

Chapter VIII

CIVIL SOCIETY

Civil society: a realm of diversity and pluralism

1. A vibrant civil society is widely seen as an important element of contemporary social and political life, at both the national and international levels, and as a precondition for democratic development and popular participation. Every society is composed of three arenas for interaction and discourse: government, market and family – with the notion of family understood to extend also to kinship networks, clans and communities. In most countries, there are many hundreds if not thousands of organizations established on a not-for-profit basis that serve individual, group and community interests. These organizations form the basis of civil society. Civil society is made up of voluntary associations formed for purposes of common interest or collective action. Essentially, it encompasses a set of relational networks based on family, faith, interest, location or ideology; at its core is uncoerced human association assuming many forms, including organized political or social activity, that operates between the private for-profit sphere and formal governmental institutions.¹ Civil society mediates the interactions between families and the market and families and the state.

2. The nature, range and scope of civil society vary from country to country because historical and cultural circumstances are different. Civil society is formed by and forms a part of national culture. Yet most organizations of civil society, regardless of where they exist, are formed and function on a common premise: they are not-for-profit, non-commercial, collective, accountable, committed to transparency, civilian and civilized, private but with a public purpose and oriented towards the public good, have some degree of representativeness and operate in a consensual and non-coercive way. Ideally, organizations of civil society are independent and internally democratic, not relying for their existence on the support of Governments or private businesses. Their legitimacy stems not from their power or their ability to make profits but from their contribution to the common good and from their responsiveness to a determined constituency. Representativeness may be based on widespread membership or it may be based on an organization's recognized standing within a particular field of competence or its expertise in certain subject areas. Many civil society organizations seek to advocate or to represent the interests of people who are removed from the centres of power. While some institutions of civil society are more visible and more influential than others, in general all these institutions play a role in shaping political agendas and

achieving specific goals, a role which has been increasing in recent years in many countries.

3. Organizations cannot exist or function normally without an institutional framework of laws established by the state, including credible guarantees of fundamental rights and political freedoms. While the nature of the relationship between the state and civil society remains country-specific, what is universal is the need for a well developed and functioning legal base and constitutionally guaranteed protection of civil and political rights for individuals and groups. Organizations of civil society can only function within a secure space that allows concerned citizens to engage in political discourse in different ways. Free politics requires free citizenry prepared to get involved in the life of the community, municipality or state.

4. An atmosphere of tolerance, including a willingness to accept dissenting views and an ability to reach compromise, provides fertile ground for a robust civil society. As democratic forms of governance become more widespread, greater public attention and scrutiny are paid to how the state exercises authority and interacts with citizens. The institutions of civil society generally display a willingness to question authority and serve an important function in this regard. In this context, freedom of speech and of the press are indispensable for meaningful political discourse as well as for articulation of public concerns, advocacy of certain courses of action or representation of political groups. The goal may be to sway prevailing opinions or even to challenge and alter the ground rules for political discourse.

5. The relationship between civil society and democratic institutions is complex. Civil society is not only a fundamental element of political democracy but it is also intricately intertwined with democratic forms of governance. A robust civil society provides an underpinning for democracy; without it, democracy is incomplete because the space for free expression and voluntary self-organization is reduced. In some countries, organizations have attempted to give new meaning to participatory government, exposing "facade democracy", making elections less ritualistic and more meaningful, promoting popular participation and exposing abuses of power and corruption. Thus, civil society can enable democratic development, offering opportunities for individual and group self-definition and channels for expressing different interests. On the other hand, without democracy and the institutions that support it civil society

is all but crippled, and its ability to grow and develop is severely limited.

6. The openness of the political debate, which by itself is one of the prerequisites of democracy, is an important element for leveling the playing field and offering participants equal opportunities to influence public opinion, to achieve compromise by forging coalitions and to facilitate political mobilization. Since organized social life manifests itself first at the national level, civil society by its definition is primarily a national phenomenon. But advocacy of a particular course more and more transcends national boundaries.

7. Some of the organizations of civil society have a long history (e.g., political parties, trade unions, religious bodies or professional associations); some others, including many non-profit non-governmental organizations became visible and politically active relatively recently (e.g., environmental movements, women's groups, development NGOs). Many organizations, particularly in developing countries, are informal or semi-formal citizens' groups or movements organized at the neighbourhood level to promote specific interests or meet specific needs. The rise and interaction of these institutions plays a crucial role in fostering habits of democratic accountability and good governance in society, giving citizens an important means to express their interests, defend their rights and monitor actions of their Governments and the private, for-profit sector. The organizations enable people to define positions, examine alternatives and articulate their interests, helping to turn "ordinary" community members into active citizens. People often find it easier and more effective to participate in community life through such organizations. By taking social, political or economic action, these organizations also put their activities in the spotlight, inviting scrutiny about how they operate, whether their values are democratic and what goals they pursue.²

8. Organizations of civil society have promoted popular participation, helping to educate people through increased articulation of public concerns and to involve them more fully in the search for solutions. The nature of participation also matters. While some degree of passive membership is unavoidable and even desirable in any organization, many voluntary associations of civil society help to encourage active participation of their members and to make it less formal. In a certain sense, the emergence of civil society organizations manifested the defensive reactions of a society and provided an indication of people's dissatisfaction with the traditional system of interest intermediation, traditional parties or even old associations.³

9. Most organizations of civil society demonstrate a commitment to improve living conditions, embodying such values as altruism and civic responsibility. While advocacy in a particular field (such as environmental protection,

peace activities or others) as well as representation of the specific interests of target groups can be important activities or even the *raison d'être* for some organizations, others focus on practical matters, such as delivery of social services. Sometimes advocacy coexists with practical actions. In both cases, however, representatives of civil society offer alternative strategies, stimulate debate and enrich policy-making. Stimulating participation, these organizations help communities but at the same time they help their countries to develop economically, socially and politically.

10. Non-profit, non-governmental organizations often operate where there are niches and gaps in the economic and social fields, particularly in activities prone to market or state failures. In many cases, including provision of welfare services, culture and recreation or basic education and health care, these organizations are able to bring new vigour to existing activities, complementing effectively the activities of public organizations and other providers. Table VIII.1 illustrates non-profit sector expenditure of selected countries, as compared to some countries' GDP.

11. While some people may be employed by these organizations on a regular paid basis, a significant portion of workers are volunteers. The input of volunteers is also significant in material terms. Successful organizations are capable of utilizing the initiative and resourcefulness of their members to the advantage of the community.

12. The appeal of organizations of civil society differs from country to country or even within countries. Some organizations are seen as more effective and people-oriented and as viable alternatives to both state institutions and private companies. Some attract membership because their organizations are less hierarchical and bureaucratic; they operate close to the grass-roots and represent the pulse of the community. Because they function on a non-profit basis, these organizations are generally not suspected of directing their activities to the benefit of a select group of owners or shareholders.

13. The technological revolution, including emergence of a "wired society" that allows almost instant access to information, has facilitated the rise of organizations and increased their role in societies. Innovations in information technologies have not only altered the manner in which information is disseminated but also multiplied the number of players who matter, reducing the importance of proximity and changing people's perceptions of community.⁴ One of the consequences is that more people and organizations become connected across borders, can improve links to

Table 1

other organizations and can foster international collaboration. Coalitions of non-profit volunteer associations have become more important in channeling media attention to selected issues, influencing public opinion within countries and making their voices heard internationally. Their stance and actions are important for increasing public awareness of issues facing societies.

14. The increased activity of some organizations of civil society coexists with another trend within it, namely the relative decline of trade unionism. While the situation is very much country-specific and dwindling membership is not observed across the board, there have been some common reasons for this relative decline. Changes in industrial structures and in the composition of the labour market, by sector and activity of occupation, have often reduced the traditional base of trade union membership in developed countries. The manifold effects of globalization put new pressures on unions, influencing and changing mentalities and behaviour patterns.⁵ In other cases, major shifts in the political organization of society have affected the standing of trade unions. For instance, in all post-socialist countries, disillusionment with trade unions was observed and substantial declines in membership have followed. Levels of union membership in these countries, however, remain comparable to those in western European countries and still much larger than those in the United States. In developing countries, the narrow industrial base limited the scope of union recruitment. In some countries, obstacles to association also imposed limits, although in some cases they have become less restrictive.

15. While unions are affected by major changes, they still remain an important vehicle of workers' participation in economic and social life. Many unions represent vital interests and continue to articulate them in the political process. Some new partnerships with the non-profit sector have been observed.

Non-profit organizations: employment structure and scope of activities

16. During the past two decades, non-profit organizations have increased their activities in all regions. Not only has the sheer number of these non-governmental institutions been growing – it is estimated that the number doubled in developing countries in this period – but also the scope of their activities has increased and their functions have become more diversified. Systematic appraisal of their activities is, however, only now being achieved as reliable data emerge.

17. The non-governmental sector has become an economic force, evolving into a major industry, with total employment of 19 million full-time equivalent paid workers in a sample of 22 countries,⁶ in addition to many more contributing their time on a voluntary basis. Through

various means, these organizations mobilize human and financial resources for socio-economic development.

18. For example, in the wake of the recent financial crisis in East and South-East Asia, many organizations and civic groups saw their influence grow and their standing in society enhanced. The revival of self-help traditions in Indonesia helped people to start monitoring government programmes and improved the climate for small businesses; in Thailand, the contribution of civil society was essential to pulling the country out of economic crisis and to counterbalancing both government and corporate abuses.⁷ In the Republic of Korea, major political changes which occurred at the beginning of the 1990s were solidified by a series of reforms and an accommodating posture of authorities towards civil society.⁸ In Central America, new grass-roots organizations have seized opportunities to challenge the system's capacity for order and coercion; while amplifying the range of social actors does not necessarily contribute to more egalitarian social relations, it represents a fundamental first step in creating the possibility of more democratic societies.⁹

19. Apart from their positive contribution to political participation, in many countries community and neighbourhood groups and self-help movements have become crucial actors for socio-economic development. Through the years, the economic role of non-governmental organizations has become more visible. Comparable data on the activities of the non-profit sector in more than 22 countries¹⁰ permits a preliminary analysis, highlighting its size, structure, revenue and composition, and contributes to an evaluation of the impact and contribution of these organizations.

20. The economic weight of the sector is illustrated by the fact that expenditures by non-profit organizations in the 22 above-mentioned countries accounted for 4.6 per cent of gross domestic product and employment created by non-profit organizations was nearly 5 per cent of all non-agricultural employment. This was equivalent to 10 per cent of all service employment, and 27 per cent of all public sector employment.¹¹ If volunteer effort in terms of time contributed were added to paid employees (and currently, about 28 per cent of the population in these countries contributes time to non-profit organizations) the total would represent the equivalent of about 41 per cent of public sector employment (see tables VIII.2 and VIII.3 for further details).

21. Average numbers mask significant regional variations. While in western Europe and other developed countries non-profit organizations account for about 7 per cent of the non-agricultural labour force, in Latin America the share is 2.2 per cent and in eastern Europe it is

Table 2

Table 3

1.1 per cent. Actually, both the availability of resources and the extent of social and economic needs may explain the scale of the sector.

22. Employment in the non-profit sector is greatest in the social sectors, particularly in provision of education (30 per cent of the total employment), health care (20 per cent), social welfare services (18 per cent) and recreation and culture (14 per cent). The situation varies substantially among regions. In western Europe, three quarters of all non-profit employees are concentrated in education, health-care or social service organizations. In Australia, Israel, Japan and the United States, the major area of non-profit employment is the health field (35 per cent), followed closely by education (29 per cent). In the countries with economies in transition in central Europe, non-profit employment is concentrated predominantly in recreation and in cultural services, while traditional social services account for a much smaller share.¹² It may be that in many of these countries the state remains a preferred instrument for welfare provision, although the situation has been gradually changing. In Latin America, the education sector provides most non-profit employment, while other areas of social welfare are less well represented. Traditionally, the church has played a substantial role in providing education services in the region. Table VIII.2 highlights the important sectors of activity of non-profit organizations.

23. In all regions, levels of employment in the non-profit sector change significantly if volunteer activity is considered (see table VIII.3). There have been at least three key defining characteristics of volunteering. First, the activity is not undertaken primarily for financial reward, although the reimbursement of expenses and some token payment may be allowed. Second, the activity is undertaken voluntarily according to an individual's own free will.¹³ Third, the activity is largely of benefit to someone other than the volunteer or to society at large, although it is recognized that volunteering brings significant benefit to the volunteer as well.

24. Within this broad conceptual framework, it has been possible to identify at least four different types of volunteer activity: mutual aid or self-help; philanthropy or service to others; participation or civil engagement; and advocacy or campaigning. Each of these types occurs in all parts of the world. However, the form each type takes and the balance or mix between different types differs markedly from country to country. Factors influencing the nature of volunteering include the economic, social and political make-up of the country and its stage of development.¹⁴

25. In western Europe, where volunteers are very involved in advocacy and civil activities as well as in sports and recreation, their inclusion increases the share of total non-profit employment from 62 to 77 per cent, while the culture and recreation share nearly doubles from 10 to 19 per cent and the environment/civic and advocacy share

increases from 3.3 per cent to 6.1 per cent.¹⁵ In other developed countries, when volunteers are included the dominance of the health sector employment still remains but declines somewhat (nearly 40 per cent of volunteer activity in the United States flows to the social services area, and another 10 per cent to civic and advocacy activities). If volunteer efforts in central and eastern Europe (which absorbs about 28 per cent of the volunteers' time in the region) is added, the share of non-profit employment in social services in the region increases from 12 to 18 per cent. In Latin America, about 44 per cent of all volunteer time goes for social services activities, either through religiously affiliated or community-based organizations; with volunteer time included, the social services share of total non-profit employment increases from 10 per cent to 17 per cent, and the development share increases from 7 per cent to 10 per cent.

26. Analysis of the revenue structure of the non-profit sector reveals a mixed picture. While private giving is an important source of revenue, in no country does private philanthropy represent the major source of funds. Fee income remained a predominant source of funds for more than half of countries where detailed revenue data exist (see table VIII.4). The share of fees in total revenues ranged from a high of 85.2 per cent in Mexico to about 19 per cent in Belgium. The public sector has been and remains an important source of finance for NGOs in many countries. This fact is most apparent in western Europe, with grants and contracts given regularly to non-governmental organizations, reflecting a tradition of subsidiarity built into European social policy – a tradition that acknowledges the important role of the state in financing social welfare services, but also chooses private, non-profit organizations as important delivery vehicles for social services.¹⁶ The philanthropy proportion differs substantially and the ratio increases markedly (from 11 to 27 per cent) when volunteer inputs are factored in.

27. In other regions, sources of revenues are widespread. In many countries in Asia with well established private sectors, business philanthropy and fee-for service charges have become the most significant source of funding for NGO activities.¹⁷ In China, government entities provide substantial financing in the form of grant-in-aid, cash subsidies and in-kind contributions. In many cases, however, China's NGOs depend on a variety of alternative funding sources, such as cash and in-kind contributions from profit-making enterprises, contributions from China's new class of entrepreneurs, cash and in-kind donations from major international NGOs and revenue generated by profit-seeking side ventures operated by the organizations. As a

Table 4

result, for a number of NGOs the bulk of financial resources comes from donors other than the sponsoring government entities.¹⁸

The role of civil society in the provision of social services

28. Worldwide, organizations of civil society have made a profound contribution to the financing and delivery of social services. They have improved education and health services, contributed to poverty alleviation and environmental protection, and provided other social services. Their potential contribution to development has been compared to those of the market and public sectors.

29. Activities of civil society organizations are quite diverse and they should not be considered as a single block. Many organizations have addressed specific conditions and circumstances, helping their target populations, particularly the poorest of the poor. While the involvement of some organizations in service provision may be ancillary, other groups are specifically organized for collective action to meet direct needs. Forms of cooperation can be episodic or long-term and intergenerational, mediated by rules and institutions which may not necessarily assume concrete organizational forms; but in their various forms, community or grass-roots organizations span the formal/informal divide.¹⁹

30. Non-governmental provision of social services has increased partly in response to the decision by many Governments to reduce public provision of certain social services (see also chap. VII). In the 1980s and early 1990s, when privatization of certain services and decentralization of many functions and responsibilities became prevalent in many countries, institutions of civil society began to become more directly involved and were seen not just as important alternative providers of social services but also as more efficient providers, more attuned to the needs of people. While in some cases this perception was correct, in many others it was not. The emergence of these organizations coincided with increasing fiscal and political constraints on the capacity of Governments to resolve many social problems, coupled with often drastic economic restructuring that negatively affected communities. NGOs are often viewed as a substitute for government functions. In many developed countries, the result was a withdrawal and downsizing of state commitments, which reinforced the perception of many people that government “does not work” because of inherent, specific weaknesses. The impact on individuals, families, and communities of government restructuring should not be overlooked since without further analysis it is hardly possible to address the problems that generated the sense of inherent weakness and “inevitable” retreat of the public sector.²⁰

31. The form and extent of health and education

provision by non-state actors differ substantially from one region to another. Non-state provision of health services is most prevalent in sub-Saharan Africa (table VIII.5 highlights the extent of non-state provisioning of health services in selected countries in Africa). In Latin America, trade unions, business and professional organizations are visible health-care providers, although non-state and private for-profit medical foundations are more common in Asia, where the level of private provision is relatively high, especially in curative services.²¹ In education, many organizations generate funds for the construction and maintenance of primary and secondary schools, pay the salaries of teachers and cover the costs of training. While NGOs and religious organizations are often directly involved in the formal education sector in sub-Saharan Africa, in Asia and Latin America NGOs tend to focus more on non-formal education and adult literacy work. In South Asia, NGOs help mobilize people to demand better quality education from the state rather than providing services directly.²²

32. Provision of services by NGOs and other groups have both advantages and drawbacks. The most visible weakness with regard to social service provision is fragmentation of resources, which are often inadequate to ensure comprehensive coverage. Quality can become threatened when limited resources are spread too thinly. Equity considerations can also arise as not all NGOs are free from bias, including gender, class and ethnic biases. Also, organizations can become highly dependent on external assistance.²³

33. Greater involvement of NGOs in service delivery can change their behaviour and affect their established modes of operations. International NGOs can have highly bureaucratic structures that may reduce their initial advantage. There is also potential conflict between effective service provision and the ability to remain innovative in developing activities. According to a study of NGO performance in the Gambia, the type of large-scale service provision engaged in by most organizations requires standardized delivery mechanisms as well as structures to secure substantial amounts of external funding and systems for rapid and complex decision-making.²⁴

34. In many instances, particularly in developing countries, state action in the social sectors remains indispensable. Thus, better coordination and synergy between civil society and the state is essential. One area where coordination can make a difference is the effort to ensure better quality in delivery of social services through more appropriate regulatory frameworks.

Table 5

Creating social capital

35. The notion of social capital is one of the newest tools of development analysis, directly connected with the evolution of civil society. Such elusive but very important sentiments as trust among fellow citizens and shared values of solidarity and mutual obligation in a society facilitate coordination and cooperation and have become known as “social capital”.²⁵ The institutions of civil society sustain crucial channels of communications among citizens and facilitate the acquisition of practical skills and the development of social capital.

36. Attitudes and values of trust and reciprocity are particularly important and crucial for social and political stability and cooperation. Social capital focuses on the cultural values and attitudes that predispose people to cooperate, trust, understand and empathize with each other. It helps to bind society together by transforming individuals into members of a community with shared interests and assumptions about social relations and a sense of the common good. Social capital is the modern social science analogue of fraternity, which has tended to drop out of political discussion in the twentieth century.²⁶

37. Sources of social capital are many: family, work, education and neighbourhoods. The family is a fundamental source of social capital. In many countries, “community organizations” became synonymous with social capital, and the voluntary sector is another important source. While open to community members and concerned with general issues of community functioning, these organizations typically empower their members to speak and act on their own behalf rather than through professional intermediaries.²⁷ Most mass-based organizations are characterized by a participatory culture and by inclusiveness, targeting all segments of the community, including those historically marginalized.

38. Social capital is very dependent upon context. The quality of civic engagement affects the performance of representative government; such factors as density of associational life, structure and distribution of networks are very important.²⁸ It is precisely this sociocultural component of social capital that provides the context within which it acquires meaning and becomes available to individuals or groups in a way that can facilitate individual or collective action not otherwise possible.²⁹

39. Since local-level organizational life and other community features differ substantially from one locality to another, levels of social capital may not be the same, even within a country. What is important is that social capital turns out to be a reliable predictor of local government performance in very different country settings. One of the crucial consequences of availability (or lack) of social capital is the presence or absence of social cohesion. It is generally recognized that higher social cohesion is related to lower mortality rates of the population. According to

some researchers, socially isolated people die at two to three times the rate of people connected to social networks, presumably reflecting the former’s limited access to sources of emotional support, instrumental support (such as financial aid) and other forms of support.³⁰ Moreover, recently some association was found between indicators of social capital (e.g., trust in government and other political institutions, quality of work relations, civic engagement in politics) and life expectancy and mortality rates. In the Russian Federation, which in the last decade has experienced serious declines in life expectancy and an upsurge in mortality, weak civil society institutions may be one of the culprits.³¹

40. Existing social structures or institutions play a very important role in creating social capital. The question is how traditional institutions can be integrated and form the basis for the growth of civil society. Traditional ways of organizing may serve as a model for new associations (e.g., rural trade unions in Bolivia)³². It has been assumed that civil society cannot be created from the top down; rather, it should be nurtured and has to grow organically from below. To a certain degree, the same could be said about social capital. There are examples, however (particularly in the former socialist countries), such as when a statistically strong civil society does not correlate positively with real participation in political processes and even less in impact on political decision-making. In many cases, society has not yet learned the skills of control or how to hold political authorities accountable³³.

41. Many countries, particularly in Africa, where social conditions may be volatile, have difficulty promoting membership in existing organizations. In the absence of careful assessment of the existing social fabric, there is a danger that existing institutions may exert influence in ways that cannot be readily channeled. On the other hand, utilizing available social capital, particularly entrepreneurially led modes of operation, has proved positive for creating social infrastructure. Lodging development efforts in existing institutions while at the same time adapting them to new tasks and working to make them more democratic seems to be the most relevant approach. However, the danger that traditional structures may become a significant obstacle to the development of organizations of civil society cannot be overlooked.

42. Trust is a crucial concern and an integral component of social development.³⁴ In a modern complex world full of uncertainty and risk, trust among people makes uncertainty more manageable. Trust is essential for the normal functioning of the economy: it enables business partners to engage in mutually beneficial transactions. Without trust, opportunities for mutually beneficial trade are reduced and cooperative outcomes less likely. The result is lower economic welfare through less optimal

specialization and arguably lower social welfare more generally.³⁵ As a crucial element of institutional infrastructure, trust is part of the social capital of any country. Abstract trust is not automatic; rather, it is generated by experience and promoted through education and the media. While family- or kin-based trust stems from “reputational mechanisms”, extended trust is based on a willingness to cooperate with anonymous others.³⁶ In countries with economies in transition, trust is often limited to a close circle of friends, while institutions for extended trust are often lacking; particularly prevalent is a widespread mistrust of government institutions and impartial third party enforcement. A crucial role of informal institutions in all societies is to facilitate economic exchange both by supporting self-enforcing rules of the game and by fostering trust in third party enforcement through the state. Such trust will grow out of an articulated civil society in which individuals communicate and seek cooperative solutions to dilemmas of collective choice.³⁷

43. Similar to the link between civil society and democracy, there is a link between social capital and democratic governance. It is increasingly realized that democracy is much more than liberty; to be viable, it also requires a range of values, attitudes and assumptions of the kind that comprise social capital. The existence of social capital turns a self-defeating concern with individual liberty into sustainable concern for collective liberty and social justice.³⁸

44. While norms, networks and consequences – the three different facets of social capital – embrace an important realm of societal relationships, they also raise several questions. These include individual involvement in social networks and voluntary associations, the nature of causal relationships between reciprocity and trust, the role of voluntary organizations in engendering the civic virtues of trust and reciprocity, and what sort of organizations are best at generating what forms of social capital and why³⁹. The answers to these and other questions are far from apparent. The existence of local organizations, however, indicates the presence of social capital among local groups that enables best action to protect their interests. Intersectoral relationships among organizations facilitate or enable contact among parties and appear to be linked to success in cooperative problem solving.⁴⁰

NOTES

¹ See for example: Goran Hyden. Civil Society, Social Capital, and Development: Dissection of a Complex Discourse. *Studies in Comparative International Development*, (Spring 1997), vol. 32, No. 1, p.1-30; Michael Walzer. The Idea of Civil Society. *Dissent*, 38 (Spring 1991), p.293-304. Francis Fukuyama offers the following definition: “Civil society-- a complex welter of intermediate institutions, including businesses, voluntary associations, educational institutions, clubs, unions, media, charities, and churches-- builds, in turn, on the family, the primary instrument by which people are socialized into their culture and given the skills that allow them to live in [the] broader society and through which the values and knowledge of the society are transmitted across the generations.” (Francis Fukuyama. *Trust: The Social Virtues and the Creation of Prosperity*. New York, Free Press, 1995). According to Dietrich Rueschemeyer civil society is “the ensemble of organized social activities, formal and informal, that are not directly grounded in family and kinship, economic production and exchange, or the state but are politically relevant” (Dietrich Rueschemeyer. *The Self-organization of Society and Democratic Rule. Specifying the Relationship*. In: D. Rueschemeyer, M. Rueschemeyer and B. Wittrock. *Participation and Democracy. East and West.*, M.E. Sharp, Armonk, New York, 1998, p. 18.

² Not all citizens’ groups are necessarily benign from a societal point of view. Some groups may be at odds with democracy or/and are incapable of contributing positively to the society. Some groups may be engaged in active promotion of distrust and hatred rather than tolerance and reconciliation; some may be even involved in criminal activities. If society is polarized, the power of interest groups grows and some groups may even “highjack” the political process, breeding parochial politicking and cynicism. It has been argued that actual civil societies contain repression as well as democracy, conflict as well as cooperation, vice as well as virtue; they can be motivated by sectional greed as much as social interest (Mark Robinson and Gordon White. *The Role of Civic Organizations in the Provision of Social Services. Towards Synergy*. UNU/WIDER. Research for Action 37, 1997, p. 3.

³ Participation and Democracy. East and West, op. cit. P. 223.

⁴ Jessica T. Mathews. Power Shift. *Foreign Affairs*. January/February 1997, p. 51.

⁵ World Labor Report. Industrial relations, democracy and social stability. 1997-1998. ILO, 1997.

⁶ Lester M. Salaman, Helmut K. Anheier and Associates. The Emerging Sector Revisited. A Summary. Revised Estimates. The Johns Hopkins Comparative Nonprofit Sector Project, Baltimore 1999, p. 4.

⁷ Michael Vatikiotis. Local Answers. Civil groups help citizens find their voices. *Far Eastern Economic Review*, November 5, 1998, p.16.

⁸ Sunhyuk Kim. State and Civil Society in South Korea’s Democratic Consolidation. Is the Battle Really over? *Asian Survey*, December 1997, p. 1142.

⁹ Laura Macdonald. Supporting Civil Society. The Political Role of Non-governmental Organizations in Central America. St. Martins Press, New York, 1997.

¹⁰ The sample includes non-profit institutions from various countries, i.e. developed, developing, and countries with economies in transition; the data were obtained within the context of the Comparative Nonprofit Sector Project currently underway at The Johns Hopkins University (USA). The countries surveyed were Argentina, Australia, Austria, Belgium, Brazil, Colombia, Czech Republic, Finland, France, Germany, Hungary, Israel, Ireland, Japan, Mexico, Netherlands, Peru, Romania, Slovakia, Spain, United Kingdom and United States.

¹¹ Lester M. Salaman, Helmut K. Anheier and Associates. *The Emerging Sector Revisited*. Op. cit. P. 4.

¹² Keith Snaveley. *The Welfare State and the Emerging Non-profit Sector in Bulgaria*. *Europe-Asia Studies*, Vol.48, No.4, 1996, p. 649.

¹³ There are grey areas here too, such as school community service schemes which encourage, and sometimes require, students to get involved in voluntary work and Food for Work programmes, where there is an explicit exchange between community involvement and food assistance.

¹⁴ See note by the Secretary-General. Addendum Document A/AC.253/16/Add.7, para. 6-7, dated 10 February 2000.

¹⁵ *The Emerging Sector Revisited*, loc. cit. p. 7.

¹⁶ *The emerging sector Revisited*, op. cit., p. 12.

¹⁷ ESCAP. *Governments and NGOs in Asia and the Pacific: The interactive Process for Social Justice*. SDD/SPS/IM/2, Bangkok, 1998.

¹⁸ *Ibid.*, p. 36.

¹⁹ Mark Robinson and Gordon White. *The Role of Civic Organizations in the Provision of Social Services. Towards Synergy*. UNU/WIDER. Research for Action 37, Helsinki 1997, p. 7.

²⁰ Bob Edwards, Michael W. Foley. *Social Capital and the Political economy of our Discontent*. *American Behavioral Scientist*, vol. 40, No. 5, March/April 1997, p. 675.

²¹ *Ibid.*, p. 9.

²² *Ibid.*.

²³ *Ibid.*, p. 44.

²⁴ Claire Fyvie, Alastair Ager. *NGOs and Innovation: Organizational Characteristics and Constraints in Development Assistance Work in Gambia*. *World Development*, vol.27, No.8, p. 1394.

²⁵ J.S. Coleman. *Foundations of Social Theory*. Harvard University Press, Cambridge, MA, 1990; Robert Putnam. *Making democracy work: Civic traditions in modern Italy*. Princeton, NJ, Princeton university press, 1993.

Democracy. East and West, op. cit. P. 257.

²⁹ Bob Edwards, Michael Foley, op. cit., p. 671.

³⁰ Kawachi, I, Kennedy, B. And Lochner, K. Long live community. *Social Capital as public health*. *The American Prospect*, November/December 1997, p. 56-59.

³¹ Bruce P. Kennedy, Ichiro Kawachi and Elizabeth Brainerd. *The Role of Social Capital in the Russian Mortality Crisis*. *World Development*, vol. 26, No. 11, 1999, p. 2029-2032.

³² Hyden, op. cit. P.

³³ See for example: Ferenc Miszlivetz and Jody Jensen. *An Emerging Paradox. Civil Society from Above? In Participation and Democracy*, East and West, op. cit. 83-92.

³⁴ See, for example, Francis Fukuyama. *Trust: the Social Virtues and the Creation of Prosperity*. New York, 1995.

³⁵ *Ibid.*, p. 16.

³⁶ Martin Reisman. *Trust in Transition*. European Bank for Reconstruction and Development. Working Paper No. 39, London, 1999. (Some other authors see business as a mediating institution while the market is described as "a school of sociability". (See, for instance, Thomas Taylor, Alexander Kazakov and Michael Thompson, *Business ethics and civil society in Russia*. International Studies of Management and Organization, Spring 1997, vol. 27, No. 1, p.14).

³⁷ Martin Reisman. *Informal institutions, social capital and economic transition: reflections on a neglected dimension*. EBRD Working Paper No.25, London 1997.

³⁸ Martin Reisman, op. cit.

³⁹ See: Kenneth Newton. *Social Capital and Democracy*, op. cit. P. 583-584.

⁴⁰ L. David Brown and Darcy Ashman. *Participation, Social Capital, and Intersectoral Problem Solving: African and Asian Cases*. *World Development*, vol. 24, No. 9, 1996, p. 1472.

²⁶ Kenneth Newton. *Social Capital and Democracy*. *American Behavioral Scientist*, vol. 40, n.5, March/April 1997, p. 576.

²⁷ Seth Borgos and Scott Douglas. *Community Organizing and Civic Renewal: a view from the South*. *Social Policy*. Winter 1996, p. 20.

²⁸ Robert D. Putnam. *Democracy in America*. In *Participation and*