

## Appendix B

### Popular Theories of Civil Society

When [people] have realized that time has upset many fighting faiths, they may come to believe even more than they believe the very foundations of their own conduct that the ultimate good desired is better reached by free trade in ideas – that the best test of truth is the power of the thought to get itself accepted in the competition of the market, and that truth is the only ground upon which their wishes safely can be carried out. That at any rate is the theory of our Constitution. It is an experiment, as all life is an experiment.  
Oliver Wendell Holmes (1919) *Oliver Wendell Holmes, Abrams v. United States*, 250. U.S. 616, 630 [1919]

The division of a civil society into sectors – government, business, and the Third Sector – refers to the fundamental ways in which people assign meaning and distribute power. The fluctuating tension and mutual influence between the business and governmental sectors have been generally acknowledged for centuries. More recently, scholars have begun to consider the role of the Third Sector, especially its potential for helping to create a more sustainable society.

A Civil Republic explores this mutual influence by examining whether capitalist markets might have too much influence over the Third Sector and government. I found that more study is required to conclude that too much influence is taking place but there is enough evidence now for public concern, a concern about whether the United States is a capitalist society rather than a civil society.

There is also a concern about whether the American state has become capitalist rather than democratic. This question focuses on whether big business is the decisive institution shaping public policy and foreign policy. Close ties between big business and government could turn into an authoritarian regime rather quickly. A major national crisis like an economic depression or a world war could do it. The Great Depression of the 1930s, for example,

prompted the rise of totalitarian governments on an international scale. There was some doubt about whether democracy would even survive.

Now democracy and capitalism are both ascendant, and some scholars maintain that the collapse of the Soviet Union signifies that capitalism won the battle of the century. In this view, we are at “the end of history,” the cessation of revolutionary ideology and apocalyptic change. All that is left in the future, according to this perspective, is for citizens to solve day-to-day problems within the framework of a market economy and a democratic government.<sup>1</sup>

But America is, of course, not at the end of history. Measured by centuries (in some cases by decades), all societies change in fundamental ways. The capitalist state is subject to this same fate, and hopefully will not evolve into a dictatorship but rather some better governing system. Today the question is how a nation develops and an economy evolves. The issue is how new systems of governance could be developed in the entire society.<sup>2</sup>

Over the last century, markets have become more responsible and accountable, but they have also become more destructive and oppressive. Many civil-society theorists have been concerned about the destructive and oppressive side of markets, but few have proposed alternatives to capitalism. Therefore, most civil-society theories have been developed within the capitalist framework, and I see them fall into six general categories: Third Sector, private sector, public sphere, polity, order of associations, and symbolic

order. We will briefly cover the late 20<sup>th</sup> century surge of interest in civil society before considering each of these six categories in detail.

## **I Popular Interest In Civil Society**

Political leaders, as different as (former) Senator William Bradley and (former) Secretary of Education William Bennett, have become major advocates of civil society. Leading columnists, as opposite as David Broder and Robert Kuttner, have written that civil society would play a major role in politics in the decades ahead. They have seen the incapacity of governments alone to fulfill the dreams of a sustainable future. The idea of civil society, in the eyes of very different analysts, still provides a basis for contemplating the human condition.

At the end of the 20<sup>th</sup> century, the idea of civil society became popular for more reasons than the decline of communism and the rise of capitalism. Looking back at the previous one hundred years, national leaders saw that something was disastrously wrong with the modern organization of society. There had been a reckless destruction of the environment, a loss of faith in mainline forms of religion, media distortion of the news, a resurgence of a desperate fundamentalism, a widening gap between rich and poor, government deficits, bloody civil wars, global wars and holocausts. Senator Dan Coats introduced a series of bills in the U.S. Congress to promote the recovery of civil society. General Colin Powell spoke at meetings across the nation urging volunteerism to promote civil society. Voluntary organizations developed across the country.<sup>3</sup>

Civil-society advocates argued at the time – and continue to argue – that overgrown governments failed to solve domestic and global problems. Governments have become elitist, bureaucratic, and highly influenced by big special interest groups. They are not able to solve problems that go beyond national boundaries, like global climate change and deforestation. Hence, governments are as much a part of the problem as the solution.

*Order is not pressure which is imposed on society from without, but an equilibrium which is set up from within.*

José Ortega y Gasset (1883-1955), Mirabeau and Politics, 1927

Some writers have said the popularity of "civil society" is due to the fact that no one knows exactly what it means. It's a safe subject to talk about because it represents anyone's opinion. Yet, it has a meaning that goes beyond the old doctrines of capitalism and communism. It leads advocates to think about how to avoid the calamities of the 20<sup>th</sup> century. A new role for government would be to encourage civic groups, trade unions, grassroots movements, and business associations to solve society's problems. These ideas are fleshed out in the following six views.

### **1. Civil Society is the Third Sector: A Development View**

Some writers contend that civil society is identical with the Third Sector (or "independent sector"), as distinct from the government and business sectors. Voluntary associations and non-governmental organizations (NGOs) formed a prominent niche in the economy during the 20<sup>th</sup> century, and Third Sector theorists have come to see the state

as one among many organizations that govern society. Other governing organizations include families, enterprises, nonprofit corporations, schools, universities, churches, temples, and all sorts of voluntary associations and professional groups in the fields of art, law, medicine, recreation, education, and science.<sup>4</sup>

Society is not simply a political order, composed of governments, laws, and courts, but also a social order of voluntary groups and their civil norms. This social order is composed of a vast network of associations that represent members in civic organizations, public interest groups, and recreational clubs. Such associations form leagues, alliances, coalitions, federations, and confederations. A civil order develops in a thousand ways, through voluntary contracts, agreements, fashions, folkways, customs, standards, rules, etiquette, conventions, and mores. Civil norms govern all organizations – from intimate families to global federations.

Lester Salamon and Helmut Anheir are among those who study civil society as a special (third) sector of the larger society. They say it 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.<sup>5</sup>

Many development theorists and researchers take this view. The Institute for Development Research, for example, separates civil society from government and business and describes this Third Sector's own distinctive institutions:

The institutions of civil society are concerned with the expression and preservation of core community values and beliefs. Civil society includes non-governmental organizations, people's movements, citizens' groups, consumer associations, religious institutions, women's organizations, and indigenous people's associations. Civil society organizations may be grassroots organizations directly serving individuals of their community, or networks of grassroots organizations like federations.<sup>6</sup>

The Kettering Foundation, which finances programs to promote civil society, explains this Third-Sector idea in its international setting. They say:

Civil society is the network of citizens and nongovernmental organizations that create a political community. This network lies between the individual citizen on the one hand, and the state on the other.

Kettering developed the International Civil Society Exchange (ICSE) from an internationally sponsored dialogue that began in 1989. Its purpose is to bring together participants from around the world to explore the idea of civil society and its role in politics. They sought through this annual exchange to create a "public space," so to speak, to discuss the meaning of civil society at the global level. There, people reflected on their experiences in different countries and address the obstacles to building healthy civil societies.<sup>7</sup>

The participants emphasize how this network between the individual and the state holds great potential as a vehicle for a continuous flow of information between governors and the governed. This flow of information allows for greater local authority in managing civil affairs. Thus, the networks of democratic associations become the effective organizational mechanisms for local to global governance.

Some advocates argue that this Third Sector is becoming organized democratically into federations, which are civil governing systems. The parallel in type of organization between the political (government) order and the civic (nongovernmental) order of associations is striking. In the case of churches, for example, the parishioners of a local Presbyterian church are democratically represented in their "presbytery." They are then self-governed within a higher body of the "synod," and finally in a democratic General Assembly. Then, there are other representative bodies of churches, a higher church polity. Presbyterians (and other denominations) are represented in the National Council of Churches, which is in turn represented in the World Council of Churches. Such voluntary associations exist by the thousands, weaving an intricate story of a growing democracy, local to global.<sup>8</sup>

The similarity to democratic governmental structures is clear. In the American political order, municipalities are designed to be local democracies and are linked to democratic states where national representatives represent citizens. The United States is a member of a global confederation with other countries in the United Nations. A parallel

governing structure exists with many organizations in the Third Sector: nonprofit associations organize into democratic federations that are local, national, and global.

Bernard Barber summed up the ideal of civil society in his provocative essay about the people searching for it.

Civil society is a societal dwelling place that is neither a capitol building nor a shopping mall. It shares with the private sector the gift of liberty; it is voluntary and is constituted by freely associated individuals and groups. But unlike the private sector it aims at common ground and consensual, integrative, and collaborative action. Civil society is thus public without being coercive, voluntary without being private... We do not need a novel civic architecture to recreate civil society. Rather, we need to reconceptualize and reposition existing institutions. Schools, foundations, community movements, the media, and other civil associations need to reclaim their public voice and political legitimacy against those who would write them off as hypocritical special interests.<sup>9</sup>

In sum, civil society can be defined as a Third Sector in contrast to business and government sectors. These theorists argue that government cannot solve all the problems that originate in society and that this sector is often better qualified for certain kinds of “public work.” Government could justly and even wisely transfer some of its functions into this nongovernmental sector.

Most Third-Sector theorists exclude business from civil society, but some include select trade and professional associations. For example, when trade associations are organized with reliable standards (safety and environmental) established for the common good, they might qualify. Some nonprofit trade associations have established standards

for manufacturing safe products and have developed codes of conduct. Trade federations are creating international standards with guidelines for environmental protection around the world, although these are not yet fully effective.

Still, political scientist Bruce Sievers says the "corrosive power of the forces of the market economy" is one of the main causes for a declining civil society.

The arguments of civil-society theorists point to problems within Western civil society itself – its inability to withstand the acids of modern pluralist market societies – as the primary source of this gridlock. More precisely, it is not a weakening of third-sector mediating institutions, which remain relatively healthy, but rather an erosion of a set of beliefs, values, and social commitments necessary for social cohesion.<sup>10</sup>

Some Third-Sector theorists maintain that capitalism is on a destructive path. It could destroy democracies around the world. Yet, as we now see, other advocates see business as a constructive part of civil society.

## **2. Civil Society is the Private Sector: The Nonstatist View**

Leaders who are more closely associated with business see civil society as the “private sector,” or sometimes, broadly, the "voluntary order," and occasionally, the “independent sector.” In this outlook, business is part of civil society.

Predictably, these theorists tend to be conservative, but there are differences between them. The Cato Institute, for example, is on the libertarian end of the spectrum. Their 1997 mission statement reads:

The Cato Institute is a public policy research organization with the mission of expanding civil society. We believe that the voluntary interaction of individuals, and associations is preferable to political society, based on commands and coercive regulations.

The Institute sees its work as inspired by Jeffersonian philosophy, and calls its own outlook "market liberalism." It combines "an appreciation for entrepreneurship, the market process, and lower taxes with strict respect for civil liberties and skepticism about the benefits of both the welfare state and foreign military intervention."<sup>11</sup>

Francis Fukuyama, a contemporary social scientist who shares the nonstatist view, sees civil society broadly as

...a complex welter of intermediate institutions, including businesses, voluntary associations, educational institutions, clubs, unions, media, charities, and churches...a thriving civil society depends upon a people's habits, customs, and ethics – attributes that can be shaped only indirectly through conscious political action and must otherwise be nourished through an increased awareness and respect for culture.<sup>12</sup>

For Fukuyama, civil society is the whole private sector (including business) outside government. He contends that the capitalist economy has been evolving toward a moral (civil) order. The early Scottish philosophers of the Enlightenment "all hoped that the destructive energies of a warrior culture [lords, barons, monarchs] would be channeled into the safer pursuits of a commercial society, with a corresponding softening of manners." Fukuyama is hopeful for the continued evolution of society.

Today, Fukuyama contends, human beings do not act like rational "utility maximizers" in any narrow sense, and they are investing in economic activity with "the moral values of their broader social life." In effect, a civil society and a private economy belong together; the capitalist system advances civil society. Put another way, the free-market economy stabilizes and develops civil society. Fukuyama says that the left wing version of civil society is about mobilizing a grass roots movement to stop Wal-Mart or lobby Congress. The right-wing version is about how civic groups are antidotes to big government.<sup>13</sup>

Members of the Cato Institute do not see business as an obstacle to the development of civil society. Indeed, the members of the Cato Institute, intellectuals like Francis Fukuyama, and many business leaders see capitalism as advancing civil society. These advocates view the market as self-regulating without major moral issues or structural problems. The market should remain as free as possible from government intervention, though some business analysts see a minimal role for government.

Still, more liberal ("civic-oriented") business leaders take their corporate goal to be advancing the public welfare. In 1992, companies practicing "socially responsible ideals" started a trade association, Business for Social Responsibility (BSR). Fifty-four company leaders (e.g. Stride Rite, Stonyfield Farm, Working Assets, and the Calvert Group) launched BSR at a meeting of the Social Venture Network (SVN), a group of business leaders, nonprofits, academics and political leaders. SVN was an "internal group" that dealt with civil issues only within its own membership, but their mandate in organizing

BSR was to give a public voice to the role of business in social development. It has now emerged as a national coalition with members across the United States.<sup>14</sup>

Some civic-minded corporate executives argue that their own corporation is part of a “public space.” CEOs organize public affairs departments, and define corporate policy around “stakeholders,” not just stockholders. Stakeholders are people who “claim” to be part of a company because they are impacted by it. Indeed, management theorists have used terms like “human capital” and link the term with financial capital. Similarly, “social investment” is linked with “financial investment.”<sup>15</sup>

Europe has views that are more liberal. The Ministry of Social Affairs in Denmark, for example, says that business is “the engine of social development.”

Business is increasingly accepting a joint responsibility for social development. This is very much in the interest of businesses, and an increasing number of business executives simply consider it the right thing to do.

For governments, this new business paradigm holds an important promise for the future; the business of business is no longer just business but the development of a sustainable society. The question is whether a supportive new business-government paradigm can be developed as well. A new paradigm where governments enter a qualitative new role of supporting social processes that more effectively meet the social challenges: a new partnership for social cohesion.<sup>16</sup>

So, here we have a set of business-oriented outlooks that range on a continuum from right to left, politically; on a gradient from libertarian to conservative to liberal and

civic oriented. The outlook of libertarian analysts like those at the Cato Institute is far different from that of liberal business theorists like Fukuyama. Business theorists are different from civic-oriented business leaders like BSR, who are in turn different from government policy makers in some European countries, such as the Ministry of Social Affairs in Denmark. This range of civil-society models represents the “private sector.” These samples tell us something about the differences that exist among business leaders themselves.

Some scholars also favor this view of civil society as the “private sector,” the voluntary order beyond the state. Sociologist Edward Shils says that civil society “lies beyond the boundaries of the family and the clan and beyond the locality; it lies short of the state.” For Shils, the space of civil society is the private sector of market relations and public settings established for the purpose of public discourse. In civil society, market relations and publics form an autonomous realm of private individuals “engaged in acts of self-determination.” They are safeguarded against the arbitrary and oppressive pressures of both the state and “organic primordial community.”<sup>17</sup>

These examples are not the whole story but they cover a sufficient range for our purposes. They overlap partly with our next category in which a special emphasis is given to a controversy over the “public sphere.”

### **3. Civil Society is the Public Sphere: A Humanist View**

A shade of difference exists among philosophers of the public sphere. One set of philosophers would emphasize the *private vs. the state*, while another would emphasize

the *personal vs. impersonal* spheres of life. Philosophers of the first binary oppose the growth of the state and its incursion of everyday life. Philosophers of the second binary celebrate personal life as opposed to the growth of the impersonal sphere, which could include corporations as well as the state.

Some philosophers oppose the division of "public vs. private spheres." One of these theorists, Hannah Arendt, described these spheres as constantly flowing into each other. This view of civil society imagines the development of a new hybrid structure: the private/public composite, which becomes the center of meaning and change in the development of civil society.<sup>18</sup>

The public sphere is popularly identified with government and institutions under its control like public schools, but philosophers say the term has a much broader meaning. The public sphere may also embrace responsible activities in the private sector, including businesses and voluntary groups, which develop a common voice, a shared space. A public sphere is like a civic center, any place where people can chat openly, honestly, hopefully with discipline, about issues affecting the community.

David Mathews, former secretary of Health, Education, and Welfare in the Ford Administration, says:

Public relationships depend on citizens claiming responsibility for their fate...So a public can be understood as a diverse body of citizens joined together to make choices about how to advance their common well-being.<sup>19</sup>

When people organize publicly oriented groups, they promote open membership, maintain ethical standards, provide access to information, and advance human values through intercultural communications. They are in a civic market beyond the state. Today's corporations (nonprofits and for-profits) can also fulfill the values of civil society. The practice of making "social audits" in business firms is one example of this effort to advance the public good.

Some scholars argue that the Progressives wanted the American State to be the model of democracy and justice, and in the process, they expected that professionals would be central to its development. Progressive sociologists, like Lester Ward at the turn into the 20<sup>th</sup> century, were at the forefront of this movement. Ward wrote sociological tracts directed to government policies for the public good. He believed politics was allied with the search for truth.<sup>20</sup>

Other sociologists took a different view of the public sphere. Emile Durkheim wrote that the state could not handle all the affairs of the private sector; he spoke of the danger of statism and celebrated the "animate society" where mutual support and morality prevailed. A decade later, Max Weber saw "rationalization" to be the real "force of modernity," in fact, it underlay Karl Marx's concern about commodification. Rationalization can result in an impersonal management, diminishing personal ties; it can mean the loss of cultural values that provide a purpose in life.

Jürgen Habermas, a philosopher writing at the end of the 20<sup>th</sup> century, defined "the public sphere" as a space where people deliberate about common affairs. It is an

institutional space where people discuss civic matters and community life. This site of discourse holds the state accountable to society, partly via public media, bringing popular opinion to bear on government policy. A “public” constitutes an “organ for the self-articulation of civil society,” an arena in which private individuals assemble in an effort to reach common judgments and exert their influence on the state.<sup>21</sup>

Other scholars lean toward the public side of the "private vs. public" polarity. Alan Trachtenberg points out that until after the Civil War, the assumption was widespread that a state charter granted to a private corporation was a privilege granted only for purposes that were clearly in the public interest. Others, like sociologist Robert Bellah and co-authors of Habits of Heart support the idea of a public charter for business firms. They assert that chartering a business "is a concession of public authority to a private group *in return for* service to the public good, with effective public accountability..."<sup>22</sup>

Civic leaders have started a social movement to persuade state legislatures to create public charters for corporations. Pennsylvania and twenty-four other states have made amendments in their corporate law. The amendments require that all corporations chartered in their state take account of stakeholders (employees, suppliers, customers, and "communities") wherever their establishments are located. The amendments represent quite a shift in thinking from the recent legal tradition, which considers stockholders as the sole body to which corporations have accountability. Leaders of this civic movement are building a "public philosophy" for private business.<sup>23</sup>

In sum, most people today think of business as "the private sector," but this view is changing. Public-sector advocates argue for firms to be chartered for the common good. Civic-oriented business leaders who think of themselves as public-minded speak of "enlightened self interest." The idea includes civic partnerships that lead toward public accountability. For these advocates of civil society, the idea of a public commons is a theme for the future.<sup>24</sup>

#### **4. Civil Society is a Polity: A Revised Socialist View**

When the idea of civil society was resurrected in Europe at the fall of the Soviet Union, everything was "political." To understand this revival, we turn to the notion of "polity." The notion of polity conveyed the idea that authority should be shared among members of a diverse community. In other words, the state is no longer the dominant institution even though it is crucial to the development of civil society.<sup>25</sup>

The Polish writer, Bronislaw Geremek, a medieval historian and a leader of the Freedom Union party in Poland, observes that "civil society" appeared fairly late in the time of Central and Eastern European resistance to communism. Its advent resulted from the realization that the state had fallen completely into the hands of the communist oligarchy, and from the conviction that society retained the power to organize itself independently as long as it eschewed anything overtly "political" and stuck to "nonpolitical politics."

....civil society...cannot and should not base itself on emotions, but on the building of carefully nurtured institutions, on the practical realization of

ethical values, and on the involvement of the greatest possible numbers of people in public life.<sup>26</sup>

This meant a decrease in emotionally held and political (communist) beliefs. It also meant a reduction in revolutionary rhetoric and "being political" in a more rational manner.

Vladimir O. Pechatnov, the First Secretary in the Embassy of the U.S.S.R. in Washington, D.C., carries this argument toward the Third Sector. He contends that this century's disappearance of mediating institutions in communist systems left "atomized individuals" in a mass society helpless against the state.

Civil society is the most natural, organic form of social self-organization, and it would be ideally the only such form – hence the famous notion of the withering away of the state ("the absorption of state power by society") as an ultimate ideal of socialism.

Pechatnov envisions three features of civil society. First, he proposes a developed infrastructure of "horizontal institutions" (e.g., associations of churches, trade unions, clubs) independent from the state. Second, he sees a protection of this civil order from the government by the supremacy of law, with constitutionally and legally guaranteed individual rights and freedoms. Third, he assumes the presence of a public mature enough to safeguard and fully exercise those rights. This means a system of "shared power" that increases the level of democracy in the rest of the society.<sup>27</sup>

Civil society is a system of shared power in the writings of many political scientists. Norberto Bobbio argues that big government and big business restrain the

development of political democracy throughout the larger society. Robert Dahl holds that effective democracy requires the widespread diffusion of property ownership. He contends that the concentration of property and corporate power threatens the polity; the corporate economy has an undue influence over governments. Dahl in particular recommends public policies for developing an employee-owned business sector to countervail against the unhealthy control of centralized corporations.<sup>28</sup>

Political theorists are broadening the notion of authority and power beyond the state. They see a new set of beliefs, a new culture forming within society. They consider "power" to be central to the definition of civil society, but it is now forged through more democracy in the rest of society.<sup>29</sup>

### **5. Civil Society is an Order of Associations: A Post-Capitalist View**

Some writers in this century have combined the work of Adam Smith and Karl Marx, borrowing the best of their ideas. Smith and Marx both opposed big corporations and big governments, and these principles are incorporated into 21<sup>st</sup> century projections of the post-capitalist society.

G.D.H. Cole (1890-1959), an English theorist, thought that political powers should be separated from economic powers and the differences should be mediated through a matrix of democratic organizations. No single state could fully represent the diverse wills of people in society. Cole thought the "state" should devolve into a multi-centered plural system of associations governed by a federal structure of quasi-public bodies. The state could be given some legislative primacy over the behavior of individuals, but it was to

abdicate all responsibility in the market. The market was to be under a system of self-government. He envisioned the market as a system of enterprises, which were at once "public, private, associative and individual." Thus, Cole foresaw a civil order of associations developing within the private sector during the early twentieth century.<sup>30</sup>

American writers argue today that civil society was at the heart of the constitutional founding of the United States, in the thinking of colonial leaders such as Thomas Jefferson and John Adams. They support the position of Alexis de Tocqueville, a French observer of American society writing in the 1840s, asserting that democracy is found through civic associations. Civic associations mediate between the individual and the state and offer public forums where opinion is shaped. Voluntary (not government) associations are a "bulwark" against the despot. These intermediate structures check the tendency of a centralized government to control society.

These "association scholars" say we are witnessing the end of "liberal capitalism" and "state socialism." Centralized government has been the consequence of competitive capitalism. The scale of the modern state has developed "out of proportion" to the expectations of early liberal thinkers: governments have turned to a "motorized legislation," giving too many rule-making functions to officials who do not know the limits of their authority. Elected officials have acquired capacities to intervene in society without thinking about how people in civil associations could govern themselves.

The late Peter Drucker, an elder statesman in business management and an anti-Marxist, says that we are passing into a post-capitalist era. A new "society of

organizations" must emerge. The old system of "national governments" is breaking down. He describes the forces undermining national governments as "the demands of a global market" pressing nations to create a new order, and "the problems of the earth's environment" demanding a civic order.

Drucker writes that the "nation state" was established in 1870 with the rule of Bismarck, and he contends that it became obsolete with the U.S. invasion of Kuwait. Each nation's "megastate" (big government) now acts as a "braking mechanism" against the development of civil society. The concepts "state" and "society" are not identical, although there is still a "mass consciousness" perceiving them to be the same. Drucker does not support a rapid transition into a new system of governance by associations; rather, he prefers a more deliberate change from a politicized society.<sup>31</sup>

In other words, the "political" concept is not sufficient to define an associative order. People in civic groups set norms in their own interest at local levels and develop networks of higher (national and global) associations in their common interest. This network idea has resonance with what Peter Drucker calls a "society of organizations."<sup>32</sup>

Here we read of a profound shift in the premises underlying modernity. The modern period is based on the idea that the state is the "primary institution," and voluntary associations are "secondary institutions." It was founded on the centrality of the "civil state" restraining or guiding the "commercial system." Voluntary associations such as trade unions, private schools and churches were seen as "buffers" between the state

and its citizens, not as institutions of power. Now we see the concept of "civil association" gaining prominence as a source of legitimate authority.

G.D.H. Cole was thinking in the spirit of Marx at the beginning of the 20<sup>th</sup> century, and Peter Drucker was working against Marx at the end of the century. They were both against big government – as are other civil-society theorists. Cole emphasized "economic democracy" and Drucker emphasized "a system of organizations." Their terms become part of the background for modeling a new framework for the economy.

The state – as the ultimate power and authority as well as the synthesizer of conflicting values and the final "arbiter" of conflict – has dominated much of philosophic thought. G.W.F. Hegel in the 19<sup>th</sup> century saw government as the supreme moral authority, resolving conflicts in civil society. And this "primacy of the state" was the ideal of Martin Heidegger, a brilliant philosopher at the mid-twentieth century, who gave his support to Hitler in the hope that a Nazi state could synthesize the highest values of society.<sup>33</sup>

## **6. Civil Society is a Symbolic Order: A Dynamic Opposition**

Scholars like Adam Seligman speak of a new society forged "in the tension of opposites." For example, a great tension exists between the "ideal" and the "real," "order and freedom," "community and individuality," "public and private," "universal and particular," "secular and sacred." Civil society develops in the resolution of contrary (universal) ideas that become concretely realized in a new set of institutions. Seligman writes:

Yet the problem of civil society (whether in the eighteenth century or today) remains that of positing a model of the social whole that would overcome (while not negating) the inherent universal/particularity of its members.<sup>34</sup>

Seligman is saying philosophically that planners of a civil society must develop the value of each side of a great polarity. (The term polarity can be different from "dichotomy" or "binary" but we treat the terms interchangeably for our purposes.) His statement parallels Marx's mandate to maximize the humanity (universal) in each individual (particular). As Marx suggests, a society should be organized in such a way that the humanity within each individual can be realized. The individual discovers his/her humanity through the civil organization of society.

The contention is that civil-society planners should highlight the significance of opposing sides of a great polarity. Put another way, the task is to resolve the binaries of modernity, to find the spirit in a new community that would value each individual in it. The resolution of polar values means the reformation of society in the modern period.<sup>35</sup>

The resolution of contraries such as public vs. private and secular vs. sacred are part of this evolution. The specific meanings of old dichotomies are redefined in building a civil society; neither side is suppressed, and each side is honored. The new order of society generates a new particular relationship between these perennial opposing universals.

The opposition of the "secular vs. sacred" is contested by theologians. Theologians argue that this is a "false dichotomy" that was created when religion was "privatized" in the modern era. It occurred when church and state were separated as institutions, and religion lost its public authority. Today theologians want religion to go public. Many theologians see the sacred embodied perversely in the secular state. The state gathers a religiosity, which lead people to sacrifice their lives to preserve.<sup>36</sup>

Theologian Harvey Cox says theology has "privatized itself," separating the issues of the economy, government, science, and technology from its studies. The moral issues of a secular society are divorced from theological issues. The state and the economy are deemed secular and not proper to the subject of religion. "If managed successfully by experts," public policy should go well. A theologian does not meddle in things that he or she knows nothing about.

Cox goes on: "Having been squeezed into a corner by the modern world, theology made a virtue of necessity and wrote its own reduced status into the being of the divine." Religion was relegated to individual experience, not a public experience. "God did not question the structures of governance and money-making."<sup>37</sup>

*A major task of liberal policy is to respect the sacred while keeping it at low ebb. This is one of the chief functions of the transmission of sacred beliefs, through a loose tradition.*

Edward Shils, *The Virtue of Civility: Selected Essays on Liberalism, Tradition, and Civil Society*

The Catholic theologian David Hollenbach challenges secular thought as the sole source for public debate. He questions the liberal democratic view that "argument about a

comprehensive vision of the good life" would be fruitless in a pluralistic society. He declares that religious discourse should be part of a public exchange in a pluralistic society.<sup>38</sup>

The Protestant theologian Max Stackhouse says that the western roots of public theology began with the motifs in early Greek and Hebraic-Christian thought. He notes that the Greeks oscillated between a conception of life as "fixed" and a conception of life as in "flux," while the Hebraic-Christians had a hope for radical transformation in the future. Theologians have always assumed a divine foundation to the natural and human world as part of their subject. They have a sense of holiness in the universe. They view religious life as an authentic expression of people striving to understand what lies beyond themselves as human beings. Here is another cultural tension for a new nation to solve: the contraries of flux vs. fixed. This addresses a theological concern between what is holy and human.<sup>39</sup>

In sum, cultural scholars suggest that society is evolving a new order of freedom and justice, indeed, a new order of community that enhances the life of individuals. Civil society grows out of a paradox of opposites – between what is private and what is public, what is secular and what is sacred, what is voluntary and what is coercive, what is freedom and what is order.

America continues to evolve within this tension, building a new governing system for society. Cultural scholars would argue that many polarities are waiting to be

redefined. Society is "reinventing itself" in the tension of opposites. This cultural change must take place in a society with a capitalist economy.

## Summary

Civil society became a popular idea in the public mind during the last decades of the 20<sup>th</sup> century. Its emergence at that time can be traced to the failure of communist nations to achieve their ideals and the failure of capitalist nations to solve social problems. But there were, and continue to be, many different outlooks on the subject.

Development experts define civil society as the "Third Sector." Business leaders define it as the whole "private sector." European leaders classify it as a "democratic polity." Social scientists describe it as the private sector becoming public without losing all proprietary rights and privacy. Philosophers see a new culture developing through the resolution of polarities like "public vs. private," and "individual vs. community."

People have looked at the development of a civil society within the setting of politics and the nation. But civil society theorists maintain that the individual is a social being, not just a political being, or a citizen of the state. People belong to associations that are local and national and global. People are human beings as much as citizens. They are clergy, workers, managers, teachers, scientists, artists, gays, artists, African Americans, and women. Moreover, Americans (and many other nationalities) are in a society that has a capitalist economy, not just a democratic state. We are witnessing a new era, these thinkers say, the end of liberal capitalism and state socialism.

In Appendix C we extend this thinking into studies of how the economy is part of civil society. How can a civil society develop inside a capitalist system? How can universities study justice and freedom in this economy? What kind of research could lead to a civil economy and a new republic?

---

<sup>1</sup> Francis Fukuyama, The End of History and the Last Man (N.Y.: Free Press, 1992).

<sup>2</sup> Sociologist Herbert Spencer describes the evolution of entire societies taking place through a process of *heterogeneity*, (*differentiation*) *integration*, and *transformation*.

These terms are too abstract for us to follow here, but for nations they signify types of institutional change. Since the short-range future with our existing institutions could be pretty awful – with climate calamities and bio-nuclear warfare as a couple of valid possibilities – we need to ask this question: How could institutions change and transform for the better? We need a theory of civil development that can bring forth new ideas to sustain and improve human life in contemporary society.

<sup>3</sup> See “Civil Society in the United States,” see <http://solar.rtd.utk.edu/-ccsi/causa/csintrod.Htm#csalex>.

<sup>4</sup> Economists have formulated indicators of “economic development” but social scientists have not formulated indicators of “civil development.” Social scientists do not have theories that match the sophistication of economists who chart economic development. Such a social measurement could start by showing what is missing, for instance, the way capitalist markets are not designed to develop public standards, or to excel in honest and transparent transactions.

---

Executives in trade associations are not expected to develop codes of conduct or self-enforcement procedures that lead markets to become self-regulatory. The business sector is not designed to be self-governing and structured to generate public standards.

<sup>5</sup> Lester Salamon and Helmut Anheier, "The Civil Society Sector," in Society, Vol. 34, No. 2, Jan/Feb, 1997, p. 60; also, The Emerging Nonprofit Sector, (N.Y.: Manchester University Press, 1996).

<sup>6</sup> Steve Waddell and L. David Brown, "Fostering Intersectoral Partnering: A Guide to Promoting Cooperation Among Government, Business, and Civil Society Actors," IDR Reports, Institute for Development Research, 44 Farnsworth St., Boston, MA 02210-1211.

<sup>7</sup> See "International Programs" Kettering Foundation, 200 Commons Road Dayton, Ohio 45459-2799. p.4. Also see Kettering's Creating Citizens Through Public Deliberation, 1997.

<sup>8</sup> University programs to study "civil society" have developed in the last decade. In December 1996, the University of Pennsylvania announced that it had set up a national commission to "create a body of writings and discussions that recasts current conflicts." The University of Chicago also formed its own group for similar purposes, as well as the Council on Civil Society, whose members include scholars as well as figures in politics, community organizing, industry, and religion. The fields of knowledge, ranging from architecture, biology, chemistry, "development" (of all sorts) economics, forestry, geology, history, information technology, and onward alphabetically, are all intricately linked to the subject of civil economy, yet studied as

---

isolated fields with specialized vocabularies. They can still remain as specialities, but cross-disciplinary studies become mandatory to understand society in the 21st century.

<sup>9</sup> Benjamin Barber, "The Search for Civil Society," From Rebuilding Civil Society. A Symposium from: The New Democrat, volume 7, number 2 March/April 1995.

<sup>10</sup> Bruce Sievers, "Can Philanthropy Solve the Problems of Civil Society?", Kettering Review, December, 1997. p. 68. The second quote is on the same page.

<sup>11</sup> All quotes are from a brochure of the Cato Institute on its 20th Anniversary, 1997. Cato Institute, 1000 Massachusetts Ave., N.W., Washington, D.C. 20001.

<sup>12</sup> Francis Fukuyama, Trust (N.Y.: The Free Press, 1995) p. 4-5, p. 360

<sup>13</sup> Francis Fukuyama, The Great Disruption: Human Nature and the Reconstitution of Social Order (NY: Free Press, 1999).

<sup>14</sup> Joel Makover, Beyond the Bottom Line (N.Y.: Simon & Schuster, 1994), p. 26.

<sup>15</sup> On "social accountability" and the trend to develop "public affairs departments" in corporations, see Archie Carroll, Business and Society (Cincinnati: Southwestern College Publishing, 1996) p. 688 ff. Also see John H. Jackson, Roger Miller, Shawn Miller, Business and Society Today (Boston: West Publishing Co., 1997). Randall Nielsen, "The Evaluation of Civil Investments," in Connections, Kettering Foundation, Vol. VII, Issue 2, Dec. 1996, p. 4.

<sup>16</sup> Ministry of Social Affairs, Denmark, New Partnership for Social Cohesion (Copenhagen, 1997).

<sup>17</sup> Edward Shils, "The Virtue of Civil Society" Government and Opposition, Vol. 26, No. 1,

---

Winter, 1991. 26: p. 3.

<sup>18</sup> The philosopher Hannah Arendt described the relationship between the private and public orders as changing in terms of principles of "differentiation, complementarity, and conflict." She lamented the loss of the Greek understanding of a "public" during the medieval period. The absence of a public realm in the secular sphere during the feudal epoch was due to the fact that this period was oriented around the household. Without reviewing her analysis here, social scientists pay attention to her argument that these two domains (private/public) are not isolated. There is a constant "flow into each other." Hannah Arendt, The Human Condition (Chicago: University of Chicago Press, 1958).

<sup>19</sup> David Mathews, "What is exactly 'the Public'?", Higher Education Exchange, (The Kettering Foundation, 1998) p. 72, 73.

<sup>20</sup> Erik Engstrom argues that this emphasis on professional politics was a cause for overturning the notion that the public was sovereign. The idea that the "widespread participation of the citizenry was mandatory" was given over to professionals in this movement. Progressives viewed the public as irrational; a belief emerged that society could be better managed through policies based on objective science. This emphasis eventually "eclipsed the Public" as a major participant in deciding the direction of society. Erik Engstrom. "Exhuming the Phantom: Notions of the Public and American Democracy," (Kettering Exchange, Fall 1994).

<sup>21</sup> Jürgen Habermas, The Structural Transformation of the Public Sphere, (Cambridge: MIT Press, [1962] 1989), p. 74. Habermas says in his philosophical way "the criteria of generality

---

and abstractness that characterize legal norms had to have a peculiar obviousness for privatized individuals who, by communicating with each other in the public sphere of the world of letters, confirm each other's subjectivity as it emerges from their sphere.” Habermas saw this "public sphere" as a concept that was never fully realized in a market-driven society, but it gains credence in civil-society theory. Habermas defines the public sphere rising historically from contradictory institutions. In a conservative sense, he says, the public sphere can be seen as *bourgeois*, as entrepreneurs go beyond the limits of the household in their thinking, capable of generating common interests through free communication. In a liberal sense, certain "sets of rights" are necessary to secure the independence of this sphere (freedoms of speech, press, assembly) and rights of privacy. Habermas distinguishes between the literary and political public spheres as well as the small group interactions that become extended as discourse through the media. The new characteristics emerging in this public sphere, including components of "voluntariness" and "emotional community," should lead to a new conception of humanity. The public sphere in civil society has a certain autonomy and cultural character that sets limits on state power. The notion of "publicness" and "solidarity" become central components of universal morality. Solidarity is the validation of the individual "in and through the universal," in a communicative economy. Ibid.

<sup>22</sup> Alan Trachtenberg, The Incorporation of America: Culture and Society in a Guilded Age (N.Y.:Hill and Wang, 1982), pp.1 5-16. Also, Robert N. Bellah, Richard Madsen, William M. Sullivan, Ann Swidler, and Steven M. Tipton, Habits of Heart: Individualism and Commitment

---

in American Life (Berkeley: University of California Press, 1996) p. 290. The authors of Habits see the "Administered Society" and "Economic Democracy" as representing the two "boldest efforts" to conceive the next step beyond the stalemated efforts of Welfare Liberalism (symbolized in the politics of Walter Mondale) and Neocapitalism (symbolized in the politics of Ronald Reagan). The theory of Administered Society, led by financier Felix Rohatyn, would advocate a more integrated society, confronting a competitive global economy, calling for a vision of harmony among unequal groups cooperating for the goals of improved individual security and widely shared economic growth. The theory of economic democracy, proposed by the late Michael Harrington, is concerned with empowering citizens to create a more humane future, calling for "decentralization," and viewing corporate domination of the economy as the chief obstacle to a civil society. Ibid., pp. 267-271.

<sup>23</sup> Kent Greenfield, "From Rights to Regulation in Corporate Law, The Social Report, Vol. XII, No. 5 (Boston College: Department of Sociology, Fall, 1996)..

<sup>24</sup> For more discussion on this subject, see Nancy Fraser, "Rethinking the Public Sphere," Kettering Review, Ibid. p. 23-34; Benjamin Barber, Strong Democracy (Berkeley: University of California Press, 1984), p. 72. William M. Sullivan, Reconstructing Public Philosophy (Berkeley: University of California Press, 1986).

<sup>25</sup> These variations on civil society as "associations grounded in a polity" emphasize the role of government, but for Wolfgang Streeck this suggests certain difficulties: "Undoubtedly, associative democracy, or democratic corporatism, is about collective, political rights. But it

---

involves also, and arguably more importantly, the utilization of publicly regulated self-governance of groups for the creation and enforcement of collective obligations." Wolfgang Streeck, "Inclusion and Secession: Questions on the Boundaries of Associative Democracy," in Joshua Cohen and Joel Rogers, Associations and Democracy edited by Erik Olin Wright, (N.Y.: Verso, 1995).

<sup>26</sup> Geremek recalls how the Italian Marxist Antonio Gramsci, in his prison notebooks, envisioned a "regulated" society that he thought could function smoothly without the institution of the state or any other wielder of force. In this manner, he hoped, the state might become marginal, with "political life" centering on a kind of positional warfare for hegemony in civil society, rather than the sheer power in the state. Bronislaw Geremek, "Civil Society and the Present Age." (Kettering Review, Winter, 1997) p. 35.

<sup>27</sup>. V. O. Pechatnov, "Civil Society in the United States and the Soviet Union," in (Kettering Review, Winter, 1990) pp. 6-8. The special feature of U.S. history, Pechatnov says, is that civil society preceded big government and developed under very favorable conditions. At the time of the American revolution, there was a high density of horizontal societal associations of a robust and muscular nature, along with a strong anti-elitist tradition in which freedom from government intervention was seen to be important. At the time of the Russian revolution, the situation was almost the opposite. A strongly autocratic central state preceded civil society and capitalism, thwarting social development. Because of the lack of self-regulation by an active society, the predominant pattern of sociopolitical change became one of stagnation, followed by

---

revolution. There was no long-term progression in the development of civil society. But the essential meaning of Perestroika, Pechatnov argues, is the emancipation of civil society and of the individual from excessive interference and control by the state, as the only way of unleashing the creative energies of the people. The logic of the future is a movement away from encompassing state ownership to more plural forms of ownership, a redistribution of powers among central, national, and local authorities.

Georgi Arbatov, deputy of the U.S.S.R. Supreme Soviet since 1974 and a member of the Presidium since 1988, made a similar case for the development of civil society. Both Marx and Engels, he said, held the opinion that one of the end results of the revolution would be the gradual withering away of "that political organization known as the state." This was supported by Lenin who argued that the people who have grown up in new, free social conditions "will gradually become accustomed to observing elementary rules of communal life which have been known for centuries..." It was Stalin who argued that it was imperative to strengthen the state "to deal the final blow to the remains of the dying classes and to organize a defense against the milieu of capitalism surrounding us, which is still far from destroyed and will not be destroyed soon." Georgi Arbatov and Eduard Batalov, "The Evolution of the Soviet State," Ibid, 15-16.

<sup>28</sup> Norberto Bobbio, The Future of Democracy (Cambridge: Polity Press, 1987). Robert Dahl, A Preface to Economic Democracy (Cambridge: Polity Press, 1985). In political science, we see a change in the meaning of "public" from its identity with "government" to broader meaning of "civil governance" within society. All things that have been private (e.g., the subject of religion,

---

sex, business corporations) are "going public." The present day question becomes: what is "the public?"

Vaclav Havel, speaking on October, 1991 at Lehigh University in Bethlehem, Pennsylvania, said that to establish a government on "any other principle than the civic principle...reduces our natural world." By "civic" Havel proposes a view of society that stands in political opposition to a "statist" society. Civic can imply a new and broad meaning of a "public commonwealth":

A civic society, based on the universality of human rights, enables us to realize who we are – not only members of a nation, but members of a family, a community, a region, a church, a professional association, a political party, a country, a supra-national communities – and to be all of this because society treats us chiefly as members of the human race, that is, as people, as particular human beings whose individuality finds its primary, most natural and, at the same time, most universal expression in our status as citizens, in citizenship in the broadest and deepest sense of the word.

<sup>29</sup> Michael Sandel describes how "public philosophy" has evolved: "Since the days of Aristotle's polis, he says, "the republican tradition has viewed self-government as an activity rooted in a particular place, carried out by citizens loyal to that place and the way of life it embodies. Self government today, however, requires a politics that plays itself out in a multiplicity of settings, from neighborhoods to nations and to the world as a whole." Michael Sandel, "In Search of a Public Philosophy" (Kettering Review, Summer, 1997).

<sup>30</sup> Somewhat in the tradition of Pierre Proudhon, Cole advocated a functional system of representation that included associations and interest groups. G.D.H. Cole, Self Government in

---

Industry (London: G. Bell & Sons, 1917).

<sup>31</sup> Peter Drucker describes the new post-capitalist order as a "society of organizations," and also a "knowledge society." For Drucker, the Megastate has reached a dead end. But alas, he says, there is no going back to yesterday's nation-state, as neo-Conservatives or economists of the Austrian School (such as Ludwig von Mises or Frederich Hayek) would have us believe, for new forces are rising that will both outflank and undermine the nation state. (Drucker, op. cit., 140.)

<sup>32</sup> See Peter Drucker's chapter on "The Society of Organizations," in Post-Capitalist Society (N.Y.: HarperBusiness, 1993).

<sup>33</sup> The idea of society as purely "political" is a signal of danger to association theorists. The ideas of 19th century philosopher Pierre Proudhon, for example, can be seen in these theories of association. These theorists argue that an overly-politicized society has brought catastrophic consequences. The growth of Nazism, fascism, and communism has been the chastening experience for people in the 20<sup>th</sup> century. Antonio Gramsci was a political theorist concerned about the failure of revolution in the West and its (hoped for) success in Russia, but in neither context did he envision the economic reduction of civil society. He emphasized the potential for change in the rise of associations, such as unionism and cultural organizations. Antonio Gramsci, Prison Notebooks (N.Y. International Publ., 1971). In sharp contrast, many sociologists, such as Talcott Parsons, took the basic premises of capitalism as "given;" where there were social problems arising from business, Parson's emphasized society's associations

---

and cultural values.

<sup>34</sup> Adam Seligman, The Idea of Civil Society (N.Y.: Free Press, 1992); Alan Wolfe, Whose Keeper? Social Science and Moral Obligation (Berkeley: University of California Press, 1989).

<sup>35</sup> Some scholars see a major turning point in the re-formation of society. The degree of change can be compared to the end of the Middle Ages when small feudal systems were in crisis and became obsolete with the rise of big monarchies. The political and economic orders then advanced unevenly; the political (monarchal) order was transformed into a civil state, but the economic order remained feudal, with its "lords and barons of industry." Although the democratic state flowered in the nineteenth century, the economy remained private and oligarchic. The unstable character of this economy caused the civil state to grow into a great Leviathan, an overarching power needed to control criminal behavior – whether on a city street or on Wall Street. It follows that if the market were to become more civil, we should see a transformation in the meaning of modernity. For cultural scholars, the problem is to "de-center power," that is, to reorganize authority at lower levels of organization. The task is to cultivate responsible authority at the lowest effective level of governance, without physical violence and without anarchy. Charles Derber, Money, Murder, and the American Dream, (Boston: Faber and Faber, 1992). Derber uses the term "wilding" to mean any relentless pursuit of gratification or self interest at the expense of others. He identifies links between economic wilding on Wall Street, political wilding in Washington, D.C., emotional wilding in families, and criminal wilding on city streets.

---

<sup>36</sup> Sociologists have studied this phenomenon as "civil religion." Robert Bellah, "Civil Religion in America," *Daedalus*, 96, no. 1 (Winter 1967). pp. 1-22. Among other things, Bellah examines the inaugural addresses of all the American Presidents in order to trace out some coherent "nonchurch religion" in American history. He reminds us that if we think only "church religion," we are missing a good deal of what must be called "religion" today. Theologians should widen their sights.

<sup>37</sup> Harvey Cox, Religion in the Secular City (N.Y. Simon and Schuster, 1984). p. 200.

Theologian Paul Tillich defined religion as that meaningful structure through which human beings relate to their ultimate concern. This is an "ultimate concern" that it is taken as unconditionally serious, and those who hold it show a willingness to sacrifice any finite concern that is in conflict with it.

<sup>38</sup> David Hollenbach, S.J., "Religion and Political Life," Theological Studies, 52 (March 1991).

<sup>39</sup>. Max L. Stackhouse, Creeds, Society and Human Rights (Grand Rapids, MI: 1984) p.39.

Stackhouse argues that the great Christian views of Augustine, Thomas, Calvin, Edwards, etc., all presumed that theology was public and at the center of general education. However, Christianity can be conceived as representing the "public" during this modern era in only a limited Western sense. Although the observance of Christianity in this early period was widespread, he argued, a view confined just to Christianity in modernity ignores the public character of major religions in other regions of the world. It suggests a danger in the use of the term "public," insofar as it sometimes refers only to a particular society or civilization.