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BAKALÁŘSKÁ PRÁCE

Civil Society and Development Policy:

**History and Analysis of Democracy Assistance to
Nongovernmental Organizations**

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INTRODUCTION

Civil society has become a buzzword; we hear about civil society in different academic fields as well as in politics; we read in the papers about the need of active civil society in Iraq and Afghanistan; various organizations claim to represent civil society. Samuel Huntington, Professor and Chairman of the Harvard Academy of International and Area Studies, wrote in an introduction to a policy research paper for the World Bank that civil society is a “hot topic.” The term might seem familiar but it is not fully understood and it could use some clarification. What is civil society and why should we support it?

The concept of civil society is useful because it attracts attention to the relations between democracy, the public sphere, the market economy and citizenship. Stable democracies believe that if they support civil society abroad, it will lead to a process of democratic transition or consolidation. This is the main reason why many democratic countries give funds to democracy assistance programs. The rise in democracy assistance funding is enormous. For example, U.S. Agency for International Development (USAID¹) increased funding for democracy assistance about four times from 1991 to 1999. The focus of this paper will be on the role of civil society in general and more specifically its role in development policy. The main question that this paper will answer is whether the civil society approach in developmental politics is reaching the dusk of its popularity.

For a better understanding of the importance of civil society the first chapter is dedicated to the “History of Civil Society”; it explains the roots of the concept and its rich ideological heritage. The understanding of civil society was shaped by ideas from Classical Antiquity, the Enlightenment as well as by thinkers like Hegel and Marx. The meaning significantly changed over years. Most people connect civil society with

¹ USAID is a United States Agency for International Development established in 1961 by President John F. Kennedy. “USAID became the first U.S. foreign assistance organization whose primary emphasis was on long-range economic and social development assistance efforts. Freed from political and military functions that plagued its predecessor organizations [like Marshall Plan], USAID was able to offer direct support to the developing nations of the world.” (www.usaid.gov) (July 26, 2005)

the dissident movement in Central and Eastern Europe and people like Václav Havel and Gyorgy Konrád; their ideas are elaborated in the part named “Revival of Civil Society.”

There are number substantially different uses of the term “civil society.” The second chapter introduces the definition of civil society that this paper refers to. It also presents one possible way to divide different approaches to civil society. The understanding of civil society can be very different and this chapter brings a clarifying structure to it.

“Social Capital” is a pivotal term for development policy and the name of the third chapter. It shows a link between social capital and civil society and explains its importance. The chapter introduces Bourdieu, Coleman and Putnam. All three played a crucial role in introducing the term social capital to an academic environment.

The fourth chapter, “Civil Society and Development Policy”, explains four theories of development that illuminate the pivotal transition from using economic development as a rationale to focusing on democracy assistance and civil society. Each theory – modernization, dependency, transitology and civil society theory – is explained in details, which brings an understanding of why one follows another. Understanding the sequence of theories is important for answering our main research question about the future of civil society theory. We will learn whether the popularity of the civil society approach in developmental politics is in decline by examining the problems that have risen with the application of civil society theory. In addition we will glance into the future of civil society theory and suggest a possible modification, or see whether it is probable that a completely new development theory is about to come up.

1. HISTORY OF CIVIL SOCIETY

1.1 From the State to the Sphere of Private Interests

1.1.1 Back to the Classical Antiquity

From the Classical era to the beginning of the modern times, civil society was a synonym for a political society or a state. The roots of today's popular term civil society reach centuries before Christ. We can look mainly into the field of philosophy - Aristotle's *koinonia politike* (civil society) in the *polis* (political society) or Cicero's idea of *societas civilis*. Members of civil society were citizens, members of a state, who had to respect laws protecting civil peace. Authors like Hobbes, Locke, Rousseau, de Montesquieu, Ferguson, or Smith played an important role in changing the meaning of civil society. They started to use the term in contrast to an uncivilized barbaric state, which is intrinsic to a natural state or a despotic rule.² This contrast between civilized and uncivilized was a salient distinction between a civil society and a state that later became important in political thinking and also in development theories.

During the modern era the term civil society was used to speak usually about trade. It did not refer to the state anymore. Trade took place in a market space where individual self-interests were in contrast to state interests and state laws. State interests embodied a common-interest of all citizens and did not reflect individual needs. Following this rationale, enlightened thinkers pointed at the difference between a democratic state and civil society. An unlimited power of a democratic state followed a common will (Jean-Jacques Rousseau) and a spontaneous development of civil society reflected individual interests and goals. The best way to achieve personal interests is to connect with others in different associations (Adam Ferguson, Adam Smith) and thus have a stronger voice in a society. Associations were formed for various purposes and had an important role. They created a balance

² Müller, *Czechs and Civil Society: Attempt of Conceptualization, Problems, Possible Solutions*, 2002: 24; Barša and Císař, *Left in a post-revolutionary Period: Civil Society and New Social Movements in a Radical Political Theory of 20th Century*, 2004: 11

to the state power. Traditionally, economic life was determined by political sphere. But with people promoting their interests through different associations, economy was not fully in the hands of state representatives anymore. This was a very important change that opened a new field of influence for citizens.

1.1. 2 Enlightenment and Civil Society

The transformation in meaning of civil society from a synonym for state to a synonym for trade is best visible during enlightenment. British and French enlightened thinkers understood civil society as a sphere of free trade, negotiations, and associations, in which alien people can meet and solve possible conflicts by means of civilized manners.³ The etymological connection between the word “civilization” and “civility” shows us the importance of civil manners and civilized manners that stress courtesy, politeness, and clemency in interpersonal relations. This shift in the meaning of civil society was closely connected to European enlightenment that supported the development of sciences, arts, trade and education. Barša and Císař put it very clearly: the 18th century civil society represented civilized society based on trade, enlightened culture and refinement of relations, which replaced the barbarism of European Middle Ages.⁴

Civil society therefore can be understood as a middle ground between private life – a family, clan, or traditional community – and political state.⁵ An individual appears for the first time as an independent owner of private property. This was the first step towards introducing the so-called “third sector”, a synonym for civil society used even today. Civil society is understood as a third sector since state is the first sector and market the second.

³ Barša and Císař, *Left in a post-revolutionary Period*, 2004: 10-11

⁴ Ibid., 11; also Müller, *Czechs and Civil Society*, 2002: 24

⁵ Fine, “Civil Society Theory: Enlightenment and Critique” in Robert Fine and Shirin Rai; *Civil Society: Democratic Perspectives*, 1997: 8, 15; Barša and Císař, *Left in a post-revolutionary Period*, 2004: 12

1.1.3 Hegel and the Economics of Civil Society

After creating a distinct place for civil society, thinkers of the 19th century asked an important question: Are the interests of the individual and the state always mutually opposed? Georg Wilhelm Friedrich Hegel has given a cultural and moral role to a state again. He does not see the state as an institution that primarily limits the possibilities of an individual by its regulations. His concept is an attempt to dialectically overcome the antagonism between the liberal minimal state and an anti-liberal conception of absolutist state power.⁶ Hegel found a compromise between the two. He looked for a middle way.

Hegel did not agree with Immanuel Kant's metaphysics and his idealization of social relations of civil society, nor with Adam Smith's political economy and "the invisible hand of a market", which should be a solution to any problem. Hegel saw flaws in both of these approaches. In Hegel's view: "Political economy emphasized *existence* at the expense of the *concept*; metaphysics emphasized the *concept* at the expense of the *existence*... Kant had reduced civil society to a system of rights and policing, political economy had reduced it to system of needs and association, but Hegel sought to grasp it as a differentiated whole: *the sphere of conflicting relations between needs and rights, policing and associations*."⁷ Hegel was among the first writers to stress the close connection between civil society and state. He tried to find a common ground of the two. Several thinkers continued in this line of thoughts as it is shown further on.

1.1.4 Tocqueville and his Heritage

When we speak about civil society we cannot omit to mention the contributions of Alexis de Tocqueville, oftentimes called "the father of civil society." It was Tocqueville who after his travels around America in the first half of 19th century came to a conclusion that a flourishing civil society is bedrock of American democracy. His book

⁶ Barša and Čísař, *Left in a post-revolutionary Period*, 2004: 13

⁷ Fine; "Civil Society Theory: Enlightenment and Critique", 1997: 20

Democracy in America is “widely recognized as the first social science book to link a vibrant and robust civil society with a successful democracy.”⁸ By civil society he meant associations – from religious groups, to neighborhood associations to commercial enterprises. Tocqueville was fascinated how these organizations held the nation together “in the absence of monarchy and a highly centralized federal structure.”⁹ He always compared his experience with the US to what he knew from Europe and especially France, where voluntary associations were not as powerful.

Tocqueville made an important observation that civil society helps to develop the kind of citizenry that is the most suited for maintenance of democratic public life. He found out that in voluntary associations, people suppress their self-interests and individualism for the sake of common good and in this way generate moderation that is so needed in democracy. A tendency to become part of some association was always a part of American life: “The right to associate is of English origin and always existed in America. Use of this right is now an accepted part of customs and mores... In our own day freedom of association has become a necessary guarantee against the tyranny of the majority.”¹⁰ By this Tocqueville means that civic associations are a counterbalance to the power of the state or generally those in power. They are an organization initiated from the grassroots’ level and with a particular purpose.

However, this does not mean that Tocqueville sees the role of a state and institutions as marginal in democracy. On the contrary, he perceives institutions as a very important part of democracy. According to him there are three factors that are crucial: federal organization (“allows the Union to enjoy the power of a great republic and the security of a small one”), communal institutions (“moderate the despotism of the majority and give the people both a taste for freedom and the skill to be free”) and judicial power (“correct aberration of democracy” and check and direct “movements of the majority”¹¹). These are three levels of checks and balances in a democracy that cannot be ensured by civil society.

⁸ Encarnación, Omar; *The Myth of Civil Society: Social Capital and Democratic Consolidation in Spain and Brazil*, 2003: 16

⁹ Ibid., 16

¹⁰ Tocqueville, Alexis de; *Democracy in America I.*, Perrenial Classics, 2000: 192

¹¹ Ibid., 287

What is interesting and often forgotten is what Tocqueville says about the relationship between associations and a state. He believes that they are mutually dependent and that associations need some type of regulation. This is the same connection that Hegel stresses. Tocqueville explains the connection between an individual, association and a state in the following way: “He obeys society not because he is inferior to those who direct it, nor because he is incapable of ruling himself, but because union with his fellows seems useful to him and he knows that that union is impossible without a regulating authority.”¹² This shows the beneficial relation between an individual, association and a state that was later on oftentimes omitted as we will see further on.

1.1.5 Civil Society and Marxist Tradition

The role and the relation of a state and of civil society were constantly redefined in the history. Classical German philosophers together with Hegel idealized the state as an embodiment of reason and ethics that has the power to unite potentially antagonistic interests. Karl Marx based his theory of civil society on Hegel’s synthesis of two opposite poles, but he did not idealize the state anymore. Marx biggest influence on the term civil society was the demystification of the state. According to Marx, state does not follow any ethical ideas but it is simply an institutionalized form of class violence. State gives power to one class over another. It is just a political superstructure above an economic structural sphere (or “base”).

For Marx, the components of civil society were not individuals but rather privileged groups that were dominating the economy. Unlike Tocqueville who admired civil society and was fascinated by it, Marx perceived it negatively as a part of the base. It was identified with “bourgeois society”, a realm of contradiction and mystification sustained by relations of power. Marx believed that a capitalist society needs a strong state. “Civil society, understood as bourgeois society, was seen as the sphere of needs, inextricably linked to the productive base of capitalist society, and in need of

¹² Ibid., 66

constant police and regulation by the state.”¹³ In Marx’s view bourgeois society is claiming power, which does not belong to it. We should remember Marx’s basic idea that the installation of peace and order can be reached only by abolishing a state and founding of a classless society.

Marx and his critique of civil society based on privileging small amount of certain individuals was one of the main reasons why the concept disappeared from social sciences. After its disappearance in the end of 19th century it reappeared just in the second half of the 20th century.

“Marxism has dismissed civil society as a fraud (functioning only to conceal violence and exploitation behind a façade of benign institutions) and ... it had offered in place of civil society a dangerously utopist ideal of a harmonious social order, free of exploitation and oppression, which translated in practice into abandonment or even suppression of civil society.”¹⁴

Civil society concept was dormant for a long time. In 1960s there was a serious revival of the term on the Left among radical Marxists. The work of Antonio Gramsci *Prison Notebooks* was a vital spur. Gramsci was an Italian Marxist who for his revolutionary thoughts spent most of his life in prison under Mussolini. “Gramsci’s theory introduces a profound innovation with respect to the whole Marxist tradition. *Civil society* in Gramsci *does not belong to the structural sphere, but to the superstructural sphere*.”¹⁵ Civil society is not a part of the Marxist base anymore; it has its own more important role.

A fundamental passage in Gramsci’s *Prison Notebooks* says: “What we can do, for the moment, is to fix two major superstructural “levels”: the one that can be called “civil society”, that is the ensemble of organisms commonly called “private”, and that of “political society” or “the State”. These two levels correspond on the one hand to the function of “hegemony” which the dominant group exercises throughout our society, and on the other hand to that of “direct domination” or rule exercised though

¹³ Kaviraj, Sudipta and Khilnani, Sunil; *Civil Society: History and Possibilities*; Cambridge University Press, 2001: 15

¹⁴ Fine, “Civil Society Theory: Enlightenment and Critique”, 1997: 23

¹⁵ Bobbio, Norberto in Keane, John; *Civil Society and the State: New European Perspectives*, London, New York, Verso, 1988: 82

the State and the juridical government.”¹⁶ This meant that civil society was brought to the level of state. It was not perceived negatively anymore. Marx’s critique lost its resonance.

The fact that Gramsci redefined the place of civil society is very important. Despite the new definition, the 1960s did not bring civil society back to the popular discourse. The revival of civil society happened about thirty years after that in 1990s. Now, after the introduction of some of the thinkers that contributed to the formation of today’s meaning of civil society, we can come back in time and look at the changes within society and see how civil society developed in practice. A theory about society and the actual changes in it go always hand in hand and are interrelated. When we are able to identify which societal transformations influenced political theorists we can understand them better. The following section will help us to identify the reasons and motives behind the formation of first voluntary associations.

1.2 From Personal to Public Interests

The first modern understanding of civil society defined it in opposition to the state. Civil society tried to support two different interests, which might be in conflict – a general and a particular interest. John Keane stresses that the differences in meaning of the term civil society make it difficult to generalize. Civil society is a broad term with a number of substantially different uses that will be address in the second chapter. Keane found in the literature of 18th and 19th century “patterns of harmony or (potential) conflict between civil society’s privately controlled commerce and manufacturing and its other organizations, including patriarchal households, churches, municipal governments, publishers, scientific and literary associations and such policing authorities as charitable relief organizations, schools and hospitals.”¹⁷ This list shows us how wide and flexible was the term civil society.

¹⁶ Ibid., 82-3. For more information about the influence of Antonio Gramsci and Louis Althusser on the perception of civil society see: Barša and Císař “Left in a post-revolutionary Period”, 2004: 25-47. Nielsen, Kai “Reconceptualizing Civil Society for Now: Some Somewhat Gramscian Turnings”, in Walzer, Michael; *Toward a Global Civil Society*, Berghahn Books: 1995

¹⁷ Keane; *Civil Society and the State: New European Perspectives*, 1988: 64

Keane believes that a late-eighteenth- and early-nineteenth-century debate about civil society and limits of a state:

“...was energized primarily by non-entrepreneurial social groups whose scientific, literary, artistic and religious pursuits placed them at odds with the accumulation of state power and the corporate practices and elite privileges, which it protected. These groups comprised rentiers, booksellers, journalists, academics, schoolteachers and others of modest background.”¹⁸

The position of these groups was not directly connected to the state anymore. These people therefore constituted a discussing and reading public sphere, where they formed a “public opinion” in contrast to the secretive and arbitrary actions of a state. To sum it up - the development of the bourgeoisie as well as non-entrepreneurial groups formed a public opinion.

Public was in opposition to the state and public discussion was an unprecedented medium of communication based on rational argumentation. Public consisted of individuals that followed their interests and formed them in an interactive way with others. Civil society had a role to balance and control the power of a state. This meant an emergence of civil society in today’s meaning. Robert Fine reminds us that the third sector of society does not protect us just from the excessive power of a state, but also from the market: “Its mission is to defend civil society from the aggressive powers which beset it: on one side, the political power of the state, and on the other, the economic power of money.”¹⁹

In order to have precise picture, we have to realize that before the public started to be politically involved, people were culturally associated. They connected through literature, theatre, and film production. Jürgen Habermas speaks about bourgeois society as a sphere of “publicly associated private individuals.”²⁰ According to him a

¹⁸ Ibid., 65

¹⁹ Fine; “Civil Society Theory: Enlightenment and Critique”, 1997: 9

²⁰ Habermas, Jürgen; *The structural transformation of the public sphere: an inquiry into a category of bourgeois society*, Cambridge, Mass.: MIT Press, 1991 (from German translated by Thomas Burger

citizen has two different sides. From one point of view we can see him as an owner of capital and goods, from the other as a head of household. On one hand he takes part in economic transactions outside of a family circle, on the other he is a subject of a family intimacy. This causes a cleavage in his personality that on one hand concentrates on rational calculations of material benefits and on the other also on emotional life cultivated by education and culture. These two sides of existence of a citizen of 18th century correspond with emergence of two sciences – political economy and psychology.²¹

In 18th century cultural and political public mainly in urban areas was gradually becoming an opponent to state power. A public power is based on reason and justice, unlike a state power that is based on violence and bourgeois society. Public power wants political lawmaking to follow morals.²² Habermas expressed that opposites exist in each society. He stated that “the well established opposition between the intimate community of direct, face-to-face, intersubjective relationships (*Gemeinschaft*) and the reified world of large-scale rational organization (*Gesellschaft*) as a relation of equilibrium between opposites.”²³ This concept renounces any idea of a common good except for a permanent obligation that people have to communicate over what they have in common.

This means that each individual that lives in a democratic society has to find a balance between his own good and good of society, between following his or her interest and forming common interests with others. Therefore civil society is an important connecting element between a private (domestic) sphere and a public one. Each individual is constantly struggling to find the balance between these two spheres. Each person has an important role in both spheres and how much he or she is involved in them can change with time.

with the assistance of Frederick Lawrence); Czech translation: *Strukturální přeměna veřejnosti: Zkoumání jedné kategorie občanské společnosti*, Praha: FILOSOFIA, 2000 (translated by A. Bakešová and J. Velek)

²¹ Barša and Císař; *Left in Post-revolutionary Period*, 2004: 15-16

²² Ibid., 16

²³ Fine; “Civil Society Theory: Enlightenment and Critique”, 1997: 12-13

1.3 Revival of Civil Society

The 1990s suggested that a vivid civil society is not only a counterbalance to the state power and a connection between private and public sphere, but it can play a crucial role in fighting totalitarian regimes. Civil society revival in the field of social and political science is very closely connected to the fall of communism in Central and Eastern Europe and the Soviet block in general. Samuel Huntington, in his famous book *The Third Wave*, speaks about a wave of democratization²⁴ that from 1974 to 1990s replaced authoritarian regimes by democracy in thirty different countries in Asia, Europe and Latin America. This development reopened a debate about the influence of civil society on the regime change.

The Third Wave of democracy caused a revival of the concept of civil society.²⁵ In a country like Poland civil society was represented by Solidarity movement, which played an indisputably major role in bringing about democracy. Lech Walesa created a workers union, which was a daring political idea during communism. He named the union Solidarity and continued his opposition to communism with a rising popular support and under a constant threat of Soviet invasion. The Polish communists entered into negotiations with Solidarity, at the first Round Table in 1989. Walesa was awarded a Nobel Prize in 1983. Solidarity was indisputably the most famous civil society movement that showed the power of the civilians gathering for their interest. But is a vibrant civil society a condition for a development of democracy in every country?

People in transition countries had huge expectations and oftentimes believed that civil society can substitute the role of state. A concept of “anti-political politics” emerged in Europe with the fall of the wall between the East and the West. “Anti-political politics, centered around distrust of official party politics, was presented as the very ethos of civil society, while politics was dismissed as disguised love of

²⁴ Huntington’s definition of a wave of democratization is a “group of transitions from non-democratic to democratic regimes that occur within a specific period of time and that significantly outnumber transitions in the opposite direction.” *The Third Wave: Democratization in the Late Twentieth Century*, Norman: University of Oklahoma Press, 1991: 15

²⁵ More details about revival of civil society brings Bernhard, Michael in “Civil Society and Democratic Transition in East Central Europe” in *Political Science Quarterly* 108, 1993; or Howard, Marc Morjé in *The Weakness of Civil Society in Post-Communist Europe*, 2003; or Karel Müller in *Czechs and Civil Society*, 2002

power.”²⁶ In 1989 Václav Havel called for morality and truth to become part of politics again. He believed that “a single seemingly powerless person who dares to cry out the word of truth and to stand behind it with all his or her person and life, has, surprisingly, greater power, though formally disenfranchised, than do thousands of anonymous voters.”²⁷ Václav Havel, a former dissident and president of Czechoslovakia and the Czech Republic, still genuinely believes in the power of peoples’ will: “Yes, anti-political politics is possible. Politics from below. Politics of people, not of the apparatus. Politics growing from the heart, not from a thesis.”²⁸

The notion of anti-political politics brought to some people (like Hungarian dissident Gyorgy Konrád) the idea that a society could be ruled by civil society alone. They believed that if the institution of a state was dismissed, it would bring moral values to politics. Such thoughts were a product of its time. As Walzer explains (and a long time before him even Hegel) the state and civil society are mutually coexistent and need to go hand in hand. “No state can survive for long if it is wholly alienated from civil society.” But at the same time: “The production and reproduction of loyalty, civility, political competence, and trust in authority are never the work of the state alone.”²⁹

It was too tempting at the beginning of 1990s not to make general assumptions about how much civil society is important for bringing democracy. No-one in the political circles expected the fall of the communist block. Before 1990s western politicians believed that there is a much higher probability for an authoritarian regime to become democratic than there is for a communist regime. This is also one of the reasons why the U.S. tried to influence more authoritarian regimes in Latin America and not so much Marxist totalitarian regimes in general. As Jean Kirkpatrick, a UN ambassador under Ronald Reagan has written in her book, *Democracy and Double Standards*: “rightist authoritarian regimes can be transformed peacefully into democracies, but

²⁶ Fine; “Civil Society Theory: Enlightenment and Critique”, 1997: 11

²⁷ More about the topic “power of powerless” in Havel, Václav; *The Power of the Powerless: Citizens against the State in central-eastern Europe*, M. E. Sharpe, Inc. 1985: 29-96; (*Moc bezmocných*, Praha: Lidové noviny, 1990)

²⁸ Havel, Václav; *Anti-Political Politics* in Keane, *Civil Society and the State*, 1988: 397-8. *Anti-Political Politics* is a text of an address forwarded to the University of Toulouse in 1984, on the occasion of an honorary doctorate, which, since he lacked a passport, he was unable to receive in person. (Translated by E. Kohák and R. Scruton.)

²⁹ Walzer, Michael; *Towards a Global Civil Society*, 1995: 21

totalitarian Marxist ones cannot.”³⁰ This explains why it was such a surprise when the communist block in Eastern and Central Europe started to fall apart.

Many scholars concluded that the fall of communism happened mainly thanks to active civil society (and especially dissident movements). This conclusion led to clear policy changes. Western politicians started to believe that if they want to see emerging democracies in the world they need to support the civil society organizations around the globe. In the end of this paper we will explore the results of this policy that perceived a role of civil society in democratic transitions as inherently positive. For more than ten years now, all different types of institutions and governments supported civil society and therefore we have enough information to judge how effective such a policy was.

2. DEFINITION OF CIVIL SOCIETY

So far we have covered the historical development of civil society as well as its relevance to the world today. But what is the definition of civil society? Many scholars differ in their point of view. For the purposes of this paper we will use the definition given by Larry Diamond. For him civil society stands for: “the realm of social life that is open, voluntary, self-generating, at least partially self-supporting, autonomous from the state, and bound by a legal order or set of shared values.”³¹ The previous chapter explained that civil society is a sphere of social organization that is distinct from what is called “political society” (political parties, state agencies and government), but also from “economic society” that consists of for-profit businesses and firms.

³⁰ <http://www.canadiandemocraticmovement.ca/printarticle600.html>, Seth R. DeLong, Ph.D. , *To Washington's Chagrin, Chávez's Influence Continues to Spread Throughout the Continent*, (July 21, 2005)

³¹ Diamond, Larry; *Developing Democracy: Towards Consolidation*, The Johns Hopkins University Press, 1999: 221

This Third Sector of society is called variously “the nonprofit sector, the independent sector, and the voluntary sector.”³² This general notion explaining civil society is widely shared. It is more difficult to agree on which groups are inside and which outside of civil society. Some scholars like Michael Walzer see the term very broadly and include in it in fact everything that is social: “the space of non-coerced human association and also the set of relational networks formed for the sake of family, faith, interest and ideology.”³³ Others, like political scientist Larry Diamond,³⁴ insist that civil society is those organizations “whose interests, passions, preferences, and ideas serve to improve the structure and functioning of the state, and to hold the State officials accountable.”³⁵ Some admit that civil society does not necessarily need to be “civil”. The introduced definition indirectly suggests that a part of civil society are also groups like gangs, cults, militias and other associations that are not viewed as beneficial by general public.

The fact that we can associate for different purposes - pursuing good objectives for society as well as bad - is now generally accepted. Some scholars were denying it at the beginning of 1990s because they were under the influence of “civil society euphoria”. Robert Putnam, whose big contribution to the study of civil society will be elaborated in a following chapter, believes that a vibrant civil society always brings strong support to democracy.

Some scholars question even the fundamental premise that a vibrant civil society leads to democracy. Omar Encarnación wrote a book on this topic called *The Myth of Civil Society*. He cites a case study of Brazil and Spain, which came to the conclusion that a dense civil society does not always lead to a consolidated democracy. Encarnación analyses the democratic transition in Spain and Brazil. In Spain a strong democracy was created despite weak civil society. Brazil is a different example demonstrating that strong civil society can lead to weak democracy. These two examples explain that civil society is not a precondition for a democratic development

³² Bruyn, Severyn; *A Civil Republic: Beyond Capitalism and Nationalism*, Kumarian Press, Inc., 2005: 20

³³ Walzer, *Towards a Global Civil Society*, 1995: 7

³⁴ Larry Diamond is a part of the U.S. team that deals with post-war reconstruction in Iraq. On the successes and failures in Iraq he recently published a book *Squandered Victory: The American Occupation And Bungled Effort To Bring Democracy To Iraq*, Henry Holt & Co., 2005

³⁵ Diamond, *Developing Democracy*, 1999: 221

and call for caution in generalizing about the third sector. Sheri Berman brings another case study that disapproves with the same positive premise about civil society. She shows how civil society groups undermined democratic Weimar Republic and not strengthened and how these groups eventually caused the collapse of the republic.³⁶

Although Encarnación and Berman criticize certain approach to civil society, they both agree that civil society is generally in most cases very important for a healthy democracy and even more for a democratic transition. As explained at the very beginning, the realm of associations offers an environment where cooperation and trust are generated. Face-to-face relations – crucial for democracy in the eyes of Tocqueville – are the bases for formulating and shaping our common goals as citizens. The third sector protects us from an extensive government dictate or an expanding market.

Civil society can be looked at from many different points of view. The concept developed throughout centuries with different breaks when the term submerged and reemerged again. Although it is difficult to draw a clear line between different approaches, we can identify several of them. For a better understanding of the whole concept, it is important to be able to see a certain structure in different approaches to civil society. This is the task of the following part.

2. 1 Normative View on Civil Society

This chapter introduces the structural-normative view of Karel Müller, which he described in his book called *Czechs and Civil Society*. This will help to classify the different approaches to civil society in the present discussion. Müller mentions two different approaches – “sociocultural” and reductive (or economic). Then he further divides each of them.

³⁶ Berman, Sheri; “Civil Society and the Collapse of the Weimar Republic”, *World Politics* 49, 1997

2.1.1 Sociocultural Approach (Generalists, Maximalists, and Minimalists)

Sociocultural approach can be divided into three – generalists, maximalists, and minimalists. For generalists the concept of civil society includes the existence of limited and responsible public authority. is partially competitive with the term democracy, because it specifies better the conditions needed for its existence. They believe that one of the characteristics of civil society is limited and responsible public authority. Müller includes Gellner and Perez-Diaz among the generalists.

Maximalists are another example of the sociocultural approach. They speak about civil society as a non-governmental sphere. For people like Taylor and John Keane the main forms of civil society are a political public and a market, but also political parties, private associations, etc. Simply put, maximalists understand civil society as a “society minus state” as a structure that is independent of the state. Therefore communist dissidents like Václav Havel or Gyorgy Konrád are also representatives of this approach.

Representatives of the minimalist approach like Jeffrey Alexander and Hannah Arendt see civil society as a synonym for a value consensus that is objective and fair. They perceive it as a system of cultural understanding, common traditions, values and norms that shape a behavior of every member of a society. It is a sphere of society that is separate from a political, economic, and religious sphere, where transcending particular interests create a common identity and feelings of solidarity. Minimalists call civil society what generalists name a public sphere.

2.1.2 Economic (or Reductive) Approach

The second approach in understanding civil society Müller calls economic or reductive. Its typical representative is Karl Marx, who based his theories on Hegel and stressed the role of self-regulating economy that brings about optimal relations in a society. He demystified the State, as has been explained in the previous chapter. The state for him does not represent a common idea or will, but it is an institution that

can use violence. This approach is called reductive as it understands civil society as a sphere of economic activities and manufacturing relations, but it overlooks other forms and motives of social relations. Representatives of reductive approach believe that all social conflicts are in fact economic conflicts. Moreover market for them “is not a good setting for mutual assistance, for I cannot help someone without reducing... my own options. [A]utonomy in the marketplace provides no support for social solidarity.”³⁷

A reductive approach could be divided in two – a leftist and capitalist version. A leftist reductive approach is based on a cooperative economy and a classless society. This view is reflected in utopian visions of state socialism and communism. Here a classless society means a society without any problems – it is an idea that can never be reached. The capitalist view believes in autonomous market with a minimum of state control. As Michael Walzer puts it: “... the preferred setting for the good life is a marketplace, where individual men and women... choose among a maximum number of options... Freedom, in the capitalist view, is a function of plenitude. We can only choose when we have many choices.”³⁸

This overview helps us to understand that there are differences in understanding the term civil society but still it is possible to see at least some structure in them.

3. SOCIAL CAPITAL

3.1 Bourdieu, Coleman, Putnam

After a detailed look in the history of civil society we should see how civil society is related to social capital and how this concept appeared. Main scholars that brought social capital into academic discussion are Pierre Bourdieu, James Coleman and Robert Putnam. All of them agree that social capital is not directly created, but it is rather a by-product of the cooperation within associations or communities.

³⁷ Walzer, *Towards a Global Civil Society*, 1995: 13

³⁸ Ibid., 12-13

Throughout late 1960s and early 1970s Bourdieu produced a series of studies where he looked for a new dynamic, yet structured phenomenon. Social capital concept gradually emerged from his interest in social space. Initially it was a “metaphor linked with a galaxy of other forms of *capital*.”³⁹ Social capital in other words appears next to different types of capital – economic, cultural and symbolic. They form together the social position of any particular individual. Social capital is:

“The aggregate of the actual or potential resources which are linked to possession of durable network of more or less institutionalized relationships of mutual acquaintance and recognition – or in other words, to membership in a group – which provides each of its members with the backing of collectivity-owned capital, a “credential” which entitles them to credit, in the various senses of the word.”⁴⁰

To put it in the straightforward words of Michael Woolcock and Deepa Narayan: “It’s not what you know, it’s *who* you know.”⁴¹ This common aphorism sums up much of the conventional wisdom regarding social capital. It is the basic idea that a person’s family, friends, and associations constitute an important asset, one that can be called on in crises or enjoyed for its own sake. What is true for individuals, moreover, also counts for groups. Woolcock and Narayan wrote in *The World Bank Research Observer*: “Those communities endowed with a diverse stock of social networks and civic associations are in a stronger position to confront poverty and vulnerability... resolve disputes... and take advantage of new opportunities.”⁴² Social capital helps people to perceive their interest in society and to connect with others. This is why social capital is important for an individual as well as for a community.

Bourdieu introduced us to different forms of capital; Coleman made a very important observation. He joined his interest in sociology and economy. He made extensive research with high school students. For him “social capital was significant primarily as

³⁹ Baron, Stephen; Field, John and Schuller, Tom; *Social Capital: Critical Perspectives*, Oxford University Press 2000: 3

⁴⁰ Edwards, Bob and Foley, Michael and Diani, Mario; *Beyond Tocqueville: Civil Society and the Social Capital Debate in Comparative Perspective*, Hanover, NH: University Press of New England, 2001: 8

⁴¹ Woolcock, Michael and Narayan, Deepa; “Social Capital: Implications for Development Theory, Research, and Policy” in *The World Bank Research Observer*, 2000: 225

⁴² *Ibid.*, 226

a way of understanding the relationship between educational achievement and social inequality.”⁴³ Coleman speaks mainly about topics like obligations and expectations, informational potential, norms and effective sanctions, authority relations, etc. He was also among the first scholars to admit that social capital is not inherently positive: “A given form of social capital that is valuable in facilitating certain actions may be useless or even harmful for others.”⁴⁴ The fact that social capital can be positive as well as negative is accepted by most of the scholars nowadays.

Robert Putnam, a professor at Harvard University, is the pivotal scholar that brought the concept of social capital into a mainstream political discourse. He can be given credit for popularizing the concept in early 1990s. His book *Making Democracy Work* raised a huge debate and many scholars started to write about this old phenomenon that has been forgotten for some time (mainly due to the Marxist critique as was explained above). Putnam refers in his book to social capital mainly as “features of social organization, such as trust, norms, and networks that can improve the efficiency of society by facilitating coordinated actions.”⁴⁵ This is the definition we are going to use in this paper because it is precise, concise and clear.

Putnam believes that by bringing people together in different associations trust is generated among individuals and later spread to a wider society. He differentiates between two types of social capital. First is so-called “bonding social capital” that is a network of family and friends that give you a feeling of security and support and offer their hand to help or a shoulder to cry on. Bonding capital simply helps you to “get by”. Second type is “bridging social capital” which is more important for professional advancement and generally for raising the trust and cooperation. Bridging capital is a network of acquaintances that will help you to “get forward”. These are people that you can contact when in need of a job or professional advice. This cooperation is based on trust and reciprocity. Putnam believes that mainly bridging capital plays the crucial role in society that is developing towards democracy.

⁴³ Baron, Field, Schuller; *Social Capital: Critical Perspectives*, 2000: 5

⁴⁴ Edwards, Foley and Diani, *Beyond Tocqueville*, 2001: 8

⁴⁵ Putnam, Robert, *Making Democracy Work: Civic Traditions in Modern Italy*, Princeton University Press, Princeton, New Jersey, 1993: 167

In Putnam's view it is important for associations or voluntary organizations that make up social capital to be horizontally organized with agents sharing the same status and power. Among horizontally organized associations are for example soccer clubs, bowling leagues, choral societies and neighborhood associations. The most typical vertically organized organization is the Roman Catholic Church. The advantage of horizontally organized associations is that they encourage face-to-face, horizontal relations among individuals, generate trust, norms of reciprocity, and a capacity for civil engagement that is essential for democracy. They also have a capacity to incorporate individuals of different gender, class and race that are able to work together for a common goal. In summary, according to Putnam horizontal bonds encourage solidarity and vertical bonds dependency and exploitation.

From this explanation we can see that the generation of trust within horizontal associations is not a goal in itself, but rather a by-product of the whole process. Putnam explains on a case study: "Good government in Italy is a by-product of singing groups and soccer clubs, not prayer."⁴⁶ Putnam differentiates between Northern and Southern Italy. Northern Italy is democratic, industrialized, rich and with a vibrant civil society, thus high social capital. Southern Italy is the opposite: authoritarian, agricultural, poor and with a weak civil society and low social capital.

Putnam's central source of inspiration is a work of Alexis de Tocqueville *Democracy in America*. However, Putnam was not the only one who revived the ideas of this scholar. The renaissance of civil society in 1990's has made Tocqueville one of the most influential political theorists. This could be demonstrated by the fact that a school of thoughts called neo-Tocquevillean was formed where scholars like Putnam belong. For them the book *Democracy in America* became "something of a bible"⁴⁷ and they often refer to it both directly and indirectly. Putnam affirms this in *Making Democracy Work*: "Tocqueville was right: Democratic government is strengthened, not weakened, when it faces a vigorous civil society."⁴⁸ Putnam's famous conclusion is that "building social capital will not be easy, but it is the key to making democracy

⁴⁶ Ibid., 176

⁴⁷ Encarnación, *The Myth of Civil Society*, 2003: 16

⁴⁸ Putnam, *Making Democracy Work*, 1993: 182

work.”⁴⁹ This means that if we want democracy to succeed we should concentrate on building strong civil society.

Putnam supported his argument by a case study of Italy, but later he came to the same conclusion about the importance of civil society based on the American society. In his book *Bowling Alone* (that was first written as an essay) he explains why the once vibrant civil society in the U.S. lost its power. He shows that the membership in different associations dropped by 25 percent in 1990s in contrast to 1970s. With the decline of civil society there appeared a decline in the quality of democracy in the U.S. In *Bowling Alone* we learn about many different reasons for the decline of civil society. They vary from an extensive use of Internet, television and cell phones to a rising power of the state. The state power has risen when it began to provide welfare. This caused a huge change in the structure of society because organizations that traditionally provided certain services to the population were pushed away by the state. Putnam warns American people: “Our growing social capital deficit threatens educational performance, safe neighborhoods, equitable tax collection, democratic responsiveness, everyday honesty, and even our health and happiness.”⁵⁰ Putnam stresses that social capital is complex and present in everyday life and thus it has a big impact on the whole society.

He writes that creating or recreating of social capital is no simple task. He is quite skeptical about reviving civil society in the U.S.: “It would be eased by a palpable national crisis, like war or depression or natural disaster, but for better and for worse, America ... faces no such galvanizing crisis.”⁵¹ Not very long after *Bowling Alone* was published a crisis that Putnam described appeared. The terrorist attack on September 11, 2001 became a major spur of international politics as well as a tragic event that brought Americans together. In 2003, Putnam, together with Lewis Feldstein, published *Better Together: Restoring the American Community*. In this book the authors examine how people across the U.S. are investing into new forms of social activism and communal renewal.

⁴⁹ Ibid., 185

⁵⁰ Putnam, Robert; *Bowling Alone: The Collapse and Revival of American Community*, New York, Touchstone Book, 2000: 367

⁵¹ Putnam; *Bowling Alone*, 2000: 402

After introducing the three main social capital scholars, it is time to explain the connection between civil society, social capital and democracy.

3. 2 Civil Society and Democratic Development

One of the key functions of civil society is its ability to generate a reservoir of social capital. This means that voluntary associations and civic engagement create “a culture of trust, tolerance, and reciprocity that allows nations to engage in a wide range of collaborative endeavors for the benefit of democracy and social and economic development.”⁵² Many scholars, among them Robert Putnam and Larry Diamond, believe that one of the most critical roles of social capital is its ability to produce trust as a generalized public good.

Putnam asserts that trust develops at a personal level – “face-to-face” as Tocqueville would put it – and through associations translates to generalized trust. Putnam claims that “social networks allow trust to become transitive and spread: I trust you, because I trust her and she assures me that she trusts you.”⁵³ Civic engagement improves the flow of information increasing trustworthiness among individuals. Generalized trust is important because it allows for increased cooperation among individuals and organizations, which is important for democratization.

From what we have learned about Putnam so far, we can make a conclusion that for him an associational density is the main indicator of civil society strength. Putnam views civil society as inherently positive. His point of view is clear: the more horizontal associations the stronger civil society and also social capital which are essential for a healthy democracy. Some scholars believe that not all the sectors of civil society necessarily support democracy. Larry Diamond, an important democracy scholar, stresses the political engagement of civil society: “democratic consolidation appears to demand the construction of a politically minded civil society that possesses the predisposition for democracy generated by the social interactions that

⁵² Encarnación; *The Myth of Civil Society*, 2003: 4

⁵³ Putnam; *Making Democracy Work*, 1993: 169

civil society affords and also the organizational means to press for democracy.”⁵⁴ Diamond, unlike Putnam, believes that civil society needs to be politically involved in order to bring about democracy.

Diamond does not believe in the role of bowling leagues and choral societies, but he focuses on organizations that are likely to have an advocacy role in the public sphere – like women’s groups, human rights organizations, civil rights groups and trade unions.⁵⁵ Not only in Diamond’s view democracy is improved if civil society does not contain “maximalist, uncompromising interest groups with anti-democratic goals and methods.”⁵⁶ This is the main distinction between Putnam and Diamond, but otherwise they follow the same trajectory that links the density of national associations with civil society and the ability to take actions on behalf of democracy. They are both deriving many of their ideas from Alexis de Tocqueville.

A lot of attention especially since the mid 1990s attracted the idea of “democratic consolidation”. It could be generally understood as a juncture in which democracy, to use Linz and Stepan’s characterization, becomes “the only game in town”.⁵⁷ Omar Encarnación further explains Linz and Stepan’s term: “This political situation [when democracy becomes the only game in town] requires the institutionalization of free and competitive elections, and depending on the definition used, a wide range of political tasks including civilian control over military, mass support for democratic values and respect for the rule of law.”⁵⁸

Diamond believes that civil society is more essential for consolidating democracy than for initiating it. This is one of his main points in his book called *Developing Democracy: Towards Consolidation*. There he lists 13 tasks that allow civil society to promote democratic consolidation. To name just few: education for democracy, affecting a transition from “clientelism to citizenship” at the local level, recruiting and

⁵⁴ Encarnación; *The Myth of Civil Society*, 2003: 25

⁵⁵ Encarnación; *The Myth of Civil Society*, 2003: 25

⁵⁶ Diamond; *Developing Democracy*, 1999: 227-229

⁵⁷ Linz, Juan J. and Stepan, Alfred; *Problems of Democratic Transition and Consolidation: Southern Europe, South America, and post-communist Europe*, The Johns Hopkins University Press, 1996: 5

⁵⁸ Encarnación; *The Myth of Civil Society*, 2003: 30

training of new political leaders, developing techniques for conflict mediation and resolution and giving citizens respect for the state and positive engagement.⁵⁹

Diamond is not the only one who believes that civil society is the foundation for a democratic development. Another prominent scholar is Francis Fukuyama who described in his book *Trust: The Social Virtues and the Creation of Prosperity* the importance of social capital to democracy and prosperity of the world. For him social capital is “the component of a human capital that allows members of a given society to trust one another and cooperate in the formation of new groups and associations.”⁶⁰ Fukuyama believes that by following this idea it is possible to redraw a map of the world. Some countries would be with “healthy endowments of social capital” (like Germany, Japan and the U.S.). These would have more in common with each other than with low-trust countries (like Taiwan, Italy or France). Fukuyama believes that liberal political and economic institutions depend on a healthy and dynamic civil society for their vitality. Before coming to this conclusion he first wrote his famous essay *The End of History?* in 1989.

The discussion about the power of civil society and social capital in the academic field stressed liberal democracy as “the only game in town.” It reflected a lot what was happening on the political scene. It is not by chance that Fukuyama published his essay *The End of Democracy?* in the revolutionary year 1989. The “end of history” in Fukuyama’s words is “the end point of mankind’s ideological evolution and the universalization of Western liberal democracy as the final form of human government.”⁶¹ Academia and politics oftentimes can work together. We see this especially when talking about the theory of civil society: “(s)cholarly assumptions about civil society and democratic consolidation provide the scientific rationale for civil society assistance program.”⁶² Before we get into details about the relation of civil society and foreign aid in development programs, we should see how the development policy was changing over years. This will help us to understand the dynamics of the changes better. It will also eventually lead us to answer our main

⁵⁹ Complete list of 13 tasks that civil society deals with in Diamond, *Developing Democracy* 1999: 239-250

⁶⁰ Fukuyama, Francis; “Social Capital and the Global Economy”, *Foreign Affairs*, Volume 76, 2001: 90 (article adapted from his book *Trust: The Social Virtues and the Creation of Prosperity*, Free Press)

⁶¹ Fukuyama, Francis; *The End of History?*, *The National Interest*, Summer 1989: 4

⁶² Encarnación; *The Myth of Civil Society*, 2003: 35

question whether civil society approach in developmental politics is reaching the dusk of its popularity.

4. CIVIL SOCIETY AND DEVELOPMENT POLICY

4.1 Link between Theory and Practice

Theories of development originated from a scholarly work and had a huge influence on policy making of many governments and institutions. While it is hard to draw the line between the influences of theory on policymaking and vice versa – the influence of policy making on theory, the close relation of the two is clear. Both develop in relation to the other. Oftentimes scholarly works are rather an inspiration for the policy makers than the other way round. In this paper scholarly work is given a higher credit because it is more flexible and it can react to changes more quickly than a rigid institution. Institutions need to undergo a long bureaucratic process in order to change their policies. This point will be addressed further on again.

The majority of scholars believe that there is an interactive relationship between academics and policy makers. The concrete evidence about the interactive relationship could be the career rise of Robert Putnam. He was a professor at Harvard University, but became a World Bank researcher thanks to his books, mainly *Making Democracy Work*. This proves the interconnectedness of policy-making and academia and shows how closely they are linked.

4.2 Four Theories of Development

The following section will concentrate on the past experience of development policy. It will introduce four policies of development that were shaped in academic field and then implemented in policy-making. First, we will look at modernization theory, which corresponds with 1950s and 1960s. This theory describes a dichotomy between

modern and traditional societies. In order to become developed a society needs to overcome its traditions that hinder its modernization. Second, the following dependency theory was dominant in late 1960s and in 1970s. It differentiates between “central” countries that are industrial and advanced and “peripheral” countries that are underdeveloped and backward. The third theory of development called transitology does not concentrate on the history of a country or its economic advancement but rather on the role of political elites that play a decisive role. In opposition to this theory that suggests imposing policy “from above” is the fourth theory. The fourth theory stresses the “bottom up” approach, meaning the role of civil society. The last theory of development – civil society theory – is the most recent one. In general a civil society theory that suggests assistance to civil society is present from the beginning of 1990s till nowadays. This theory is the main focus of this paper. It is useful to see civil society theory in the context of preceding theories because it helps us to understand why each of them appeared and why it later lost in importance and popularity. Following the previous development will help us to predict how long civil society theory will be a part of development policy.

When a theory is looked at collectively as a somewhat linear evolution of thoughts on political development, these four theories illuminate the pivotal transition from using economic development as a rationale, to focusing on democracy assistance and civil society. What is highlighted is the way in which theories helped to redefine the way people understood the relationships of countries to one another in order to remodel collective visions of the patterns of political development. What becomes clear is that the evolution of each new theory is connected to the shortcomings of the previous theory or theories. This structure creates a system in which a new theory acknowledges former theories, taking into account their flaws, and thus lending credibility to these new formations of thoughts.

4.1.1 Modernization Theory

The modernization theory explained Third World countries’ level of development and growth in relation to the modernized world. The distinction between Western and

non-Western countries was based on a Darwinist assumption of an evolutionary continuum. It assumed that the backwardness of the Third World had once been universal and could be overcome by the transfer of capital and know-how from the industrial West.

Different literature sources described the polarity between traditional and modern society. The traditional society was generally understood as “having a predominance of ascriptive, particularistic, diffuse, and affective patterns of action, and extended kinship structure with multiplicity of functions, little spatial and social mobility, a deferential stratification system, mostly primary economic activities, a tendency towards autarky of social units, an undifferentiated political structure, with traditional elitist and hierarchical sources of authority.”⁶³ By contrast the modern society is characterized by “a predominance of achievement; universalistic, specific, and neutral orientations and patterns of action; a nuclear family structure serving limited functions; a complex and highly differentiated occupational system; high rates of spatial and social mobility; the institutionalization of change and self-sustained growth; highly differentiated political structures with rational legal sources of authority”⁶⁴ and so on. From this statement we clearly see the dichotomy of the two types of societies – a traditional and a modern one.

The modernization theory assumed that the values, institutions, and patterns of actions of traditional society are both an expression and a cause of underdevelopment and constitute the main obstacle in the way of modernization.⁶⁵ In order to enter the modern world, underdeveloped countries have to overcome their traditional way of life, their norms and structures, which will bring transformation. This broad generalization about countries takes a set of characteristics believed to be applicable to all societies. A historian Cyril Black explains the essence of modernization theory: “This conception of modernity, when thought as a model or ideal type, may be used as a yardstick with which to measure any society.”⁶⁶

⁶³ Valenzuela, J. Samuel and Valenzuela, Arturo; “Modernization and Dependency”, *Comparative Politics*, July 1978: 537

⁶⁴ Ibid., 537-8

⁶⁵ Ibid., 538

⁶⁶ Black, Cyril; *The Dynamics of Modernization*, New York, 1966: 53-54

Modernizing Third World elites were understood to be guided by the Western model adopting Western technology, values and ways of solving problems. Some authors even believed that the world is converging towards a uniform and standardized culture resembling that of the United States and Western Europe. This reinforced the superiority of a capitalist system and served as another argument for the U.S. to expand and deepen markets abroad and combat communism during the Cold War.

Before we get into details about how modernization theory influenced the U.S. foreign policy, it would be useful to introduce a book, which became the landmark of the modernization school of thought. This book is called *Political Man* and was written by Seymour Martin Lipset. The theory of modernization was significant in that it provided optimism for democratization because it stated that democracy could be achieved if economic development was pursued in a country. As a theory it said that economic development could produce the conditions for democratization, meaning that countries plagued by undemocratic regimes could be transformed through economic development.

Lipset made a huge contribution to the modernization theory. He was able to develop substantive measures of wealth, industrialization, education, and urbanization. His “indices of wealth” measured levels of wealth using per capita income, thousands of persons per doctor, persons per motor vehicle; telephones per thousand persons, radios per thousand persons, and newspaper copies per thousand persons.⁶⁷ Through these quantitative measurements Lipset was able to make qualitative judgments relating such categories as a level of income and level of democracy. For instance, he found out that more democratic countries in Europe had an average per capita income of \$695 while less democratic countries in Europe had an average per capita income only of \$308. He also found this pattern to be true in Latin America, with more democratic countries yielding a per capita income of \$171 and less democratic countries of only \$119.⁶⁸

⁶⁷ Lipset, Seymour Martin; *Political Man*, Doubleday & Company, Inc., Garden City, New York, 1960: 51-52

⁶⁸ *Ibid.*, 54

If average per capita income was an indicator of a level of democracy, then programs aimed at an end goal of democracy promotion could target at increasing per capita income. Thanks to modernization theory economic development was rationalized as a precursor for democratization.

To illustrate how modernization theory and political strategy merged we can look into the rhetoric of the politicians from that time. One example could be as early as 1949 when Harry Truman announced his Fair Deal policy during his inaugural address. Truman stated that:

“...more than half the people of the world are living in conditions approaching misery... Their economic life is primitive and stagnant... I believe we should make available to peace-loving people the benefits of our store of technical knowledge in order to help them realize their aspirations for a better life... Greater production is the key to prosperity and peace.”⁶⁹

Truman in his speech reflects the basic theoretical tenets of modernization theory in his policy approach to international relations. He is suggesting a form of development for the Third World based on the infusion of Western technology and capital in order to help Third World societies to “modernize”. In other words the developed nations are those to show the way to the underdeveloped traditional societies.

The main flaw of the modernization theory is its generalization and standardization of human behavior. The dependency theory is based on the same premise of linear development but it focuses on regions within a state rather than on a state as a whole. It does not deny the importance of a state but suggests looking at smaller units.

4.1.3 Dependency Theory

During 1970s dependency theory emerged in reaction to the modernization school of thought. The dependency perspective rejects the assumption made by modernization

⁶⁹ Escobar, Arturo; *Encountering Development: The Making and Unmaking of the Third World*, Princeton, NJ: Princeton UP, 1995: 3

writers that the unit of analysis is a national society. It stresses that domestic structures are more critical intervening factors. Therefore the polarity between tradition and modernity is of a little value as a fundamental working concept.⁷⁰ Scholars from Latin America brought to light the dependency theory. In this region modernization theory was a huge failure. The terms used by modernization theory could not be applied. The history of Latin America was hugely influenced by Iberian colonization, which interrupted the supposed linear democratic evolution.

The dependency theory assumes that “the development of a national or regional unit can only be understood in connection with its historical insertion into the worldwide political-economic system which emerged with the wave of European colonization of the world.”⁷¹ This means that dependency uses a different division of the world than modernization – so-called center and periphery. “The center is viewed as capable of dynamic development responsive to internal needs, and as the main beneficiary of the global links.” On the other hand, “the periphery is seen as having a reflex type of development; one which results from its incorporation into the global system and which results from adaptation to the requirements of the expansion of the center.”⁷² This dynamic shows that the dominant countries in the center exploit the countries in the periphery.

This interdependent nature of the world capitalist system, reflecting the Marxist theory of imperialism, makes it inconceivable to think that individual nations on the periphery could somehow replicate the evolutionary experience of the now developed nations. Dependency theory maintains that all countries cannot be on the same level of development and that developed countries need developing countries as a source of raw material and labor. Therefore, the dependency theory does not agree with the modernization model of development.

Dependency theory approached the relationship between economic development and democratization in the opposite way than modernization. Whereas modernization presupposed a universal timeline of development, dependency refuted the claim of

⁷⁰ Valenzuela and Valenzuela, “Modernization and Dependency”, 1978: 544

⁷¹ Ibid., 544

⁷² Ibid., 544

the inevitability of economic development leading to capitalist democracy. However, it is important to note that dependency theory did not eliminate the possibility of economic development leading to democratization. It rather suggested that the specific form of dependent development, as was taking place under modernization, would not form the economic foundations for democratic transitions. For economic growth to lead to democratization, dependency theory insisted that independent domestic development had to occur.

Dependency scholars came to a conclusion that stresses the domestic development based on the experience from Latin America, especially the development of Brazil and Argentina. These were the most modernized countries in Latin America. Guillermo O'Donnell, an Argentine scholar and author of the book *Modernization and Bureaucratic Authoritarianism*, is considered one of the foremost writers on dependency. O'Donnell questions the basic tenets of modernization and in turn comes with a different conception of development based on his case studies of the relationship between socioeconomic and political factors in Argentina and Brazil.

O'Donnell acknowledges Seymour Lipset's theory that the more socio-economically advanced a country is the higher that country's prospects of democratization are. However, he rebuts this idea of mutually reinforcing goods by stating that the real world analysis of mutually reinforcing development has been highly inconclusive towards the outcome of democratization.⁷³

O'Donnell bases his argument on two case studies of Argentina and Brazil. He brings to light the way in which Lipset's theory of mutually reinforcing goods falls short of producing political democracy as modernization advances. Brazil and Argentina, at the time when O'Donnell conducted his study, were the most modernized among Latin American countries. O'Donnell argues that as modernization advanced in these countries, rates of political participation and mobilization by the masses increased. This popular activation led the elite, who had a power and a huge property, to feel threatened by the possibility of a deterioration of their security. The elite responded to this situation by finding means through which to exclude the mobilized sector.

⁷³ O'Donnell, Guillermo; *Modernization and Bureaucratic-Authoritarianism: Studies in South American Politics*, Berkeley: Institute of International Studies, U of California, 1973: 3

Therefore, as modernization carried on the political system moved from increased political inclusion to political exclusion.⁷⁴ Because this perceived threat became more prominent as modernization continued, a bureaucratic-authoritarian regime became more probable outcome than political democracy. O'Donnell concludes that the higher the level of modernization in South America the less likely political democracy will emerge, as a result of dependent relationships between central and peripheral countries as well as regions.

Dependency theory advocated the need for countries to get rid of the international system of dependence. It stated that poverty was based on inequalities produced by dependent relations and therefore, in order to eradicate poverty, self-reliant development was necessary. This meant rather no active involvement in the promotion of democracy abroad as the initiative should come from within the state. Unlike with modernization theory, it is hard to analyze how much the dependency theory involved the policy making. It had rather subtle effects such as the creation of a general support for self-reliance. What is unclear is the way in which dependency theory was used as an actual justification for policy prescription in the same way modernization was used as a clear rationale for program implementation. With a new theory called transitology this relationship between policy and theory became much clearer again.

Before introducing the new theory, let's summarize what we have learned so far about the different theories and their approaches to democratization. Modernization theory presented a clear theoretical explanation for the emergence of democracy. The modernization theory claimed that democratization occurs as a result of economic development. The dependency theory refuted this claim, but presented no new explanation of how democratization evolves. This created a major crisis in the development paradigm that rested upon the positive outcomes of economic growth. If economic development could not produce democratization, among other social goals it fostered then was economic development the best means through which to reach development objectives? What should a new point of view on democratic development be based on?

⁷⁴ O'Donnell, *Modernization and Bureaucratic-Authoritarianism*, 1973: 72

4.1.4 Transitology Theory

So-called transitology concentrated on the transition process to democracy. It sets aside structural approach, which expects certain preconditions to democracy. It follows the idea that democracy is made rather than formed. It stresses mainly the role of political elites that can bring democracy if there is a will to do so. The first thoughts introducing transitology could be found in the essay *Transitions to Democracy: Toward a Dynamic Model* by Dankward Rustow in 1970's. At that time this essay was almost completely ignored, probably because the third wave of democratization was just on its march. Several years later Guillermo O'Donnell and Philippe Schmitter published a book *Transition from Authoritarian Rule* that became the Bible of transitology.

The third wave of democratization presented serious challenges to the notion of economic preconditions for democracy because many countries started their transition process without previously reaching high economic growth. Among these countries were for example Ecuador, Peru, Bolivia, Uruguay, and Honduras.⁷⁵ This does not mean that there were not cases of democratization that did support the idea of sequencing, placing economic development before democratization. Chile for example supported this sequence but it was seen rather as an exception than a rule. Other cases such as that of Spain largely challenged the economic sequencing. Spain became a major case study for transitology theory.

Political reform was pursued in Spain, particularly between 1977 and 1982, while maintaining the economic establishments from Franco years. Economic liberalization and privatization did not take place until after 1982 when democracy was considered consolidated.⁷⁶ Cases like Spain began to support the argument that economic preconditions were not necessary to achieve democratic transition, suggesting that other definitive factors existed to explain how and why democratic transitions occurred.

⁷⁵ Huntington, *The Third Wave*, 1991: 22-23

⁷⁶ Encarnación, Omar; "The Politics of Dual Transition", *Comparative Politics* 28.4, 1996: 479

Transitology, a new elite-centric vision of democracy, emerged in the late 1970s. In a large part it was a result of the third wave of democratization and subsequent questioning of the theoretical framework of development. This framework contended that the rise of democracy was less dependent on structural variables, such as economic growth, and more dependent on the capabilities of political elites.⁷⁷ This granted significant power to political actors, minimizing the previous emphasis on economic development, which had produced only moderate results.

Transitology is sometimes referred to as an “actor-centered” theory of democratization that focuses on the power of political elites. It gives agency rather to individuals than popular masses. Moreover, it even sees the power of masses as dangerous. In its view masses react on a current situation and do not see the long-term positive goals. Therefore transition will be smoother if the masses are under control and decisions are done just by the elites. This could again be proved by the example of Spain, where the government limited demonstrations of any kind in order to smoothly overcome any economic hardships that are usually connected with a transition of a regime.⁷⁸

Stressing the role of elites suggests that democracy is created rather than born as a natural result of transition.⁷⁹ This is an important element of transitology because it provides optimism about the prospects for democratization, an optimism that had been lacking during the 1970s with the advent of dependency theory. If democratization is a result of an elite-crafted transition, then democracy is accessible to any country as long as political elites take the proper steps. This accessibility of democracy was contrary to the former approaches that stressed preconditions for democracy like economic, political, and institutional conditions that were necessary for a democracy to succeed. As transitology made democratization universally accessible, democratization became a strong foundation on which to rest development theories.

⁷⁷ Diamond; *Developing Democracy*, 1999: 218

⁷⁸ For more details see Encarnación; *The Myth of Civil Society*, Part II: “Spain: Weak Civil Society, Strong Democracy”, 47-101

⁷⁹ McFault, Michael; “The Fourth Wave of Democracy and Dictatorship: Noncooperative Transitions in the Postcommunist World,” *World Politics* 54.4, 2002: 214

To summarize what defines transitology we can list several assumptions that define it. Thomas Carothers mentions five of them in his article *The End of the Transition Paradigm*.⁸⁰ The first assumption places the process and regime change in the center of attention. Any country moving away from dictatorial rule can be in transition towards democracy. Second, democratization comes in a set sequence of stages. It starts with opening, a period of democratic liberalization and division of politicians into “hardliners” and “softliners”. It continues with a breakthrough – the collapse of the regime and new elections that give power to a new government. The final step is consolidation that brings reform to state institutions, the regularization of elections, the strengthening of civil society, and the overall habituation of the society to democracy. The third assumption of transitology is the determinative importance of elections. Oftentimes authors express belief in a minimalist definition of democracy – elections equal democracy and are a key generator of further democratic reforms. Fourth, the underlying conditions in a transitional country (like its current economic level, political history, institutional legacies and other “structural” features) will not be major factors of the transition process. Fifth, democratic transitions should be built on coherent, functioning states.

A country’s transition can happen in four different ways. A transition can be imposed “from above” by ruling political elites or “from below” when the state collapses and a civil society or a social movement sets the pace for democratization. Other possibility is a pacted transition, when neither state nor society is able to lead a regime change and the transition is a compromise between the two. Last option is not as widespread as the other three and it reflects mainly the policy of the U.S. – the external imposition of a transition. O’Donnell and Schmitter believe that the best choice how to bring up democracy is by negotiated (pacted) transition as it is the most stable possibility that does not bring any violence.⁸¹

What are the flaws of a transitology view? Thomas Carothers criticizes this theory by its very defining features. He points out that the fact that a country is moving away from a dictatorship does not mean that it is moving towards democracy. Regular

⁸⁰ Carothers, Thomas, “The End of Transition Paradigm”, *Journal of Democracy* 13.1, 2002

⁸¹ O’Donnell, Guillermo and Schmitter, Philippe C.: *Transitions from Authoritarian Rule: Tentative Conclusions About Uncertain Democracies*, Baltimore: Johns Hopkins University Press, 1986

elections bring oftentimes only shallow political participation and no real governmental accountability. State building and democracy building are a larger and more problematic issue than originally envisaged in the transition paradigm. Carothers claims that it is a fact that: “by far the majority of third-wave countries have not achieved relatively well-functioning democracy or do not seem to be deepening or advancing whatever democratic progress they have made.”⁸²

Critics look at the theory of transitology from many different perspectives. Nancy Borneo argues in her essay *Myths of Moderation*⁸³ that transitology approach is obsessed with compromise and pacting. She stresses that a successful transition to democracy can also happen with violence and tensions. O'Donnell and Schmitter present a voluntaristic approach that seems to imply that democracy can be achieved by a sheer will. They do not stress enough the importance of a historic experience of the country and its political institutions. It grants too much agency to political elites that need to show the will for transition. Transitology omits the role of labor movements and the influence of masses.

This critique is pointing out the fact that a new theory is about to emerge. Each theory follows a clear pattern: introduction, application in practice, critique, and rejection. Scholars acknowledge that the fact that Spain has undergone a smooth transition to democracy thanks to political elites and a “top down” democratization process does not mean that other countries are able to follow the same path. The active role of citizens and the requirement that politicians should follow the will of the people shaped the new civil society theory. The roots of civil society reach a way back to the past as the first chapter has shown.

4.1.5 Civil Society Theory

Transitology as a development theory was effective, but it produced only moderate results. Therefore there appeared a movement to reconceptualize the process of

⁸² Carothers, *The End of Transition Paradigm*, 2002: 9

⁸³ Borneo, Nancy, “Myths of Moderation”, *Comparative Politics*, April 1997

democratization and find a different way that would promote change through democracy assistance.

Larry Diamond in his book, *Developing Democracy: Towards Consolidation*, acknowledges the trend of elite centric vision of democratization since 1980s. However Diamond diverges from this elite centric vision stating that: “elites may be preeminent, but they are not the whole story. Democracy is not just a system in which elites acquire the power to rule through a competitive struggle for the people’s vote. It is also a political system in which government must be held accountable to the people.”⁸⁴ Diamond makes an important acknowledgement that the “mass public matters” in the creation and consolidation of democracies.⁸⁵ This is an important, perhaps the most important, ideological change in development theories and the way democratization was conceptualized. This change brought the focus away from market (modernization and dependency) and state (transitology and its political elites) to civil society. Civil society became the defining framework for democracy.

The chapter “Revival of Civil Society” already explained why civil society became so popular. Most notably it was thanks to the dissident and oppositional movements that emerged in Central and Eastern Europe in 1970s and mainly 1980s. Civil society was perceived as a successful agent in fostering democratic transitions. Therefore, civil society came to be conceptualized as “non-violent but powerful, non-partisan yet pro-democratic.”⁸⁶ It was like rediscovering something that was very well known but forgotten for some time. Another reason why civil society theory of development was quickly embraced was that it did not require extensive financing. Previous approach that sponsored reform of government institutions was financially demanding. Organizations representing civil society were small enough that modest amounts of aid were significant to them. Several countries in the beginning of 1990s had to introduce sharp cutbacks. Therefore civil society assistance made a virtue out of necessity by providing a theoretical justification for the small-scale assistance.⁸⁷

⁸⁴ Diamond, *Developing Democracy*, 1999: 219

⁸⁵ Ibid., 219

⁸⁶ Carothers, Thomas; *Aiding Democracy Abroad: The Learning Curve*, Washington DC: Carnegie Endowment for International Peace, 1999: 207

⁸⁷ Ottaway, Marina and Carothers, Thomas; *Funding Virtue: Civil Society Aid and Democracy Promotion*, Washington DC: Carnegie Endowment for International Peace 2000: 8

The concept of civil society and social capital became very attractive in different sciences.⁸⁸ It bridges the economic and sociological perspective on a society. It has been defined in many different ways and this concept developed with time over centuries. It draws attention to the importance of social relationships and values such as trust in shaping broader attitudes and behavior. This theory makes a connection of economic theories of market with a human element of social relations, values and norms. Civil society holds governments accountable and it is also a base upon which a truly democratic political debate can be established.

The revival of the concept of civil society is closely connected with a new tendency in the academic field towards multidisciplinary. Scholars do not limit themselves to one specific field but try to combine them and see an issue from many different points of view. Civil society theory does not see a person as someone who always maximizes its opportunities on the market but it perceives human beings in a more complex way. The third sector is a place of compromise between private and public interests of different individuals. This compromise is formed based on two different sides of a citizen – *Gemeinschaft* and *Gesellschaft* – as Jürgen Habermas has put it and as it was explained in the first chapter "History of Civil Society".

In case of civil society theory it is very hard to determine whether it was scholarly work that reacted on changing international policies of various institutions or whether the policy practitioners turned towards academic theory as a result of changing political landscape. While this distinction is unclear, it is obvious that as the geopolitical landscape changed so too did the theoretical focus on democratization. As civil society became more prominent in supporting democratic transitions so too did the literature explaining its significance. Therefore, civil society seems to be a case where a particularly strong interactive relationship exists with politics and theory mutually reinforcing one another.

⁸⁸ Apart from the influence of civil society in development policy it was also an inspiration for current works in different fields. Woolcock and Narayan identify nine of them: "families and youth behavior; schooling and education; community life (virtual and civic); work and organizations; democracy and governance; collective action; public health and environment; crime and violence; and economic development." In "Social Capital: Implications for Development Theory, Research, and Policy", *The World Bank Research Observer*, August 2000: 229

Robert Putnam and *Making Democracy Work* as well as other scholars introduced a new approach to democratization. The “top-down” framework was replaced by “bottom-up” approach that instead of elites emphasized the role of citizens and social movements. Civil society is important because it generates trust, reciprocity and tolerance, which form already explained social capital. Larry Diamond expands the theory of civil society by pointing out that civil society has a role in transition to democracy as well as in consolidating democracy. He says: “civil society advances democracy in two generic ways: by helping to generate a transition from authoritarian rule to (at least) electoral democracy and by deepening and consolidating democracy once it is established.”⁸⁹

Through such works as Putnam’s and Diamond’s, among other scholars, we are able to see the ways in which civil society has emerged as the dominant framework through which democratization is envisioned. Civil society theory diverges from previous development frameworks by mobilization of the masses and envisioning change through social norms rather than economic development.

4.1.6 Conclusion to Four Theories of Development

Each of these four theories illustrates a different ideological construct for the way political development was envisioned during a specific time. It is clear that while the direct impact of such theories may have varied in the way they were used to rationalize the implementation of strategies or programs of development, each theory proved seminal in influencing a general consensus about the way development itself was engendered. When looked at collectively as lying on one theoretical continuum, these four theories present a revealing picture how development evolved from an emphasis on economic development to democracy assistance.

How were social relations perceived in different theories before civil society theory emerged? In the 1950s and 1960s with modernization theory social relations were looked at as an obstacle. Traditional social relations and way of life needed to be

⁸⁹ Diamond, *Developing Democracy*, 1999: 233

dismantled in order for a country to develop. Modernization theory provided the strongest foundation for justifying economic development. It suggested that the higher the economic development the greater the prospects for democratization would be. Modernization theory concretely presented a development pattern for achieving Western democracy, which was economic growth.

When modernization theory failed to produce its intended outcomes, dependency theory emerged to explain the shortcomings of modernization theory. Dependency began to loosen the development emphasis on economic growth by stating that democracy could result from the type of economic development that takes place between countries at the center and on the periphery. Dependency in 1970s brought back Marxist ideas that social relations among corporate and political elites were primary mechanisms of capitalist exploitation. As mentioned in the chapter about the history of civil society, this was the time when Marxist critique of civil society was weakened under the influence of Antonio Gramsci. Woolcock and Narayan explain the connection between dependency in development policy and Marxism in *World Bank Research Observer*: “The social characteristics of poor countries and communities were defined [in 1970s] almost exclusively in terms of their relation to the means of production and the inherent antipathy between the interest of capital and labor.”⁹⁰ Very little attention was paid to the possibility of a mutually beneficial relationship between workers and owners.

Transitology also did not speak about social relations at all. It stressed the role of political elites. Transitology emerged in the end of 1970s and claimed that democracy is universally accessible to any country whose political elites would take the proper steps. Whereas democracy had been a pre-conditioned result of economic development under previous theories, all of a sudden democracy could exist anywhere. This effectively negated the economic rationale that had previously existed for development and caused a rise of democracy assistance.

Building on the new paradigm created by transitology, civil society emerged as a means to expand and deepen democracy assistance. It was civil society theory that

⁹⁰ Woolcock and Narayan, “Social Capital” 227

replaced “top-down” by a “bottom-up” approach to democratization. Woolcock and Narayan assert that: “Until the 1990s the major theories of development held rather narrow, even contradictory, views about the role of social relationships in economic development and offered few constructive policy recommendations.”⁹¹ Putnam brought the idea that the associational density (vibrant civil society) is important for generating trust and cooperation among citizens, which is the essence of social capital that is needed for democracy to develop.

Civil society, as a development theory, has existed for more than ten years. Therefore we are able to assess now how successful it has been so far. Doing so will lead us to the main question of this paper: “Is civil society as a theory of development reaching the dusk of its popularity?” The following chapter will evaluate the civil society theory.

4.3 Rise of Democracy Assistance

What exactly is democracy assistance? Marina Ottaway and Thomas Carothers define it in their book *Funding Virtue: Civil Society Aid and Democracy Promotion*. “Democracy assistance” has come to be known as: “aid programs specifically designed either to help nondemocratic countries become democratic or to help countries that have initiated democratic transitions consolidate their democratic systems.”⁹²

For a better understanding of democracy assistance, we will come back to the framework of four different theories that were already introduced. Democracy assistance started in mid-1980s, which means during the time when transitology was popular as a development theory. It is closely connected with the new optimism that democracy is accessible to any country as long as political elites take the proper steps. Wealthy democratic countries were (and still are) willing to invest into democratization abroad for mainly two reasons. First, because of generalized sense that democracy is the best political system that we know and second, they believe

⁹¹ Ibid., 227

⁹² Ottaway and Carothers; *Funding Virtue*, 2000 4-5

that democratic regimes are likely to make better political and economic partners over a long run.

Marina Ottaway and Thomas Carothers, both important democracy scholars, list two main factors that have prompted the democracy aid boom. The first is the global democratic trend itself. As it was already explained in this paper Huntington spoke about third wave of democratization that appeared from mid-1970s and spread from region to region. The second factor that prompted the democracy aid boom was the end of the Cold War. During the Cold War, efforts by powerful democracies to influence the internal political evolution of other countries were often linked to security objectives. Within most developing countries, skepticism and resistance to externally sponsored political programs were understandably high, providing little fertile ground for such work. The end of Cold War lowered ideological tensions and barriers in general and therefore democracy aid experienced such a boom.

Many different institutions embraced the democracy assistance. The U.S. government currently devotes more than \$500 million annually to such activities.⁹³ The U.S. has number of agencies like U.S. Agency for International Development – USAID, as well as U.S.-funded nongovernmental organizations such as National Endowment for Democracy, the Asia Foundation, and the Eurasia Foundation. A case study of USAID in South Africa will be addressed later in this paper. Democracy assistance does not come just from the U.S., but the same pattern is apparent also in other countries (mainly in Western Europe, Japan, Canada and Australia) as well as on international and supranational level (the United Nations – the United Nations Development Program, the Organization of American States, the Organization for Security and Cooperation in Europe, the World Bank, the European Union, the Inter-parliamentary Union and the Council of Europe, etc.⁹⁴). This only proves how popular the concept of democracy promotion has become.

To create a complete picture of the relation between democracy aid and civil society, we need to explain three phases that democracy aid went through. In the first phase, which unfolded primarily from mid-1980s to the early 1990s, donors concentrated on

⁹³ Ibid., 5

⁹⁴ Carothers, *Aiding Democracy Abroad*, 1999: 8; also Ottaway and Carothers; *Funding Virtue*, 2000: 5

elections. The aid-giving countries created countless election observer missions and election administration projects to support the many transitional elections occurring around the world. In the second phase, donors added to their portfolio of democratic assistance the reform of major state institutions to help render them more competent, accountable, and representative. In the third phase, which began in the mid-1990s, they started to focus on strengthening civil society. Civil society assistance became a conventional wisdom. Ottaway and Carothers nicely sum up the reality: “the general notion that civil society development is critical to democratization has become a new mantra in both aid and diplomatic circles.”⁹⁵

The policy for support of civil society organizations around the globe reflected the previously addressed issues like the third wave, the change from top-down to bottom-up policies, etc. From many different countries where civil society was supported by international donors with the aim to support democracy, this paper will concentrate on one case – the democratic assistance to South Africa.

4.5 Civil Society Support in South Africa

The African continent has always attracted western democratic countries. It was for many reasons varying from the use of the African natural resources to the imposition of democracy. European colonization had a profound influence on the inner political and social development of most of the African countries. “Since the early days of colonialism, Africans, particularly in the cities, have organized a plethora of strong and resilient voluntary associations – in today’s terminology, organizations of civil society – that played important social, economic, and political roles.”⁹⁶ These associations provided the services that the government did not and that the society needed (from consulting services, schools, burying the dead to micro loans). Apart from this it is not an overstatement to say that organizations of civil society helped to bring about all major political transitions in the African continent.

⁹⁵ Ottaway and Carothers; *Funding Virtue*, 2000: 6

⁹⁶ *Ibid.*, 77

The most prominent example of the influence of civil society in Africa is the end of apartheid in South Africa. Voluntary associations formed there spontaneously and organized into a broad social movement and forced democratic change in a strong authoritarian system.⁹⁷ To understand how this happened and under what circumstances it is important to understand the context of such process.

4.5.1 African National Congress

The first movement fighting for the right of disenfranchised South Africans was African National Congress (ANC). In the late 1950s some leaders wanted to transform the movement into a tightly organized party with a military wing. They organized actions like public burning of the passes that the government required Africans living in the cities to carry.⁹⁸ The ANC was destroyed and its leaders arrested (including Nelson Mandela) or forced to exile. During the following three decades ANC tried to threaten the apartheid regime by military attacks, but generally unsuccessfully.

1970s were in the name of revival of internal opposition to the government, but not because of the ANC but because of the “rapid growth of new organizations of civil society.”⁹⁹ The black consciousness movement was on the rise as well as black labor unions, student groups, church-related organizations and other associations. These organizations gained a vast support that the government could not suppress them nor ignore, so it decided to recognize them. By the early 1980s, most civic organizations joined loosely under the umbrella of the United Democratic Front (UDF).

United Democratic Front from a civic umbrella organization soon established itself as one of the chief political organizations. At one point there were more than six hundred township, student, and church organizations affiliated with it. UDF welcomed support and participation of all races and its main objectives were: “the creation of a

⁹⁷ Ibid., 86

⁹⁸ Ibid., 86

⁹⁹ Ibid., 86

single, nonracial, unfragmented South Africa.”¹⁰⁰ UDF was mainly boycotting all elections that were not based on universal suffrage and it also established local structures that played crucial political education and mobilization of the masses. UDF identified generally with the political program of African National Congress and many saw as natural that these two would gradually merge. This shows the closeness of the sector of civil society and the political sector: “Attempting to separate the civic from the political...in South Africa in the 1970s and 1980s is almost impossible, and it misses the point.”¹⁰¹ It was the closeness of the two that strengthened and solidified the fight against apartheid. This is also a very important fact that will be addressed later and a good example of what Diamond would call a civil society with political statement.

4.5.2 Civil Society Support

1980s were definitely triumphal for civil society in South Africa. We should not forget that other factors played an important in the defeat of apartheid. Among them are mainly international sanctions and pressure and the demise of communism. At the same time there is no doubt that pressure from organizations of civil society played the most important role.¹⁰²

In 1990 Nelson Mandela was released from prison, the ANC was unbanned and its leaders returned to the country. General negotiations with the ruling National Party were a step towards elections in April 1994. After this democratic transition which happened thanks to the politically active civil society that Diamond views as pivotal, the democratic consolidation has started.

Active civil society in South Africa would not exist without the external support. Political as well as civil society was receiving extremely beneficial support for about two decades before the fall of apartheid. Among the progressive international donors

¹⁰⁰ Christopher Landsberg in Ottaway and Carothers; *Funding Virtue*, 2000: 110

¹⁰¹ Ibid., 111

¹⁰² Ottaway and Carothers; *Funding Virtue*, 2000: 87, Landsberg in Ottaway and Carothers; *Funding Virtue*: 200: 106

were “the Nordic countries, the Netherlands, the Soviet bloc, the United Nations and Commonwealth; in Africa Nigeria, Libya, Tanzania, and Zambia...conservative countries like the United States, Britain, Germany, and France were conspicuous in not providing support until quite late. Financial, diplomatic, material (travel costs, pamphlets, and other overhead expenses of campaigning), and physical (office space and sanctuary) support from foreign donors were vital to the victories that both civil and political society won...”¹⁰³ Such an extensive international support reflects that it was relatively clear for most democratic countries to decide which side to support. To reveal the complicated relations between foreign aid and the political relationship between donor country and recipient country we will look at the case study of USAID in South Africa.

4.5.3. USAID: Case Study

USAID influence in South Africa that will be analyzed in this chapter lasted from 1986 to 1999. The United States and South Africa’s complicated political and diplomatic relations had an impact on the delivery of the aid and therefore need to be explained.

As already noted above, U.S. support to civil society organizations in South Africa began in mid-1980s – much later than in the case of Nordic countries for example. Before that Washington collaborated closely with white government in Pretoria, which reflected the Cold War policy and the fear of spreading communism. This policy was condemned by American civil right movements, academics, church and other activists that started to mobilize extensively. “Public opinion, organized in interest groups and lobbies, pushed Congress forcefully to adopt a policy that ran in the opposite direction from President Ronald Reagan’s.”¹⁰⁴ This brought a dramatic change in the relationship of the two countries. In 1986 Congress passed the Comprehensive Anti-Apartheid Act, which imposed sanctions against South Africa and directed USAID to “strengthen the leadership and institutions of the

¹⁰³ Landsberg in Ottaway and Carothers; *Funding Virtue*, 2000: 107

¹⁰⁴ Landsberg in Ottaway and Carothers; *Funding Virtue*, 2000: 123

disadvantaged community so they can better respond to the legitimate needs of their constituencies.”¹⁰⁵

USAID established the Community Outreach and Leadership Development Project (COLD). Christopher Landsberg writes that COLD’s goal was “to promote political and social change in South Africa that leads to an end of apartheid and to a political system based on the consent of the governed.” This mission brought COLD to support community development organizations from disadvantaged segments of society and promote black South African leadership. Despite this positive mission, it was hard for USAID – as well as other donors – to find genuinely community-based organizations that promoted black leadership and expertise. Because USAID was under pressure of its government to speedily distribute the funds, “a lot of less-than-democratic NGOs disconnected from around them”¹⁰⁶ got the support.

Landsberg identifies five priority areas for COLD. First, cooperation with women; second, rural-based community development; third, providing shelter (people were forced to leave their houses by apartheid state); fourth, developing skills among youth (especially in non-formal sector); fifth, information and communication (helped organizations to develop tools such as news letters, etc.). Among others USAID funded political party training, activities in conflict resolution and mediation, advice centers, street law, human rights, and a system of alternative legal services.

What was unfortunate for USAID was a certain dichotomy in its policy: “USAID decided to support NGOs both close to and independent of the state, yet it appeared obsessed with getting government’s consent to and encouragement for that.”¹⁰⁷ Simply put, USAID was too fond of having a good image in the eyes of public as well as in the eyes of politicians. This was in the end counterproductive and it seemed that USAID was always trying to restore a damaged image.

Another striking fact about USAID program in South Africa is that it constantly supported the same civil society organizations before as well as after the defeat of

¹⁰⁵ Ibid., 123

¹⁰⁶ Ibid., 124

¹⁰⁷ Ibid., 126

apartheid. Despite the dramatically changed environmental and the need to change the strategic goals for support, USAID continued its previous assistance.¹⁰⁸ This was driven by a strong desire to support those NGOs that are preferred by the government.

From this case study we can make a conclusion that USAID should make clear in its policy from the beginning whether it supports government or civil society organizations. Its choice of NGOs should be made careful and in the best case USAID should insure that the community based organizations do have a grassroots networks in real on not just in their policy strategy. Ottaway and Landberg both claim that many of the NGOs supported by the donors are elite based professional NGOs that are hugely dependent on donor's funding. To have professionalized NGOs is not necessarily bad, because they can play an important advocacy role in a society, but donors should clarify whether this is the type of civil society they want to support. Despite the flaws of the democracy aid we should keep in mind that without South Africa's civil society organizations, the young democracy would be even more fragile.

4.5 Assessment of Civil Society Theory

So far we covered the history of civil society and social capital as well as four sequencing theories of development. We saw on the example of South Africa how the democratic assistance works in practice. Now we are able to judge the successes and failures of civil society theory. Nowadays civil society theory of development is still practiced, but at the same time we already have enough materials to judge how much effective it was in bringing about consolidated democracies.

4.2.1 Problems with Civil Society Theory

Funding for democracy assistance increased rapidly over the past years. In the case of USAID it was from \$165.2 million in 1991 to 637.1 million in 1999.¹⁰⁹ The question

¹⁰⁸ Ibid., 126

¹⁰⁹ Thomas Carothers, *Aiding Democracy Abroad*, 1999: 49

is: is the higher funding proportional to the results in bringing about democracy? This paper comes to the conclusion that despite the huge sums of money that are currently being invested into nongovernmental organizations as representatives of civil society all around the globe, we do not see a proportional rise of democracies. Some countries like Russia moved even down on a scale measuring democratic performance according to the Freedom House.¹¹⁰ Does that suggest the arrival of a counter-wave, which according to Huntington follows each wave of democratization? Not necessarily. It might just reveal a broader spectrum of democracies that we were not aware of before.

Francis Fukuyama correctly reminds us: “There are no longer respectable alternatives to democracy... Thus the problems of governance in the 21st century will likely be problems within democracy.”¹¹¹ This is very good news for proponents of democracy. However, this view tends to underestimate the fact that all democratic systems do not necessarily need to be consolidated and therefore can still carry many flaws from the previous regime.

Fareed Zakaria brings our attention to so-called illiberal democracies that are the result of the third wave of democratization. Illiberal democracies have a democratically elected government but do not necessarily match other aspects of a liberal democracy – a political system following the rule of law, a separation of powers, and protection of basic liberties of speech, assembly, religion, and property. Zakaria reveals a striking fact: “Half of the ‘democratizing’ countries in the world today are illiberal democracies.”¹¹² Samuel Huntington rises similar point: “Governments produced by elections may be inefficient, corrupt, shortsighted, irresponsible, dominated by special interests... but [this does] not make them undemocratic.”¹¹³ With the welcoming ovations for the new democracies such thoughts were not considered or just simply hidden behind the genuine enthusiasm caused by the third wave of democratization.

¹¹⁰ Freedom House is a nonprofit nonpartisan organization that monitors the democratic development around the world. See <http://www.freedomhouse.org> (August 1, 2005)

¹¹¹ Zakaria, Fareed; *The Rise of Illiberal Democracy*, *Foreign Affairs*, November 1997: 258

¹¹² Ibid., 243 (based on the data of Freedom House)

¹¹³ Huntington, *The Third Wave*, quoted in Zakaria; *The Rise of Illiberal Democracy*: 244

The facts about third wave democracies are disappointing for democracy enthusiasts. Thomas Carothers writes about the stagnation in development of third wave democracies: “By far the majority of third-wave countries have not achieved relatively well-functioning democracy or do not seem to be deepening or advancing whatever democratic progress they have made.”¹¹⁴ Carothers refers to these countries as those that are in a “gray zone.”¹¹⁵ they have some attributes of democratic political life, yet they suffer from serious democratic deficits. This means they have poor representation of citizens’ interests, low levels of political participation beyond voting, frequent abuse of the law by government officials, elections of uncertain legitimacy, very low confidence in state institutions, and poor institutional performance by the state.¹¹⁶ Third wave countries were supposed to be shining examples for other democracies, bringing the change from bottom up. They were expected to have an active civil society that could be a watchdog to the state and insure that the development reflects the popular will. The fact that many new democracies are in fact illiberal democracies does not reflect what donor countries wanted to happen. This is a cruel awakening after a civil society fever.

Is this how the policy makers wanted the new third wave democracies and recipient countries of democracy assistance to end up? Why is it that a civil society that should be a watchdog of the state did not put enough pressure on corrupt governments? Does this mean that civil society did not play the role we have expected and that all the money that stable democracies invested into democracy assistance came in vain?

This paper suggests that the investment in civil society did not come fully in vain but at the same time the high expectations were not and could not be fulfilled. In some places NGOs representing civil society made a huge difference in strengthening democracy. At the same time there are several flaws within civil society assistance theory. These flaws are addressed in the following paragraphs.

¹¹⁴ Carothers, Thomas; *The End of Transition Paradigm*, Journal of Democracy, 2002: 9

¹¹⁵ Ottaway and Carothers mention “gray zone” of countries “between democracy and dictatorship” in *Funding Virtue*, 2000: 309. Larry Diamond chooses the term “twilight zone” to refer to smaller set of countries that are electoral democracies in a zone of “persistence without legitimization or institutionalization” in *Developing Democracy*, 1999: 22

¹¹⁶ Carothers, *The End of Transition Paradigm*, 2002: 9-10

All scholars generally agree that an active citizenship, which includes for example participation in elections and formulating one's opinions in public, is good for democracy. Civil society by itself is based on active citizenship. Therefore a vibrant civil society seems like a guarantee of democratic process. Let's come back to the definition of civil society by Larry Diamond: "the realm of social life that is open, voluntary, self-generating, at least partially self-supporting, autonomous from the state, and bound by a legal order or set of shared values."¹¹⁷ As it was shown in the chapter "Definition of Civil Society", the link between a vibrant civil society and democracy is not always clear. Omar Encarnación and his case study of Brazil as well as Sheri Berman's case study of the Weimar Republic proved that a vibrant civil society can undermine democracy. Both these authors question the conventional wisdom that most of the other scholars do not challenge and simply take for granted.

Despite the examples brought by Encarnación and Berman, in which a vibrant civil society and a strong democracy were not connected, this paper sides with the opinion of Diamond and Putnam that a strong civil society brings about strong democracy in most of the cases. It was already shown how broadly civil society can be understood. A broad view of civil society has little appeal for donors, given that it points to a sector too encompassing for them to consider supporting. Robert Putnam introduced and defined the idea of social capital, which for him is a pedestal for solid democratic institutions. Certain organizations foster norms of reciprocity and trust which are essential for "making democracy work." It is understandable that donors do not feel enthusiastic about supporting chorus groups and bowling leagues that Putnam praised so much. For donors it is important to be able to see results of their investments in a relatively short time. There needs to be a clearly structured timeframe and foreseeable results. From the research conducted by Ottaway and Carothers we see that such demands led to a limited view of civil society by donors. For them civil society consists only of voluntary associations that directly foster democracy and promote democratic consolidation.

In order to strengthen civil society as a means of promoting democracy, aid providers and most of the donor countries end up concentrating on a very narrow set of

¹¹⁷ Diamond, *Developing Democracy*, 1999: 221

organizations – professionalized non-governmental organizations. Such NGOs are dedicated to advocacy or civic education work on public interest issues directly relating to democratization. Ottaway and Carothers explain what such organizations deal with: “an election monitoring, voter education, governmental transparency, and political and civil rights generally.”¹¹⁸ NGOs with the most donor support usually have full-time staff, an office and a statement of mission or charter. Such organizations represent a very narrow segment of civil society and are not definitely the horizontally organized associations that Putnam spoke about. This is also true about the NGOs in South Africa after the defeat of apartheid. Absent from most civil society assistance is a wide range of organizations that typically make up civil society in most countries: from sports clubs, religious organizations to cultural associations that have a less formalized structure.

Civil society was in most cases narrowed down to NGOs that are not primarily political but promote democracy in a non-partisan way, without aspiration to political power. This is one of the reasons why it is hard to trace the impact on democracy that NGOs have. The results for millions invested in civil society aid are hardly visible. Sometimes NGOs make a positive change in their environment, but usually the effect of the project disappears as quickly as the financial support is cut down. Ottaway and Carothers found out that the majority of NGOs that they have researched would be unsustainable without funding from donors. This leads to a conclusion that a number of NGOs can be expected to decrease drastically where donor support declines and the amount of NGOs will eventually stabilize at much lower level. Surviving NGOs will need to be capable of raising funds inside their own country.

Another problem with NGOs is that they oftentimes become distant to the local population. Although the basis of civil society should be the connections to local inhabitants and formulating its needs this is not what usually happens with professionalized NGOs. In order to establish long lasting relations with the donors, the NGO shapes its language and goals to fit donor interests. Donors sometimes have a special training for NGOs to teach them what language they should use when applying for a grant or writing a report. This creates a professional language that is

¹¹⁸ Ottaway and Carothers; *Funding Virtue*, 2000: 11

distant to people that the NGO should represent. Thus NGO engages in activities on behalf of the citizens with whom it often has little real contact.

This leads to a paradoxical situation. Ottaway and Carothers conducted research in five main regions that are recipient civil society aid – the Middle East, Africa, Asia, Eastern Europe, and Latin America. In their research they came to a revealing conclusion: “the similarity among the statements of goals issued by NGOs around the world confirms the experience of a universal NGO language that owes nothing to the specific problems or cultural traits of individual countries.”¹¹⁹ This raises the question to what extent NGOs represent the specific needs of a society and to what extent they demand rather on outsiders’ view of what is good for the society.

There are several flaws in the civil society approach to development. It is not always clear that a vibrant civil society will bring about democratic development. We speak about civil society assistance, although only a very small portion of civil society is actually supported by donors. NGOs that represent civil society in the eyes of donors do not have horizontal structures but are rather hierarchical; decisions are not made by a majority but rather by executive director or directress. NGOs have developed their own language to use for communications with donors, which creates a gap between them and their potential or actual grassroots network of citizens. Civil society assistance has very much shifted from its original idea at the beginning of 1990s. It is very distant even to the Tocquevillean image of associations that serve people as meeting place and also for forming opinions face to face. Thomas Carothers in *Aiding Democracy Abroad* comes to a harsh conclusion about the aid industry: “Democracy aid generally does not have major effects on the political direction of recipient countries.”¹²⁰ Does this mean that the era of investing in civil society to support democracy is over? Are we about to discard civil society theory of development like we did before with all other concepts? Does this mean that civil society theory of development is reaching the dusk of its popularity?

¹¹⁹ Ottaway and Carothers; *Funding Virtue*, 2000: 306

¹²⁰ Carothers, *Aiding Democracy Abroad*, 1999: 308

4.5.2 Next Step

It is still early to pass judgment on the eventual fate of civil society theory, much less to begin to write its about its ending. But it is safe to say that the “noon of civil society theory” – the peak of its popularity – is over. Now we know that it is not easy to apply such a complicated concept. The contributions of civil society to democratic development and consolidation have been generally overestimated. So what is the next step in the civil society theory of development?

It is time to look at the civil society theory in development policy with a critical eye. Now we can learn a lesson and see what flaws of this concept can be avoided and how. As noted above in the chapter “A Link between Theory and Practice”, scholarly work is more flexible and it can react to changes much quicker than rigid institutions and organizations. Formal organizations need to undergo a long bureaucratic process in order to change their policies. We will look into different scholarly works to predict what should be the next step within civil society theory.

The primary definition of civil society is no longer based just on opposition to the state. We know about positives as well as negatives that civil society can bring. We need to continue to support civil society but we need to redefine the current concept and broaden it. Clearly the different sectors of society are dependent on each other as it was explained in the first chapter and supported by Michael Walzer. At the same time: “The production and reproduction of loyalty, civility, political competence, and trust in authority are never the work of the state alone.”¹²¹ This clearly shows that the new direction for democracy promoters is not only a blind support for civil society (represented by NGOs) without considering the political context and stability of state institutions. These two sectors – civil and political society – were so far strictly divided, partially as a result of the change in policy from “top-down” to “bottom-up” approach as well as the enthusiasm after the fall of communism in Central and Eastern Europe.

Omar Encarnación observes: “a growing number of scholars are moving to strip civil society of the highly romanticized notions about its pro-democratic capacities gained

¹²¹ Walzer, *Towards a Global Civil Society*, 1995: 21

by the concept during its most recent years.”¹²² In the words of Sheri Berman, civil society is best regarded as a “politically neutral multiplier that is neither inherently good nor inherently bad for democracy, but rather dependent for its effects on the wider political context. Understanding the impact of the wider political context upon civil society demands paying greater attention to political institutions and their impact upon civil society.”¹²³ In general, political institutions – from parties to legislatures to state bureaucracies – have been cast away from much of the debate about civil society and democracy. The reason can be found in the beginning of 1990s and the notion of anti-political politics that saw civil society as an alternative to a political system. Why it was like this is discussed in chapter “Revival of Civil Society” and illustrated on examples of Václav Havel and Gyorgy Konrád. As noted by Carothers, “the rise of civil society induces some to see a nearly state-free future in which tentative, minimalistic states hang back while powerful non-governmental groups impose a new, virtuous order.”¹²⁴ This logic proved to be flawed.

The civil society theory failed to recognize that democratic political institutions are crucial for the consolidation of democracy. A vibrant civil society is not sufficient. Omar Encarnación perceives civil society as a danger: “Instability, disorder, and even violence are likely outcomes of the pairing of highly organized and mobilized publics and low political institutionalization.”¹²⁵ He identifies a critical question for the future research on democracy: how and why political institutions matter to civil society. It is important to stress that even the father of civil society, Alexis de Tocqueville, regards political institutions to be as important as non-political ones. In his view, political institutions are an important source of compromise, trust, and solidarity. These are the values that Robert Putnam ascribed only to horizontally organized groups (civil society). Putnam believed that these groups are platform for creation of social capital that is needed for democratic consolidation. However, the development up to the present day shows us that the creation of social capital is more complex than Putnam thought. Creation of social capital does not depend solely on civil society as such but

¹²² Encarnación, “On Bowling Leagues and NGOs: A Critique of Civil Society’s Revival”, *Studies in Comparative International Development* Vol. 36, 2002: 128

¹²³ Berman, “Civil Society and the Collapse of the Weimar Republic”, 1997: 401

¹²⁴ Carothers, “Civil Society”, *Foreigner*, winter 2000: 26

¹²⁵ Encarnación, “On Bowling Leagues and NGOs”, 2002: 129

also other factors matter like stable political institutions¹²⁶ and general public inclination towards democracy.

Without functioning institutions, democracy does not have the bases for further growth. Many scholars came to the same conclusion, although they did not speak about social capital directly. Carothers believes that concentrated attention should be given to the problem of bridging the gap between the citizenry and the formal political system. “Political party development must be a top agenda item” as well as “fostering strong connections between parties and civil society groups”.¹²⁷ Even Anthony Pereira does not stress only civil society. He sees the need of a change in institutions in order to solidify democracy. He speaks about the diminishing role of a nation state: authority has shifted downwards to local and provincial governments, but also upward to global institutions (like EU, NAFTA, WTO, IMF, WB, etc.).¹²⁸ The government and institutional performance are pivotal for country stability.

Zakaria suggests that a way for international community to face spreading illiberalism (or the gray zone, as Carothers puts it) is to “encourage the gradual development of constitutional liberalism across the globe.”¹²⁹ For Zakaria, constitutional liberalism is a guarantee of individual liberties, rule of law, as well as the system of checks and balances. Such ideas reflect the philosophical heritage of de Montesquieu and John Locke. This shows that not only support to civil society is important but also stable democratic institutions that should be the base for fostering a pro-democratic civil society.

The concept of social capital introduced by Putnam is very important in “making democracy work”. At the same time, his definition of civil society that produces social capital is not valid any more. Many scholars refused to accept that social capital is created only by Putnam’s horizontally organized associations like bowling leagues and bird watching clubs that do not have any political agenda. The strength of social capital, which is crucial for fostering democracy, depends also on political environment as explained above and supported by Diamond and Encarnación. The

¹²⁶ Encarnación, *They Myth of Civil Society*, 2003: 40

¹²⁷ Carothers, “Civil Society”, 2000: 19

¹²⁸ Pereira, Anthony, “Democracies: Emerging or Submerging?”, *Dissent* 2001: 120

¹²⁹ Zakaria, “The Rise of Illiberal Democracy, 1997: 258

formation of social capital needs to be re-examined and redefined in a broader context.

Civil society can play an important role in a democratic transition, but it is not the only factor that guarantees its success and democratic consolidation. To foster democratic development we need active citizens gathered in different associations (Putnam), stable political institutions (free and competitive elections, civilian control over military – Linz and Stepan¹³⁰; Encarnación), mass support for democratic values and respect for the rule of law (Linz and Stepan) as well as trust among people (Tocqueville and Fukuyama¹³¹). This does not mean that the influence of market economy and industrialization is forgotten, but it is simply not enough to bring about successful democratic consolidation.

After explaining generally the most needed shifts in applying civil society theory – expanding the creation of social capital and accepting the importance of other conditions for democratic development than active civil society – it is important to mention some concrete changes for democracy assistance that should lead to better results in the future. The main inspiration is derived from the research of Marina Ottaway and Thomas Carothers presented in their book *Funding Virtue: Civil Society Aid and Democracy Promotion*. These scholars stress that there is well-marked path ahead for civil society theory of development but that it is time to learn from earlier experience. After analyzing the results of democracy assistance to civil society in different regions of the world Ottaway and Carothers came to four conclusions and suggestions for the future.

First, donors need to draw attention to sustainability of NGO support, as most of them would not survive if the funding was stopped. This means that NGOs should after some time be able to raise money from their societies. It also means that there is a need to question whether the universal model of NGOs that donors support today is the right way to go. A debate needs to be opened on whether the Western model of professionalized NGOs is broadly appropriated in developing countries. A discussion should start to find out possible alternatives that might fit better to the host societies.

¹³⁰ Encarnación; *The Myth of Civil Society*, 2003: 30

¹³¹ Fukuyama, "Social Capital and the Global Economy", 2001: 90

Well-structured professionalized NGOs are easier to support than other types of civil society (like traditional professional associations, social movements, extensive networks dealing with socio-economic issues, etc.). However, an effort to understand how a particular society is structured and what are its specific needs can bring better results in a long term.

Second, donors must take seriously the challenge of improving their basic methods of implementation to civil society aid. The push for greater accountability of aid recipients as well as providers is needed. The shortcomings of implementation method are now well known – including bureaucratic rigidity, aversion to risk, and the imposition of external priorities and approaches. Yet many donors have not addressed the problems. They should be more open to changes that will improve the performance of those that they support and help them achieve their goals.

Third, aid providers should continue to expand the range of organizations they seek to assist in civil society programs. The research conducted by Ottaway and Carothers shows that it has been useful to extend the aid from public advocacy NGOs to NGOs concentrating on socioeconomic issues. As mentioned above, donors should concentrate more on spurring NGOs to work in conjunction with other sectors of civil society. They also should extend their own civil society aid to groups other than NGOs. This is a solution to the critique that civil society from the donors' perspective is reduced to just public advocacy NGOs.

Fourth, donors need to recognize the profound heterogeneity of attempted transitions and try to understand the forms and roles of civil society, and civil society aid, in light of it. In some cases NGOs and civil society in general can play an important role in consolidating democracies when there exist a political will towards democratic consolidation, in other cases it can keep alive the democratic sparkle among dissidents for example but sometimes civil society can be the most unhelpful in democratization process (the cases like for example Brazil and Venezuela). Donors must recognize the profound heterogeneity of attempted transitions and try to see their role in a complex way. They need to recognize that their support to civil society does not necessarily always lead to democratic stability. This all is known already among scholars but has not been implemented yet. Only with a changed approach to

development policy the democratic assistance will have more successes than failures.

The primary question asked in this paper still stands: Is civil society theory of development reaching the dusk of its popularity? After examining the results of civil society theory of development in last years this paper leads to the conclusion that civil society theory will not be replaced by another theory any time soon. Although civil society theory will continue to be applied there is a strong need to reshape the current approach. Civil society should be redefined and should not include just NGOs. Moreover, donors should take new steps. They need to stress the sustainability of organizations they support, try to understand their complexity and approach each nation subjectively as well as constructively learn from the experience they gained so far. From a general point of view, it is important to see that civil society is not the only place for formation of social capital and democratic consolidation does not depend just on active civil society, but also on political institutions.

Civil society is the third sector of society where people associate to pursue common interests and values. In voluntary associations people create trust that is essential for well being among citizens in democracy. In the last years we can observe that in many places around the world there exists cooperation between civil society and government. Governments oftentimes give financial support to many domestic as well as international NGOs. Recently there appeared a tendency to promote socially responsible business. Many different companies have decided to contribute to the common good of society and not to make profit only for their shareholders.

The rediscovered third sector of society is going to play a very important role in the future, as it does now. The three sectors of society – state, market and civil society – are of utmost importance. All of them are needed in order to bring about a stable democratic system. UN Secretary-General Kofi Annan explains the lesson that United Nations learned over years: “The United Nations once dealt only with Governments. By now we know that peace and prosperity cannot be achieved without partnerships involving Governments, international organizations, the business

community and civil society. In today's world, we depend on each other."¹³² We have already started defining what it means to be a global citizen and to be a part of global civil society.¹³³

The most suitable ending of this paper is by a quotation. Lester Salamon and Helmut Anheier reveal in their book *The Civil Society Sector* the importance of civil society in our era:

"[Civil Society is] the plethora of private, nonprofit, and nongovernmental organizations that have emerged in recent decades in virtually every corner of the world to provide vehicles through which citizens can exercise individual initiative in the private pursuit of public purposes. If representative government was the great social invention of the eighteenth century, and bureaucracy – both public and private – of the nineteenth, it is organized, private, voluntary activity, the proliferation of civil society organizations that may turn out, despite earlier origins, to represent the great social innovation of the twentieth century."¹³⁴

These are the reasons why civil society theory of development will not be replaced by another theory anytime soon. The topics like civil society and NGOs are going to be more and more a part of daily debates in democratic countries in the world.

5. CONCLUSION

This paper led us through the complex development of the term civil society. Its history reaches to classical antiquity and many famous thinkers like Hegel, Tocqueville, Marx and Habermas had an impact on the definition and evolution of the meaning of civil society. The revival of civil society that brought the third wave of democratization had a huge impact on the way democratization was perceived.

¹³² <http://www.wfuna.org/link/partnerships/index.cfm> (World Federation of United Nations Associations, November 14, 2005)

¹³³ For example Anheier, Helmut, Glasius, Marlies and Mary Kaldor (eds.), *Global Civil Society*, London : Sage Publications, 2005

¹³⁴ Salamon and Anheier, "The Civil Society Sector" in *Society*, Vol. 34, 1997: 60

The term civil society has a vast use in many fields and therefore there might appear misunderstandings about what the term means. The structure in different approaches was introduced in the second chapter. The third chapter explained the link between civil society and social capital as well as democratic development. The main focus of this paper was addressed in chapter four – civil society as a development theory.

After the explanation of four different sequencing theories of development aid – modernization, dependency, transitology and civil society theory, it is explained why there was a rise in democracy aid and what were the main motivations for countries supporting democracy abroad. The fall of apartheid in South Africa served as an empirical study of this paper. From different donors that assisted South Africa the USAID support was chosen as a particular case study of democracy aid that illustrated how democracy aid works in practice.

Based on the South African experience and many different scholarly works, this paper attempts to evaluate the civil society theory of development. It answers a central question whether civil society theory of development is at the dusk of its popularity. Despite the undeniable contributions of civil society organizations around the world in pursuing the vision of democracy and the fact that these organizations oftentimes would not exist without external support, we can list a number of flaws in the application of civil society theory.

This paper suggests that it is time to evaluate the civil society theory and bring changes to the strategy of NGO support. Although there are cases where civil society undermined democracy, in general civil society plays an important role in democratic transition and democratic consolidation. This is the main reason why civil society theory of development will continue to be applied and will not be substituted by another development theory any time soon. However, this also depends on the openness of the theory to reform and bring changes that are suggested in the end of this work.

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