmountable developing world indebtedness – the latter group includes development policies which emphasized state intervention, capital formation and investment in industry. All of these supposedly encouraged borrowing, extensive corruption and economic mismanagement in developing states; the phenomenon of 'capital flight' in which wealthy individuals and political leaders deposited their savings in overseas banks; and the ever-expanding toll of military expenditure on the state treasury.

The set of policies enacted by international financial institutions (IFIs) reflected a paradigmatic change in development strategies that moved away from focusing on capital shortage to emphasizing the economic policies that allegedly impeded market forces (Standing, 2000). By focusing on mitigating what IFIs perceived to be the common denominator underlying all the "avoidable" contributing factors, an overextended, bloated, inefficient and ineffective state, what later turned into the 'Washington Consensus' displayed a pronounced neoliberal slant. As a consequence, neoliberal political economics were translated into a set of Structural Adjustment Programmes (SAPs) which "favoured a reduction in the direct role of the state, removal of trade barriers and an emphasis on export-led growth" (Randall & Theobald, 1998: 160). Furthermore, SAPs,

> tended to include (sometimes drastic) devaluation of the currency, reduction of government expenditure especially on welfare, removal of price controls, and

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imposition of wage ceilings. In most cases liberalisation of foreign trade has been insisted upon and in many instances also privatisation of government-run enterprise. (ibid.)[67]

Although deficiencies in the policies of the developed countries apparent in "the financial mechanisms through which capital flows to developing countries" (WB, 1985: 5) were acknowledged by the World Bank (WB) and the International Monetary Fund (IMF) as contributing factors to the negative economic growth miring developing countries, it was almost exclusively developing countries' lack of economic efficacy that was identified as the main treatable malaise. SAPs, therefore, focused on the removal of "institutional, social, and political rigidities" that restricted developing countries' capacity to adjust their political and economic structures (WB, 1985: 2).[68]

Under the influence of the rhetoric emanating from the Bretton Woods institutions, in international development circles the developmental state, as the site and organizing principle of all of these "rigidities," faced a conceptual and practical overhaul. Its structure, policies and political culture became the subject of elaborate policy manipulations aimed at dismantling central state power and replacing publicly funded functions and economic incentives with private sector services and entrepreneurship. However, as was largely admitted even by the most ardent supporters of SAPs by the mid-1990s, SAPs have failed miserably in turning around developing economies. In fact, in most cases, SAPs have resulted in declining living and working standards of the poor, massive worker unemployment and peasant displacement, and growing social and economic inequalities (Babb, 2005: 209-214).

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[67] As Standing (2000: 738) notes, the 'Washington consensus' promoted eleven elements: trade liberalization, financial liberalization, privatization, 'deregulation,' foreign capital liberalization, secure property rights, unified and competitive exchange rates, diminished public spending (or "fiscal discipline"), public expenditure switching (to health, schooling and infrastructure), tax reform (broadening the tax base, cutting marginal tax rates, reducing progressive tax), and a 'social safety net' achieved through selective transfer payments to the needy.

[68] Interestingly, by posing "social and political rigidities" as part of the reasons for economic failure, the WB has inadvertently – yet effectively – breached its strictly economic mandate to promote what may essentially be perceived as political engineering.

Effectively, even the level of Third World indebtedness did not substantially decline (Leftwich, 2000: 107; Haynes, 1997: 51-74).

Following the realization of the magnitude of SAP failures, two major critiques of the "hollowed-out" developmental state arose, challenging both SAPs and their underlying neoliberal presuppositions. The first critique noted the inherent paradox in which an effective rolling back of the state in itself requires a high degree of state capacity, as "many of the changes required under the SAPs – such as removal of price controls and trade restriction – presuppose a strong state to carry them out, strong both in the sense of relatively autonomous and in the sense of effective" (Randall & Theobald, 1998: 165). Furthermore, insofar as the state's power is predicated on its ability to extract and manipulate material and human resources, the drastic reduction in the state's economic capacity was ultimately translated into a lack of political legitimation and viability, further weakening even those functions deemed market-friendly within the neoliberal paradigm.

The second critique of SAPs challenged the main assertion of neoliberal anti-state policies, namely that the state does not, and cannot, play a major positive role in providing economic growth. As shown by Johnson's analysis of the Japanese Ministry of International Trade and Industry (MITI),[69] and Wade's analysis of state involvement in the rapid economic growth of the Asian Tigers, "It could not be said that for reasons inherent in the nature of government, no government is able to expand the wealth of the nation faster than unguided entrepreneurs on their own" (Wade, 1990: 6). In fact, and contrary to the rhetoric of neoliberalism, governments played a crucial role in facilitating the 'economic miracle' of the Asian Tigers by their "governing the markets" through partnerships with private sector economic agents, their careful channelling of resources into domestically based industry, and their initiation of legislation that protected workers from the exploitative tendencies of "wild market-capitalism" (Wade, 1990: 297).

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[69] See Johnson, 1982.

Challenges to neoliberal anti-state policies were successful in reintroducing state autonomy back into the development discourse, however, once again, the shape and function of the post-SAP developmental state were left to be debated. While empirical analyses of economic growth in developing countries have underlined the importance of the state as an autonomous political and economic actor – contrary to its unprivileged place in neoliberal policies – the type of regime was once again subordinated to the state's economic functionality embodied in its ability to "govern the markets."[70] Within the confines of the capitalist market economy, this ability was closely linked to the state's willingness to interact with other economically oriented actors and increase its degree of social and economic responsiveness.

In this context, Evans (1995) posits the question of the developmental state's "effective nationstatehood" (in Preston's terminology) as largely pertaining to its "embeddedness" in a "concrete set of social ties that binds the state to society and provides institutionalized channels for the continual negotiation and renegotiation of goals and policies" (12).[71] The state, in this view, must balance its administrative autonomy with the necessity to harness the private sector's ability for the "decentralized private implementation" of state policy. For the state to be considered truly 'developmental,' a "robust internal structure" must be accompanied by "dense connecting networks" (in the form of informal networks as well as tight-knit party organizations) in a "combination of corporate coherence and connectedness" that forms what Evans calls "embedded autonomy":

> The power of embedded autonomy arises from the fusion of what seem at first to be contradictory characteristics. Embeddedness provides sources of intelligence and channels of implementation that enhance the competence of the state. Autonomy complements embeddedness, protecting the state from piecemeal

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[70] As Wade (1995) emphasizes, neither Taiwan nor South Korea boasted meaningfully pluralistic or exceptionally participatory democratic regimes. In fact, they both featured highly corporatist regimes at the time of their miraculous economic growth.

[71] Evans' use of "embeddedness" echoes Karl Polanyi's socio-historical theory of the market, which will be discussed in detail in the next chapter. However, the two theories are premised in significantly different ideological positions: while Evans seeks to increase market efficiency Polanyi seeks to curtail the social implications of growing marketization.

capture, which would destroy the cohesiveness of the state itself and eventually undermine the coherence of its social interlocutors. The state's corporate coherence enhances the cohesiveness of external networks and helps groups that share its vision overcome their own collective action problems. (1995: 248)

Evans's embedded autonomy is modeled first and foremost to facilitate economic transformation through accelerated industrialization and the removal of impediments to market expansion. In that, he doesn't significantly breach the market-centric boundaries of neoliberal economics. Furthermore, the groups he identifies as those that share the state's developmental vision seem to suspiciously resemble the economic elite classes that have the most to gain from unfettered capitalist development. Insofar as "real effectiveness requires combining internal loyalties with external ties" (Evans, 1995: 72), we may find it quite challenging to imagine how the state's bureaucratic meritocracy can be prevented from becoming an 'old boys club' in which likeminded economic interests determine state decision-making even in instances where the interest of industrialists does not necessarily meet the 'collective good.' In other words, it is left unclear how embedded autonomies can prevent private-public sector convergence that works to realize the Marxian notion of the state.[72]

With mounting unambiguous evidence of SAP failure, donors searched for new ways to hoist the development train back on track. Potential solutions concentrated on governance as the main target for political development, and involved the establishment of "robust internal structures," impartial and accountable state apparatuses that would ensure the state's administrative autonomy. In the development establishment these type of institutional rearrangements were grouped under the panoply of 'good governance.'

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[72] In the words of J.K. Galbraith: "Any union between public and private organization is held, by liberal and conservative alike, to be deviant sin" (1967: 297). Much to the late Galbraith's dismay, in the contemporary political climate such unions – explicit or covert – abound.

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5. Targeting Political-Institutional Efficacy: 'Good Governance'

The promotion of good governance as one of the principal aims of international development is largely attributed to a 1989 WB publication on Africa, which asserted that, "underlying the litany of Africa's development problems is a crisis of governance" (WB, 1989: 60). For the WB, good governance came to stand for those public sector management aspects most instrumental for development, including government competency, efficiency, transparency and accountability, with a special emphasis on a properly drawn legal framework for development and accessibility to reliable economic information (WB, 1992: 2). CIDA's definition of good governance was even more expansive, and while the Agency acknowledged that there was no "internationally agreed definition" at hand, it identified good governance with

> the development and implementation of sound economic and social policies; strong management in the public sector, with a professional administrative cadre and an effective public service; the existence of a sound, predictable legal framework with a reliable and independent judiciary; very low levels of corruption in public life and the existence of effective mechanisms to deal with corruption when it is identified; financial probity and accountability, with structures to ensure financial accountability and transparency; and appropriate levels of military expenditure, and appropriate roles for the military in civilian life. (CIDA, 1996: 21-2)

CIDA's inclusion of "sound economic and social policies" in the definition of good governance is quite significant, and seems to share the World Bank's view that good governance is "synonymous with sound development management" (WB, 1992: 1). Insofar as the identification of policy "soundness" is implicated with certain political and economic stances, transforming "the process by which authority is exercised in the management of a country's economic and social resources for development" by reinforcing "the capacity of governments to design, formulate and implement policies and discharge functions" (WB, 1994: xiv) is left very much open to interpretation. While the Bank was careful to define governance in exclusively managerial and administrative terms, as Leftwich (2000:120) argues, the effective

exercise of authority promoted by the good governance paradigm clearly requires more than just an efficient bureaucracy. From this perspective, while couched in administrative-managerial terminology good governance clearly signified deeper transformations that exceeded the locus of state apparatuses to affect all aspects of governance.

With its emphasis on administrative efficiency and accountability, the conceptual roots of the good governance paradigm can be traced to Max Weber's theory of the state, which is frequently invoked in both normative and analytical debates in empirical democratic theory and in public administration and policy (Leftwich, 2000: 77). In Weber's conception, the modern state was defined as a "compulsory association with a territorial base" that holds monopoly over the legitimate use of physical force within that territory, and is administered as a continuous organization (1964: 156). The state as a "legal-rational authority" is based on a set of intentionally established and abstracted rules, while the administration of the law,

> is held to consist in the application of these rules to particular cases; the administration process in the rational pursuit of the interests which are specified in the order governing the corporate group within the limits laid down by legal precepts and following principles which are capable of generalized formulation and are approved in the order governing the group, or at least not disapproved in it. (330)

In order to ensure maximum efficiency and justice ("expediency" and "impersonal values" in Weber's terms) for all members of society the legal-rational state grounds its legal system in a universal principle of rationality. It is run by a bureaucratic administrative mechanism manned by staff who have impersonal duties. The state bureaucracy is also characterized by a clearly defined organizational hierarchy and an unambiguous specification of the tasks of the office; a contractual basis for employment; the selection of staff by professional qualifications and tested experience; payment by fixed salaries and pensions; bureaucratic work being the

single or major occupation for the incumbents of office; promotion by merit or seniority; non-ownership of the post or its resources by officials; and officials which are subject to systematic discipline (333-4). These characteristics illustrate a bureaucracy that transcends the aggregate personal interests of its members to represent an enlightened ideal of rational decision-making.

On the other end of the administrative range, Weber illustrates the "patrimonial" state with "sultanism" as its most extreme case of absolute authority. This, mostly premodern or "traditional" polity, is characterized by the head of state's personal authority and arbitrary use of power, its conscribed personal administrative staff, and a high level of identification of incumbents with office (347-9). While the legal-rational bureaucracy is aimed at increasing social and economic equality for all state subjects through a deliberate, impartial and effective administrative apparatus, the patrimonial state's organization is aimed at maximizing the benefit of the few that inhibit the top of the state pyramid.

In Weber's legal-rational polity we may identify the penetration of the logic of modern industrialization to the very essence of the state. Here, the state's bureaucratic apparatus expresses the totalizing equivalency of modernity and rationality, manifesting the same logic of efficacy that underlies the state's system of production. Weber's articulation of the state's rational restructuring with "the relentless logics and requirements of industrialization" (Leftwich, 2000: 78) provides the means to concretize through legalities the abstracted relations of production. In other words, Weber's legal-rational state served to institutionally anchor the industrial order under the pretext of a universalizing, modernist rationality. However, attempts to draw a line connecting the old state-centralist development paradigm to the new role the state plays vis-à-vis the good governance paradigm, may be frustrated by the manner in which Weber's legal-rational state was recreated in the hands of neoliberals. The new developmental state featured a lean bureaucracy that was oriented towards administrating only those aspects deemed instrumental for

the smooth operation of the markets, namely socio-political stability and legal-economic predictability. As the logic of industrialization was replaced by the logic of the markets, bureaucratic efficacy was conflated with market economics, and the state's autonomy was limited to its responsibility to ensure the smooth operation of markets by its capacity to organize "Rules, enforcement mechanisms, and organizations ... [that] help transmit information, enforce property rights and contracts, and manage competition in markets" (WB, 2002: 4). Robust state apparatuses, in this respect, are necessary for enabling the private sector to assume its 'natural' role in providing economic growth, as exemplified by the UN Commission on the Private Sector and Development's stern warning that,

> Developing country governments have to make a strong and unambiguous policy commitment to sustainable private sector development – and combine that with a genuine commitment to reform the regulatory environment by eliminating artificial and policy-induced constraints to strong economic growth. (UNDP, 2004: 2)

From this perspective, we may identify in the good governance paradigm the marriage of neoliberal capitalist stabilization and neostructuralist institutional reform, as the new developmental state was formulated to administratively facilitate the market economy.

6. Conclusion: Democratic Consolidation and Civil Society

Given its marriage of neoliberal and neostructuralist reform strategies, the developmental state was required to simultaneously maintain an impartial, capable and accountable administration that is kept insulated from corruptive influences, and a high degree of responsiveness to both private sector economic actors and the wider population's concerns and needs. Essentially, these two functions represent the dialectic underlying the developmental state, between efficacy – measured by the

state's capacity to provide economic growth – and equality – measured by the degree to which citizens are guaranteed their social, economic and political rights – as made evident in the WB's *World Development Report* of 1997:

> An effective state is vital for the provision of the goods and services – and the rules and institutions – that allow markets to flourish and people to lead healthier, happier lives. Without it, sustainable development, both economic and social, is impossible. (WB, 1997: 1)

As Robertson (1984: 62) notes, the process of accelerated development in the developing world was accompanied by what he calls "strong centripetal tendencies," denoting the contradictions that underlie state authority and that are manifest in the conflict between centre and periphery, the discrepancy between intentions and achievements, and the dilemmas of pursuing economic growth and political stability, securing state control and individual liberties. The requirements of development always imply gargantuan transformations in all aspects of life, changes that cannot be undertaken without the prerequisite social and political capabilities that traditionally reside in the state. However, the more the state attempts to consolidate its developmental capacity, "the more the state tends to close-off the opportunities available to private individuals and groups in civil society to take the initiative for social and economic change" (Robertson, 1984: 129), revealing the incompatibility of participatory governance and centralized development planning. While in the past solutions to these types of 'developmental contradictions' took the form of centralized, coercive or authoritarian politics designed to mould the public's will according to an oft-fabricated 'common good,' the new orthodoxy assumes the symbiotic relations of democracy and development (Crawford, 2001).

While previous theories of the relationship between regime type and development saw one as potentially – but not necessarily – the corollary of the other, current policies under the new orthodoxy viewed the two as interdependent. No longer would democracy be perceived as the inevitable result of successful economic

development, nor would successful economic development be considered best provided by the "firm hand of authoritarian rule" (Crawford, 2001: 2-3). Instead, the pursuit of democracy and development would coincide under a mutually reinforcing agenda, supported by the consensual identification of democracy's capacity to serve as "the political process that would institute and sustain good governance, hold the state and its officials accountable and demand the best and the highest standards of public service from the lot, while ensuring an improving standard of human rights" (Leftwich, 2000: 126).

However, as evident in the absence of stellar development success in new – "Third Wave" – and even in older democracies, the mere existence of nominally democratic regimes in developing countries did not appear to be sufficient in itself to provide the necessary social and political conditions for either good governance or effective economic transformation. For democracy to function as the "institutional and political glue that would hold good governance in place" (Leftwich, 2000: 108), "democracy-sustaining conditions" must exist; and these are contingent on processes of democratic consolidation.

Democratic consolidation, as Haynes (2001: 18) explains, involves a transition from narrower, minimalist conceptions of democracy (in extreme cases classified as merely "façade democracies") to deeper, "fuller" democracies that include "more open political competition"; "commonly accepted political rules"; "stable democratic institutions"; and a "satisfactory range of state-guaranteed civil and political rights, upheld by the rule of law." However, as Haynes warns,

> far from being a straightforward process, attempts to consolidate democratic systems are tied up politically with a number of issues. These include: the extent and nature of the ruling elite's solidarity and its control over society, the nature of a polity's political culture, the strength and effectiveness of civil society as a counterweight to state power and, finally, the overall impact of external factors and actors. (Haynes, 2001: 17)

When considering these obstacles and acknowledging the variety of regime types, configurations and forms that exist in developing countries, it becomes hard to imagine a common programme, a magic solution offering a universally applicable answer to the myriad political particularities that condition democratic consolidation in the developing world. Here, civil society emerges as the perfect recipe to overcoming the structural limitations of state theorizations in the development discourse, offering a unifying concept through which to think of transforming diverse, local-specific political arrangements.

Analyzed through the prism of democratic consolidation, civil society provides the impetus for democratic transformation and enables the inculcation and safeguarding of democratic norms throughout the political system (Diamond, 1999). A vibrant civil society may help contain the authoritarian tendencies that lurk in developmental state apparatuses while maintaining a wide legitimation for autonomous policy-making in the name of common developmental goals. In this view, civil society helps to sustain the balancing act of efficacy and equality, repression and legitimacy, autonomy and embeddedness, which marks the developmental state.

The conceptual history of the developmental state, spanning the golden days of post-WWII development to the post-SAP era of "aid effectiveness," from old to new orthodoxy, is marked by the overall reduction of the state to its economic functions. This trajectory is reflected in the focus on the developmental state's economic functional autonomy that was accompanied by the decline in interest in its political-institutional aspects in the 1950s and 1960s, once again in the subordination of state structures to the economic agency of the market during the 1980s, and in the emphasis assigned to economic regulation, stability and predictability under the good governance paradigm. However, it would be a mistake to succumb to the artificial separation of economics and politics, a trend that received added impetus

during the neoliberal takeover of the global world system. As Leftwich (2000) argues, the history of the developmental state in fact reveals the primacy of politics in development, as state-society relations were always at the heart of the developmental state's potential to provide social and economic growth to its citizens.

As the perception of the developmental state moves from being exclusively framed in economicised terms to including political-institutional dimensions, the economic and political are commonly identified as inextricable, as evident in CIDA's latest policy statement:

> Sustainable poverty reduction requires security and sound governance structures and processes. Well-governed societies establish the legal and regulatory frameworks and norms required for private sector investment and economic growth. They also establish the institutions, systems and practices that ensure that basic services such as health and education are truly responsive to local needs and accountable to local people for their performance. Sound governance is a fundamental prerequisite for any of the MDGs to be achieved in a sustainable manner. (CIDA, 2005a: 12)

It follows, that if we want to fully understand the role of civil society in development vis-à-vis state-society relations we cannot settle for political-institutional analyses, and must therefore explore the ways in which the market, as the most prominent realm of economic activity, has affected civil society, the state and their interaction.

CHAPTER 3:
THE NEOLIBERALIZATION OF CIVIL SOCIETY

[T]he voluntary sector is on the horns of a dilemma. It needs to enter the market and to become leaner and fitter, more efficient and effective, if it is to survive in the new "post welfare state" mixed economy. But entering the market, with all its knock-on effects, may reduce the sector to a second tier of government or transform it into a rather ineffective part of the for-profit commercial sector.

Diana Leat, *Funding Matters*

Only if poverty reduction is profitable will it be sustainable.

John Lodge and Craig Wilson, *A Corporate Solution to Global Poverty*

Economic development is antidemocratic in that it is the expansion of a sphere of life from which democracy is to be excluded in principle.

C. Douglas Lummis, *Radical Democracy*

1. The Primacy of the Market to Economic Growth

Based on Foreign Affairs Canada's policy statement of 1995 (*Canada in the World*),

CIDA's mandate for international development assistance is:

> To support sustainable development in developing countries in order to reduce poverty and contribute to a more secure, equitable and prosperous world; to support democratic development and economic liberalization in the countries of Central and Eastern Europe and Central Asia; and to support international efforts to reduce threats to international and Canadian security. (CIDA, 2005c: 4)

The reduction of poverty in developing countries – consistent with the UN's MDGs –

necessitates substantial and sustainable economic growth. This, according to CIDA, is

predicated on the development of well-functioning (noted elsewhere as "healthy"[73])

domestic markets and the increased involvement of the private sector in creating

economic momentum (CIDA, 2003a). The market and its private sector actors, it

follows, are not only indispensable for sustainable economic growth but indeed are

the premise for the very possibility for such growth:

> No country has met the material needs of its citizens or financed social and other key roles
> of government on an ongoing basis without a dynamic private sector to mobilize savings
> and investment, create meaningful jobs, meet consumer demand and generate tax
> revenues. (CIDA, 2005a: 16)

CIDA's approach to economic development draws heavily on the report

submitted to the UN's Secretary-General by the Commission on the Private Sector

and Development in March 2004.[74] Aside from celebrating the ingenuity and

pertinence of maverick entrepreneurs,[75] the commission's report, titled *Unleashing*

Entrepreneurship: Making Business Work for the Poor, declares unequivocally that

"There is broad agreement that open markets have supported economic growth"

(UNDP, 2004: 15). The report goes on to list the merits of open markets and free trade

policies in fostering productivity and allocating resources towards the most

productive "areas of comparative advantage," and encourages extensive importation

in the purpose of raising living standards and lowering production costs (ibid.). This,

the commission's report states, is possible because,

> an innovative private sector can find ways to deliver low-cost (even sophisticated) goods
> and services to demanding consumers across all income ranges. It can sell to the urban
> distressed area as well as the poor rural village or town. It can develop distribution links to
> the consumer in the village and so be better able to harness knowledge about the actual
> needs of this segment of the market. It can keep costs low through outsourcing, for greater
> flexibility. (8)

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[73] CIDA, 2004: 68.

[74] The commission was co-headed by the then-PM, Paul Martin.

[75] In Schumpeterian style the report states: "It is the capacity, drive and innovation of entrepreneurs that
increase the impact of a broadly constituted private sector. Entrepreneurship encompasses the actions of
small, informal, village-based individuals as much as it does that of the managers and innovators in
multinational corporations and large local companies. It is their voices that we have heard the loudest"
(UNDP, 2004: ii).

However, as was briefly discussed in the previous chapter (and acknowledged by CIDA itself), markets are neither perfect nor capable of running themselves.[76] Therefore, the state, perceived as the most powerful and capable domestic actor, is expected to facilitate a market-enabling environment by maintaining pro-business and pro-market legislation and regulation, creating incentives for private sector business entrepreneurship, and upholding a stable and consistent rule of law (Gerring et al., 2005: 329). Here, the state is charged with making sure that the financial development, technological innovation and flow of capital that stand at the heart of properly functioning – "competitive" – markets go undisturbed. Thus, the sustained existence of a "market-oriented business eco-system" (UNDP, 2004: 8) is highly dependent on strong governance mechanisms that maintain the positive and stable environment required for private sector investment.

Some commentators argue that the imagined link between economic development and democratic governance is actually quite weak, because some non-democratic and even some democratically elected, yet illiberal, regimes manage to promote economic growth while withholding full liberal-democratic rights from their citizens (Mesquita & Downs, 2005).[77] Still, the consensus reigning over the development community views democratic governance to be crucial for economic growth. While arguments here range from those centering on the necessity of wide consensus to large-scale economic change (see for instance Diamond & Plattner, 1995: xix; Przeworski, 1991: 186) to those focusing on the prerequisites of institutional stability and transparency to properly functioning markets (see for instance Gibson et al., 2005), the crux of the argument holds that democratic governance has the most potential to initiate a "virtuous cycle" in which even slightly better governance leads

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[76] Hence the need to "help make markets work for the poor in developing countries" (CIDA, 2005a: 9).
[77] For the most influential articulation of "illiberal democracies" as democratically elected regimes that do not adhere to constitutional liberalism and therefore do not guarantee their citizens basic liberties of speech, assembly, religion, and property, see Zakaria, 1997.

to better economic performance that, in turn, creates a demand for even better governance (Richards, 2006).

The confluence of market-centric economic development (or "economic liberalization") and market-supporting governance (or "democratic development") is evident across CIDA's recent policies, not the least in the Agency's *Policy on Private Sector Development* (2003), in which it declares that:

> Among the areas CIDA will support are creating the strongest enabling environment, including reducing the costs of setting up a formal business and *reforming laws and regulations related to contracts, property and taxes*. It will also involve promoting entrepreneurship by facilitating access to financing options, especially for women, promoting private-sector linkages and assisting in skills and knowledge development. Finally, CIDA will facilitate the connection to markets by developing the capacity of developing countries to participate in the international trading system, and helping entrepreneurs reach local, regional and international markets. (CIDA, 2003a: 25-6; my emphasis)

Following CIDA's inadvertent mixing of the economic and the political, if we are to fully understand the function of civil society within the contemporary development discourse, we cannot settle for simply unpacking the meaning of civil society in relation to the state, as the function of the modern state itself is largely shaped by market-centric social, economic and political forces (Offe, 1996). Here, we may follow Cohen & Arato (1992: ix) in understanding civil society within a tripartite model that conceptualizes civil society in relation to both the state *and* the economy, while acknowledging the multitude of institutional forms that mediate their relations. The previous chapter explored civil society in the context of the state in development (or, the 'developmental state'). For sake of analytical clarity, this chapter analyzes civil society's function as outlined in CIDA's policy, within the framework of the market economy.

2. The Dual Functions of Civil Society

As delineated in CIDA's HRDG policy of 1996, civil society organizations carry two important functions within Canada's overall development framework. The first is to serve as "key vehicles for articulating popular concerns and channelling popular participation in decision and policy making" (CIDA, 1996: 4), or giving voice "to a variety of interests and perspectives that governments and decision makers may otherwise not hear" (21).[78] The second function entails providing a range of services to organization members or the community at large, "a role which, depending on the nature of the group, can have a direct bearing on the promotion of human rights and democratization" (ibid.).[79]

In the context of the market economy, both functions indicate a role for civil society in assisting to correct market imperfections by helping the poor, marginalized and underrepresented benefit from the 'free market.' This is done either by delivering services unaddressed by market-centric business (such as basic healthcare and education)[80] or by building the capacity of the economically marginalized to successfully affect policy-making and, by extension, better partake in the market economy.

As CIDA admits, the need for such services results from the failure of unfettered market expansion to bring about sustainable socio-economic development in most parts of Asia and postcommunist Europe (CIDA, 2004). In the case of the former, CIDA states that while "rapid economic growth and increasing urbanization have occurred in several countries, including China, India, and Vietnam" – carried by

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[78] On the difference between advocating for the poor and building the capacity of the poor to advocate for themselves, see Pearce, 1997.

[79] Although the policy statement may seem to emphasize civil society organizations that are directly involved in promoting democratization, in effect, CIDA funds and promotes civil society organization from a variety of backgrounds, with diverse explicit and implicit agendas (for a comprehensive list see CIDA 2005b: Table G).

[80] Richards (2006) argues that both healthcare and education are sectors in which the private sector is less likely to step in and deliver high quality services. This is due to both these sectors being less valuable in short-term return on investment (ROI) and their overall importance to a country's development potential – an issue deeming the necessity of centralized state involvement in them.

the growth in trade and the "retooling" of Asian economies and regulatory systems

to compete better in world markets – the fruits of this economic growth were not

equally shared across society, and income disparities have actually deepened (CIDA,

2004: 11). The former communist countries of East Europe have not enjoyed a much

better fate as existing social networks were strained by the translation of unhindered

market competition into the incipient values and norms of "possessive

individualism".[81]

These, and conclusions from other failed SAP experiences, were integrated

into the Commission on the Private Sector and Development's report, as it warned

that:

> Competition creates winners and losers, a source of great tension between markets and
> democracy. Some of those employed in inefficient firms might bear the downside of
> change, particularly when social safety nets are not in place. So, opening markets to
> competition may best happen in phases, with full openness occurring after a strong set of
> market institutions is in place. A safety net focused on people, not firms, is needed to
> provide socio-economic security for those left behind. (UNDP, 2004: 25)

While CIDA seems to heed to the commission's warnings by implementing an

ameliorative and piecemeal approach to the transition into a market economy,[82] there

seems to be more at stake here than merely the speed of economic and political

restructuring. The other – perhaps more important – issue is the subordination of all

social modalities to the logic of the market. Here, witnessing the extent to which SAPs

have failed sparked the realization that a market "too free" may impede democratic

potentials by leading to the disintegration of the same social environment in which

democracy is expected to take root.[83] The reality in which democratic development

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[81] On the theory of possessive individualism see Macpherson, 1962.

[82] In accordance to what Offe (1991) calls "politics of patience."

[83] See for instance Chua's argument that "the global spread of markets and democracy is a principal, aggravating cause of group hatred and ethnic violence throughout the non-Western world" (2004: 9). For Chua, both the speed and nature of transitions into market-democracies exacerbate existing ethnic strife as different ethnic groups are unequally positioned to reap the benefits of the new economy.

and market liberalization become antitheses is further illustrated in Karl Polanyi's socio-historical theory of market development.

3. Karl Polanyi, the Market and Embeddedness

Writing about the dynamism of the social, economic and political forces that shaped European society during the nineteenth and twentieth centuries, in his *Great Transformation* (originally published in 1944), Karl Polanyi delivers a devastating critique of the conceptual and historical validity of the "self-adjusting market," asserting that "Such an institution could not exist for any length of time without annihilating the human and natural substance of society; it would have physically destroyed man and transformed his surroundings into a wilderness" (Polanyi, 2001: 3). In stark contrast to neoclassical economics (which sported what he sarcastically discarded as "the economic superstitions of the nineteenth century"), Polanyi argued that the free market was far from a 'natural,' innate characteristic of human social organization.[84] Instead, he argued that it was part of a complex system of social relations that was shaped by institutional incentives and control and regulation mechanisms. This, he argued, was the result of a historical – yet deliberate – institutional transition from forms of economic integration that focus on society-building and social solidarity to those that embody "the logic of profit-maximization and material self-enhancement" (Watson, 2005: 152).

Based on anthropological research, Polanyi differentiates between three types of relations of exchange or "principles of behaviour": reciprocity, redistribution and

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[84] Watson (2005: 146-7) notes that Polanyi's definition of "free markets" was quite strict in its emphasis on the uninterrupted function of the supply-demand-price mechanism as the sole determinant of a product's exchange value and the conduit for the exchange itself, or in Polanyi's words, "Market economy ... is an economy directed by market prices and nothing but market prices" (2001: 45).

exchange.[85] Insofar as economic activity takes place within, and reflects the social order ("man's economy, as a rule, is submerged in his social relationships" (Polanyi, 2001: 48)), these represent three different sets of social norms and their institutional manifestations:

Reciprocity occurs in social systems marked by trust, and reflects a symmetrical relationship of power where the value of the transacted objects is expected to be equal over the long term. Thus, there is more value to the overarching social system than is vested in each particular transaction.

Redistribution occurs in social systems where a central governing body is vested with the authority to collect, store and redistribute goods and services (or, "direct the pattern of rewards that the system exhibits" (Watson, 2005: 147)). It involves a wide consent to centralized power relationships where the state represents the common good shared by all participants in economic activity.

Exchange occurs in social systems in which buying and selling constitute autonomous activities, "ready-made" types of transaction in which "both the objects and their equivalent amounts are given" (Polanyi, 2001: 64). These types of exchanges mark a society characterized by increased individual atomism where "a system of price-making markets substitute for power relations" (Watson, 2005: 148).

In societies in which economic systems are based on reciprocal and redistributive principles, "no individual economic motives need come into play; no shirking of personal effort need be feared; division of labor will automatically be ensured; economic obligations will be duly discharged" (2001: 52). Furthermore, "the idea of profit is barred; higgling and haggling is decried; giving freely is acclaimed as a virtue; the supposed propensity to barter, truck, and exchange does not appear" (ibid.). Insofar as "The economic system is, in effect, a mere function of social

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[85] See chapter 4 in Polanyi, 2001. Polanyi also notes a fourth principle he calls *householding*, which denotes "production for a person's or group's own sake" (2001: 55). However, as a form of economic autarchy householding does not entail any open relations of exchange hence we may find it less relevant to the objectives of our discussion here.

organization" (ibid.), economic activity that follows the patterns of reciprocity and redistribution is embedded within the dominant system of social relations. However, in societies where the market is the dominant organizing economic principle, Polanyi identifies the recasting of social relations into a "market society":

> The market pattern ... is capable of creating a specific institution, namely, the market. Ultimately, that is why the control of the economic system by the market is of overwhelming consequence to the whole organization of society: it means no less than the running of society as an adjunct to the market. Instead of economy being embedded in social relations, social relations are embedded in the economic system. The vital importance of the economic factor to the existence of society precludes any other result. For once the economic system is organized in separate institutions, based on specific motives and conferring a special status, society must be shaped in such a manner as to allow that system to function according to its own laws. (2001: 60)

Although Polanyi notes that in European society all forms of economic integration co-exist simultaneously, the embedment of social relations in the market inherently implies the subordination of other existing social relations to the logic of the market, as the market is asserted as the exclusive economic framework for social activity. As all other forms of social relations are incorporated into the market, in effect the economy materializes "beyond society" (Watson, 2005: 149). However, the "extension of the market organization in respect to genuine commodities" (Polanyi, 2001: 79) was counteracted by a movement to restrict the market in respect to "fictitious commodities," together constituting what Polanyi termed the "double movement." Simply put, Polanyi draws European socio-economic history as the product of the struggle between the forces that sought to disembed the market from existing social relations, and the forces that sought to keep the market in check, restrict it to specific dimensions of human activity and in essence re-embed it in society.[86] As Polanyi writes:

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[86] Watson (2005: 152) uses Daly & Cobb's terminology to differentiate the two movements as representatives of *oikonomic* tendencies in which the market is seen as an "accessory of economic life" and *chrematistic* tendencies in which social life is seen as an "accessory of markets."

> While on the one hand markets spread all over the face of the globe and the amount of goods involved grew to unbelievable dimensions, on the other hand a network of measures and policies was integrated into powerful institutions designed to check the action of the market relative to labor, land, and money.... a deep-seated movement sprang into being to resist the pernicious effects of a market-controlled economy. Society protected itself against the perils inherent in a self-regulating market system. (79-80)

The "double movement" can thus be seen as the choice between embedding the economy within social relations and embedding society within market relations.

For Polanyi, the "double movement" serves as the engine of institutional change as society's motivation to protect itself from the "perils inherent in a self-regulating market system" is translated to liberalism's constitutional protection of human rights under what we may view as embedded liberalism.[87] However, it was not only the attempt to re-embed markets in society that sought institutional assistance. As Polanyi notes,

> the introduction of free markets, far from doing away with the need for control, regulation, and intervention, enormously increased their range. Administrators had to be constantly on the watch to ensure the free working of the system. Thus even those who wished most ardently to free the state from all unnecessary duties, and whose whole philosophy demanded the restriction of state activities, could not but entrust the self-same state with the new powers, organs, and instruments required for the establishment of laissez-faire. (Polanyi, 2001: 147)

Hence, within the liberal-democratic tradition, both the disembedment and the counter-embedment that shaped the socio-economic conditions in modern Europe were enabled by the state through its coercive powers.

Matthew Watson (2005) argues that by demonstrating that "particular patterns of economic behaviour" are shaped by state institutions and not only by the 'natural' acquisitiveness of individuals – contrary to the proclamations of neoclassical economics – Polanyi is able to point to the potential contradiction that underlies agency in the market society, as "Economic agents ... are prey to the competing influences of socially regulated and purely individualistic behaviour" (142). This

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[87] For a view of this process in terms less favorable to the public's autonomous agency and more as a necessary appeasement of the "dangerous masses" by capitalist elites, see Wallerstein, 2000.

becomes the foundation of Polanyi's critique of the 'actually existing' potential for political-economic agency as it becomes increasingly constrained by the utilitarian logic of the market: caught in the dynamics of market disembedment, individuals and groups may find themselves undermining the very possibility of their own liberation from the tyranny of market efficacy, anonymity, individualism and instrumentalism by displaying "a psychological disposition towards purely self-interested behaviour" (Watson, 2005: 154), in effect trading off their long-term socio-economic survival for short-term selfish gains. In other words, it is under the influence of market-logic that social solidarity unravels, and the network of organic social ties that make possible meaningful democratic politics dissolves.[88] This is precisely what Lummis is hinting at in his provocative statement cited above: democratic development and market liberalization essentially contradict each other.

As Mark Blyth (2002) argues, by positing the welfare state, in which labour (and society en masse) enjoyed a varying yet significant degree of personal and social rights, as the end result of the "double movement," Polanyi did not foresee another "great transformation" – the hegemonic ascension of the neoliberal paradigm. Blyth argues that capital reacted to the attempts to re-embed the market in society and caused another movement that in effect put Polanyi's "double movement" into "reverse gear" (2002: 6). This neoliberal movement to further disembed the market catalyzed much of the contemporary resurgence of what Keane notes as "the language of civil society." It is in this mode that civil society is realized as a "reactive idea" (Swift, 1999:136) that is vested with the democratic hopes of those opposing corporate capitalism, and is materialized in the ever-expansive associational terrain of democracy. In the context of development, the dialectic of democratic development and market liberalization identified and explained by Polanyi, underlies the multiple

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[88] My use of "organic" terminology in this context is not accidental and invokes Tonnies's differentiation between societies based on organic and contractual relations, or "gemeinschaft" and "gesellschaft." This terminology is also evident in Polanyi's own writing as he states that "To separate labor from other activities of life and to subject it to the laws of the market was to annihilate all organic forms of existence and to replace them by a different type of organization, an atomistic and individualistic one" (2001: 171).

forms of mediation provided by civil society organizations and associations North and South.

4. Civil Society and the Burgeoning World of NGOs

The "associational revolution" (Salamon, 1993) can be seen in its most pervasiveness in what Carothers & Ottaway (2000a) call "the bourgeoning world of civil society aid." In the last two decades Non-Governmental Organizations (NGOs) and Grassroots Organizations (GROs)[89] in both developed and developing countries (also referred to as "Northern" and "Southern" countries to denote the latitudinal unequal distribution of global wealth) have grown exponentially in sheer number, size and financial capacity. They have also increased and diversified their involvement in myriad aspects of life in developing countries – delivering health, education and credit services to millions worldwide, and in the process, increasing their influence on national and international decision-making (Hulme & Edwards, 1997a).[90] To some extent, the growth of both international and local NGOs was propelled by the increasing amounts of funding they received from international donors who found developing state bureaucracies less and less desirable for funneling aid.

The rising significance of NGOs in delivering localized development has resulted in the de facto equation of civil society with NGOs, as evident in CIDA's *Framework for International Development Assistance* (2003), where the only non-government or non-private sector categories of organizations eligible for aid through

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[89] While acknowledging that there are several differences between NGOs and GROs (in terms of accountability and legal status), unless specified otherwise, I will refer to them collectively as NGOs from hereon.

[90] According to the Union of International Associations (UIA) the number of international non-governmental organizations has risen from 12,961 in 1994-5 to 20,928 in 2004 (UIA, 1995; 2004). (Note: this statistic doesn't include intergovernmental organizations, religious organizations, or organizations that were established and abandoned between those yearbook snapshots.)
In a research that spanned 22 (mostly developed) countries, and was based on 1995 data, the non-profit sector was identified as a US$1.1 trillion industry (Salamon et al., 1999: 8). However, data concerning national NGOs in developing countries is at the very least incomplete, with encountered numbers ranging from 6,000 to 35,000 (Swift, 1999: 3). Local GROs are estimated at the hundred thousands.

the "bilateral" and "countries in transition" channels are defined either as "Canadian NGOs recognized as Canadian organizations" or as "International NGOs and local NGOs which are not-for-profit and legally incorporated or established in the country or countries in which they operate" (CIDA, 2003b: 12).[91]

As Carothers & Ottaway (2000a: 11) note, the most common recipients of civil society assistance (usually funded under programs that are specifically designed to promote democratization)[92] are a narrow set of "professionalized NGOs" that usually represent very small constituencies and do not typically include many other types of organizations that make up civil society in developing countries (such as sports clubs, cultural and religious associations, and less formalized – and more traditional, perhaps – social networks). While acknowledging that there are signs that categories for civil society assistance are becoming more flexible, Carothers & Ottaway argue that "in their democracy-oriented programs, donors continue supporting above all urban-based advocacy and civic education NGOs" (12). The reasons for this are threefold: first, these organizations are assumed to engage "key democratic processes – such as representing interests, challenging the state, and fostering citizens' participation," an assumption the authors argue is questionable at best (2000b: 295). Second, supporting non-partisan organizations allows donors to attain political influence without being perceived as overtly political, couching their objectives in a "technocratic, peaceful, rationalistic mode of activity" (2000a: 12). However, as the authors note, both the choice of which NGOs to fund and the actions of those NGOs that do get funded are utterly political (2000b: 296-7). Third, these types of organizations (usually featuring more educated elites) appear to be more

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[91] Other categories include: "All levels of recipient country and territories governments …; International, regional and local institutions, organizations and agencies …; Canadian institutions, organizations and agencies, provincial and municipal governments, their organizations and agencies" which represent state-sanctioned organizations, and "Canadian and local private sector firms" which indicate private sector entities (CIDA, 2003b: 12). Interestingly, the term 'civil society' is absent from all categories.
[92] It is worth mentioning that CIDA funding is not limited to only those NGOs that directly engage HRDG issues. Many other types of NGOs are used for funneling funding in such areas as health, education and agriculture.

"administratively responsive to donor needs" (2000a: 13), meaning that they are better equipped to meet the bureaucratic standards of Western donors. The combination of all three aspects has led to what the authors characterize as a "supply-driven" explosion of NGOs in developing countries, where many local NGOs are eager to indulge in the cornucopia of international funding bestowed upon those organizations deemed worthy by donors.[93]

The growing appeal of NGOs to international development assistance agencies rests on the assumption that NGOs hold the key to embedding the market by advocating for legislation that protects the working (and non-working) poor from the perils of the market, and by providing complementary services to those unreachable by the market. This assumption is premised on these organizations' perceived unmediated relationship to their constituents, an assumption that may hold in the case of GROs but is quite questionable in the case of "professionalized" NGOs. It also relies on their perceived autonomy from both state apparatuses and market institutions (or from "economic society" and "political society" to invoke Gramsci's spatial terminology). However, herein lies the structural problem that undermines the reification of civil society in international development policy and practice, as overall, NGOs in developing countries remain highly dependent on international donors and governments for support with both financial and legal matters (Carothers & Ottaway, 2000b).[94]

With the continuous neoliberal encroachment on government capacity to deliver services to those unable to participate in the 'free market,' NGOs are perceived as more efficient channels for service-provision, in a trajectory Hulme & Edwards identify as a "deliberate substitution for the state" (1997a: 6). Under this

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[93] In this context, Hulme & Edwards ask whether the explosion of NGOs based on Western models signifies the strengthening of civil society, or "merely an attempt to shape civil society in ways that external actors believe is [sic] desirable?" (1997b: 277).

[94] The precedence of the US and Britain threatening to withdraw Oxfam's charitable status following its continuous aid to Cambodia serves as a stark example to the degree to which even civil society organizations in the developed world depend on the legal framework in their countries of operation (See Pilger, 2005).

mandate, Northern NGOs receive a large proportion of their budgets through government subsidiaries (up to 85% in some cases), while Southern NGOs depend on official funding to the extent of 80-95% (Hulme & Edwards, 1997a: 7).[95] With the majority of their funding coming from governments or from government-funded international agencies, and with a structural dependence on government regulation to allow their special not-for-profit status, NGOs cannot be considered entirely autonomous from the state. Furthermore, with the growing internationalization of development assistance there is also the danger of NGOs becoming merely implementers of donor policies (and not "local owners of development") as "The generation and use of financial resources has a profound impact on the way organizations structure themselves, make decisions, deliver programs, set up governance structures, and define their missions" (Scott, 2004: 2).[96]

But that is not all. The reproduction of the logic of the market in all aspects of social organization presents an even more acute problem for NGOs in terms of the framework that gives meaning to their activities and outcomes. The reality of a supply-driven market for local NGOs, exacerbated by the ebb and tide of government funding, has resulted in the increased attraction of NGOs to areas in which they may become financially self-sufficient (ibid.).[97] This has driven many NGOs to business-like patterns of behaviour that may include aggressive-competitive bidding, slimming expenses (usually at the expense of labour), and adhering to business etiquette in which to a varying degree the bottom-line holds the agenda hostage. Even recent attempts by NGOs to diversify their sources of income have only been

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[95] Scott's research on the Canadian non-profit sector shows a similar proportion of government funding for Canadian NGOs, who receive on average 60.8% of their funding from the government (Scott, 2004: 13). Within those organizations surveyed, 39.6% were labeled as "government dependent" meaning they derive over 65% of their income from government related funding. (Note: Scott's data was collected in 2001.)
[96] See also Edwards, 1999; Hulme & Edwards, 1997a: 8.
[97] Scott (2004: 15) notes that on average 20.8% of Canadian NGOs' funding comes from "commercial activities," which is "somewhat surprising in that commercial activities among nonprofit and voluntary groups are not thought to be that common at this time." However, the differentiation between direct involvement in market activities (in "commercial activities") and indirect involvement with the market (as with bidding on government and other contracts) may seem quite artificial (or even naïve).

partially successful in mitigating the volatility that is "systematically undermining efforts to achieve greater financial security and independence" (Scott, 2004: 3), a problem which in a global market reality is shared by Northern and Southern NGOs alike.

With the spread of neoliberalism emerged a growing consensus on the dominant role of the private sector in providing essential goods and services for the entire population. For instance, the report of the Commission on the Private Sector and Development – often referenced to justify several of CIDA's current policies – asserts that,

> The private sector is already meeting the needs of poor people in places governments do not reach. In some countries, for example, the government has little impact on the poor. In the slums there are no health services, no public education and no infrastructure. This story repeats itself across the developing world. In many cases, where services exist, they are provided by private sources. (UNDP, 2004: 8)

It is under the influence of this paradigmatic consensus that the poor, the marginalized and the underrepresented are increasingly viewed as "consumers,"[98] while NGOs are increasingly seen as "a convenient means to aggregating poor 'customers' rather than locally based organisations that are at least partially accountable to local people" (Hulme & Edwards, 1997a: 15). Here, NGOs face the risk of being perceived as "non-profit private agencies accountable through the forces of competition in an open market" (ibid.), subordinated to the logic of the market while distanced from the social needs of the population they claim to represent.[99] In Polanyi's terms, NGOs have been "socialized" into the development market and used to extend the disembedment of the market into the last under-marketicized domains of developing societies. From this perspective, some NGOs are complicit in the

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[98] For instance, The Commission of the Private Sector and Development's report states: "all poor people are consumers" (UNDP, 2004: 7).
[99] On the extent to which international NGOs – in cooperation with local organizations – have become a growth industry, Brad Adams of Human Rights Watch's paraphrasing of the 1980s satirical version of the US army recruitment commercials is illuminating: "Join the aid community. Travel to exotic, distant lands. Meet exciting, unusual people. And make a killing" (in Pilger, 2005).

transformation of the poor into consumers and the consequent narrowing of the range of possible political agency to matters of expenditure. This type of NGO co-optation has led some critics to assert that despite the wisdom prevailing in international development agencies, "development of NGOs does not equal development of civil society" (Carothers & Ottaway, 2000b: 308).

5. Conclusion: The "Market Plus Civil Society Will Yield Development" Myth

In the context of globalization and the neoliberal hegemony over international political and financial institutions, in the last 30 years the power to induce market-enabling conditions has migrated to international financial institutions, which took over the neoliberal torch by promoting rapid market liberalization – even by such coercive means as SAPs. However, when these measures failed to deliver the economic promise they were vested with, neoliberals sought an alternative channel to complement their programmes of structurally adjusting the developing world. NGOs provided them with exactly that: local, authentic and non-partisan organizations with a perceivably unmediated relation to a wide population that needed to be incorporated into the global marketplace (which is still very much considered the ultimate remedy for all developmental malaises).

Through the provision of economic and political capacity building, civil society vis-à-vis NGOs and GROs was entrusted to deliver the "underdeveloped" to market providence by increasing the capabilities of the economically marginalized to access domestic and international markets. The market, from this perspective, was not curtailed by civil society at all; in contrary, it was extended into the heart of the non-commercial sectors of developing societies as NGOs and other organizations vied for lucrative tenders and the social and political influence they promise.

When we ultimately consider the equation of civil society with NGOs and the increasing economicization and marketization of the voluntary sector worldwide, the

assumption prevalent with international development donors that "the market plus civil society will yield development" may indeed be perceived as nothing but a myth (Hulme & Edwards, 1997b: 277), for although this motto may provide the development establishment with a convenient framework for policy-making, neither markets nor NGOs can realistically satisfy the hopes vested in them. And although many NGOs and GROs do manage to successfully advance their philanthropic agendas despite the limitations imposed on them by states and markets, the problem all NGOs face is structural: as NGOs strive for financial viability they are increasingly pushed to incorporate the logic of the market by adopting the methods and ideology of maximum utility (or cost-effectiveness and competition). This newly acquired characteristic will ultimately diminish their credibility, and impinge on both their ability to represent anti-market positions and their capacity to deliver services that are not necessarily cost-effective (such as basic education and healthcare). Thus, development NGOs embody Polanyi's dialectic of democratic development and market liberalization, paradoxically caught between the contradictive imperatives of the "double movement": expected to embed the market while in effect perpetuating its logic.

CONCLUSION:
THE DE-RADICALIZATION OF CIVIL SOCIETY

1. Recapitulating the Argument

As discussed in the first chapter, attempts to identify civil society with an 'actually existing' social class, category or group face the inevitable conclusion that civil society denotes none of these. In fact, it was argued, civil society may be more fruitfully perceived as an ideal-type that works to mediate the conflicting impetuses of freedom and equality – albeit in a range of substantially different ideological and institutional configurations as represented by Tocqueville, Putnam and Gramsci's articulations of politics based in civil society. The next two chapters moved from conceptual to concrete analyses of the application of civil society in Canadian development policy.

The second chapter located the roots of the new orthodoxy in the historical process in which the 'developmental state' came to embody the institutional framework for the symbiotic relationship between democratic development and market liberalization. This chapter argued that within the post-'Washington Consensus' civil society serves an important function in mitigating the colossal failure of SAPs by promoting democratic consolidation and good governance. Here, civil society was charged with enabling the political-institutional solution to the social and economic crises that impede sustainable development.

Identifying the increased bleeding of economic imperatives into the core of political institutional arrangements, the third chapter refocused the discussion on the effects of the market economy on democratic prospects in the developing world. Viewed through the prism of Polanyi's "double movement," and exemplified in the

political-economic reality of NGOs, it was argued that democratic development and market liberalization – the twin goals of neoliberal development policies – may in fact contradict each other. Civil society, from this point of view, may not materialize the developmental hopes it is vested with.

Pulling together the threads of the argument, the conclusions that follow concentrate on the usefulness of civil society as a concept and on the implications of its reification in development policy.

2. A Conceptual Hodgepodge?

As a concept, civil society poses considerable challenges for political theorists and activists alike. This may be attributed to the concept's rich history – enfolding over three centuries of social and political thought and representing the continuous negotiation of boundaries between the private and the public, individual interests and passions and public ethics and concerns (Seligman, 2002). As indicated by its many recent appearances in political theory and policy, the concept's complexity is also derived from its application in many varying contexts, some of which include the transformation and future of the nation-state, the rise and effects of the market society, and the changing landscape of socio-political agency. These diverse and at times contradicting invocations of civil society have led some critiques to regard it as a catchall phrase, a "conceptual ragbag" (Chandhoke, cited in Swift, 1999: 5), or simply an empty proposition. However, as I hope the analysis presented thus far shows, while the labels placed on civil society are not entirely without merit – after all, the concept's checkered history and current utilizations are mired by paradoxes, recursivity and contradictive interpretations – civil society is still very much of value to contemporary political discourses. This is because civil society holds the power to catalyze the revival of the "democratic imagination" (Keane, 1998: 7) by expanding the political vocabulary in an era marked by the growing neoconservative

encroachment on socio-political alternatives. It is in this mode that civil society serves as a "future-oriented memory" (Keane, 1988: 33), projecting an enlightened past onto an unknown future, and it is as an ideal-type and not as a referent of an ever-elusive, 'actually existing' social category that civil society is valuable in revealing the identities and ideological positions of those shaping the political discourse.

Civil society's quality for allowing the concretization of utopian hopes – or at least laying the conceptual foundations for such concretizations – has captured the political imagination of both the Left and the Right. And while, as Walzer shows, the concept itself suffers from acute structural problems in its insistence on an anti-institutional posture that at the same time requires the enabling assistance of the same structures it seeks to transform, it still provides an important form of mediation between the state, the market, and the society the former were meant to serve. While for the Right, "the quest for civil society is taken to mean a mandate to deconstruct many of the powers of the State and replace them with intermediary institutions based on social voluntarism" (Seligman, 2002: 13), pushing forth a mode of social organization that reproduces the logic of the 'free market,' for the Left, as Kumar (1993) argues, civil society came to represent new horizons for social movements in a postcommunist world where socialism as a viable socio-political framework no longer exists, thus offering new formulations to the age-old question of how "individual interests could be pursued in the social arenas and, similarly, the social good in the individual or private sphere" (Seligman, 2002: 14).

However, the same attributes that make civil society such a nexus of ideological motivations and formulations are also the source of its many contradictions. Here, the ease with which civil society as a concept lends itself to competing social, economic and political paradigms inadvertently reduces its power to symbolize authentic political projects, consequently leading to the deflation of the concept's capacity to signify agreed-upon discursive categories, and to its discursive uselessness. Through the dialectical relations of concepts and materiality, the more

civil society is invoked as a referent to ideologically framed phenomena the less the concept seems to retain its original meaning as a signifier of profound social and political transformation. This de-radicalizing effect is amplified by attempts to concretize civil society in policy, where the concept's complexities are flattened in the process of its operationalization.

As becomes clear from the mounting literature on civil society that was produced in the last two decades, civil society rings first and foremost with the connotations of participatory democracy. It is by its illustration of an "attractive combination of democratic pluralism with a continuing role for state regulation and guidance" (Kumar, 1993: 375) that civil society is so appealing to the promoters of democratization in developing countries, for civil society offers a recipe for change for, and by the people, shaping vibrant, pluralist and stable liberal-democratic societies. However, as the conceptual discussion of civil society shows, civil society is more than an institutional blueprint for 'people-friendly' democratization. In fact, as Chambers & Kymlicka (2002: 5) argue, civil society ultimately embodies the potential for a new "associational organization of ethical pluralism," in which, true to its conceptual origins, civil society unfolds a mode of imagining new social formations that transcend existing power relations and not merely operate within them. The argument put forth in this thesis is that it is precisely this dimension of civil society that is lost when the concept is reified and 'institutionalized' in CIDA's development policy.

3. Moving Towards "Development from Below"

By formally defining civil society according to its expected functions and ideologically derived objectives, and by establishing it as a development category (in the form of civil society aid), civil society becomes de-radicalized and complacent, "a way of thinking about politics, power, and democracy that is forever blinded by what

is not there" (Cruikshank, 1999: 122), and in effect a tool to maintain neoliberal hegemony over international development assistance. However, despite these and other difficulties in re-channelling both development energies and funds to invigorate authentic modes of "local ownership of development," civil society may still retain its transformative powers if it is to denote a bottom-up approach to associational formations that refuses institutional functionalist definition and represents that which "is not there": the true freedom of people to pursue democratic and economic development according to their own ethics, traditions and beliefs.

While this thesis primarily aims to illuminate the problematic that arises when complex concepts such as civil society are reified in policy, it is, however, within its capacity to suggest a few changes to Canadian development policy. In lieu of deeper transformations that include the rejection of neoliberal global political-economics, these may serve to redirect the progressive overtones that emanate from the concept of civil society and perhaps dispel fears in the South that the new orthodoxy is nothing more than the repackaging of structural adjustment programs (Randel et al., 2004: 11).

Untie Aid: if Canadian development policy is to truly promote local ownership of development all formal requirements that developing countries spend a specified portion of Canadian aid monies on Canadian products and services must be dropped.[100] While, as Goldfarb & Tapp (2006) argue, this may surely improve aid effectiveness by allowing developing countries to acquire cheaper products and services through unrestricted bidding procedures (in effect making the market work to their own advantage), it will empower local governments and NGOs to spend aid as they see fit, thus reducing the paternalistic grip Canada still maintains over its aid

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[100] For similar appeals see CCIC, 2002; Goldfarb & Tapp, 2006; Richards, 2006.

recipients. While Canada has recently made some considerable strides in this direction, there is still much left to be desired.[101]

Support More Local Groups: Canadian aid should directly target more local groups which may potentially contribute to participatory modes of governance – whether they are labeled 'civil society' organizations or not.[102] In combination with the complete untying of aid, this will enable more grassroots organizations to invest more funds according to their own agendas, even if those do not necessarily correspond to the Canadian overarching vision for development. Genuine local ownership of development, from this perspective, cannot remain subordinated to Canadian interests pursued through decision-making over who and what to finance.

Decentralize Development Research, Decision-making and Delivery: most of the research currently conducted on Canadian (and other) development emanates from the developed world, thus local perspectives seldom reach decision-makers and those who have influence over decision-making through processes of consultation (Goldfarb & Tapp, 2005). This is also true in regards to CIDA's decision-making functions that by their heavy concentration in CIDA's headquarters in Canada leave less autonomy for local representatives to support domestic initiatives. Decentralizing decision-making will not only "give decisionmaking authority to those who directly confront the challenges of working in difficult aid environments, allowing them to design more realistic aid programs suited to those environments and to evaluate them first-hand" (Goldfarb & Tapp, 2005: 20), but would increase the ability of local organizations to influence and ultimately control aid delivery by directly approaching local CIDA staff instead of soliciting remote and less informed authorities. Diffuse development procedures reject universalizing and totalizing

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[101] As Goldfarn & Tapp (2006: 18) note, 43% of Canadian bilateral aid in 2004 was still tied to the purchase of Canadian goods and services. This comes in sharp contrast to an 8% average for all OECD countries.
[102] In the ODA year 2003-2004 while $225.90M allocated bilaterally were funneled to the voluntary sector by local governments, only $202.65M were allocated directly to Canadian and international NGOs, and Non Governmental Institutions (NGIs). This represents a meager 7.8% of total Canadian ODA for that period (CIDA, 2005b: Table G; Table L).

concepts for a more flexible and pluralistic approach that better reflects the potential of local groups to affect politics in their own countries.

Increase Responsiveness Mechanisms: while CIDA has added both impetus and funding to its responsive aid delivery (funding that responds to appeals from local groups instead of being directed 'top-down'), to fully unleash the capacity of local individuals and groups to initiate and pursue activities that best suit their social and cultural realities CIDA must allow more freedom for aid recipients to initiate, design and oversee development projects.[103] In addition to better serving the needs of aid recipients it will pour progressive meaning into "local ownership of development" by replacing the inculcation of Western conceptualizations of grassroots activity vis-à-vis civil society with endogenous movements of "development from below." Here, the rhetorical transfer of the responsibility over development to developing countries (CIDA, 2005a; UNDP, 2004) may escape its symbolic confinements as local groups become empowered to take their future in their own hands.

While these recommendations do not ensure that Canadian aid will be utilized in the most effective or efficient way, they do, however, chart the path to more genuine modes of "local ownership of development." By improving the flexibility of aid delivery and better accommodating the myriad local-specific conditions that determine the success of development initiatives, by promoting endogenous modes of organization, and by allowing a more diverse range of local organizations to take part in the planned transformation of their lives, Canadian development policy may help materialize the radical meaning of civil society as framework for organic, democratic and pluralistic social change.

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[103] While the Canada Fund for Local Initiatives (CFLI) represents a positive step in this direction, the financially insignificance of the Fund is evident in its lack of representation in the 2003-4 ODA budget. Here, the principle of responsiveness – christened in *Canada Making a Difference in the World* and celebrated throughout CIDA's *Sustainable Development Strategy 2004-2006* – is yet to be translated from rhetoric to significant funding.

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