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Civil Society, Governance & Development in an Era of Globalisation – The South Africa Case

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I. Introduction

In recent years, there has been a growing academic and intellectual interest in South African civil society. Part of the reason for this is the perceived success of South Africa's democratic transition and the role of civil society organs therein. Part of it has to do with the fact that South Africa is a very useful laboratory for the investigation and understanding of social phenomena because of its transient nature which ensures its hybrid character where the old and new co-exist. Part of it has to do with the more general universal interest in civil society and the Third Sector prompted by the demoralization with the State and Market. And part of it has to do with the fact that civil society has become the hope for all across the ideological spectrum. For those on the right, it is a support and service-delivery mechanism, while for those on the left, it is an agency to usher in a new social order.

This new interest in South African civil society in is reflected in the conclusion of two multi-million rand research projects on the size and shape, and impact of the sector. The first, part of the Johns Hopkins multi-country comparative project, and undertaken by the School of Public and Development Management at the University of Witwatersrand, is the most comprehensive assessment of the size and shape of civil society in South Africa[1]. It is a study that has some serious flaws, the least of which is that its theoretical and empirical sections are entirely divorced from each other. This is largely the result of a methodological flaw in the design of the project. But both sections of the final report make interesting observations and are thus useful in their own right. Moreover, despite the small sample size, the study does provide the most serious attempt to estimate the size and shape of civil society in South Africa.

The second study, undertaken by Institute for Democracy in South Africa (IDASA) and the Co-operative for Research and Education (CORE), is part of the Civicus multi-national comparative research project on impact.[2] Again there is a serious flaw in the design of the project. The study investigates impact on the basis of questionnaires, workshops and in-depth interviews with NGO

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[1] Swilling, M & Russell, B., 2002, *"The Size and Scope of the Non-Profit Sector in South Africa"*., Published by the Centre for Civil Society, University of Natal and the School of Public & Development Management, University of the Witwatersrand.

[2] IDASA/CORE, 2001, *"Two Commas and a Full Stop, Civicus Index on Civil Society, South African Country Report"*.

practitioners. It is useful for getting a general impressionistic picture of the sector. But it is problematic from an analytical viewpoint since the findings are based on NGO's own perceptions of their roles, relationships, performance and impact. There is thus no independent attempt within the methodology to verify NGO practitioners assumptions about themselves.

In any case, the research reports of both projects identify a series of issues, which require further in-depth investigation. This includes impact assessment studies. The principal lesson, however, that needs to be learnt from both projects is the necessity of good research design and methodology for without this, scholars and practitioners are simply in no position to make generalizations about the sector. This study does not do this. Although grounded in empirical information, informed largely by the 'Johns Hopkins' and 'Civicus' studies, it is essentially a broad reflective analysis (some may even say impressionistic) of the emergence and evolution of civil society in post-apartheid South Africa. It explores how globalisation and the transition to democracy influenced and shaped civil society and its relations with the state.

One of the major problems of studies of civil society is that its authors have a direct stake in advancing the case for or presenting a positive image of the sector. This in part may account for the popularity of organizational and institutional methodologies, which focus inward and tend to be descriptive and provide greatly exaggerated assessments of the sector and its impact.[3] Some recent studies, however, have corrected this and undertaken a more systemic analysis of civil society, its emergence and evolution. One example of this is Lester Solomon and Helmut Anheier's *Social Origins of Civil Society*, which explains the Third Sector as a product of regime types,[4] itself a result of the configuration of social forces within society.[5] Similarly, Terje Tvedt's *Angels of Mercy or Development Diplomats*, focuses on the International Aid system and investigates how it conditions the evolution of NGOs, their behavior and operations.[6]

This study attempts to follow in the footsteps of these pioneering works by investigating civil society from a systemic perspective. It investigates structural variables like the socio-economic environment, the political system and the prevailing flow of resources to explain the evolution of civil society in South Africa. The report is structured in five parts. Part two focuses on definitional issues, describing the international context, and how it informs the evolution of civil society across the globe. Part three focuses on the export of neo-liberalism to South Africa and the evolution of the post-apartheid political economy. Part

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[3] The IDASA/CORE study, is the most recent example of this (ibid).

[4] Lester Salamon and Helmut Anheier, 1998, "Social Origins of Civil Society: Explaining the Non-Profit Sector Cross-Nationally", *Voluntas*, vol. 9, no. 3.

[5] Salomon and Anheier's analysis is based on Barrington Moore Jnr's pioneering study, 1966, *"Social Origins of Dictatorship and Democracy"*. Hammondsworth, Penguin.

[6] Terje Tvedt, 1998, *"Angels of Mercy or Development Diplomats: NGOs and Foreign Aid"*, Trenton, Africa World Press.

four reflects on how the post-apartheid socio-economic and political environment informs the evolution of civil society and impacts on its diverse components. Finally, part five, which serves as the conclusion, effectively tries to summarize the argument and learn the political lessons thereof.

II. Definitional Issues & International Context

i) A false linguistic consensus?[7]

For more than a decade, the notion of *civil society* has held central sway in official, academic and popular discourses about development, democracy and governance in the world. The last quarter of the twentieth century witnessed the democratisation of several authoritarian regimes, most notably in Africa, Asia, Eastern Europe and Latin America. In almost all instances, it was widely recognised that a broad body of non-state actors, subsequently lumped under the term *civil society,* played an important role in these transitions to democracy. This was widely regarded as an exciting new development, especially in a world newly shorn of its old theoretical and ideological certainties and talk abound of a *"post-development"*[8] era.

Hence the old theoretical concept of *civil society*[9] was revived and moved rapidly from academic discourse to widespread popular use, across the entire ideological spectrum. The power and importance of *civil society* was lauded by everybody from the World Bank to small radical grassroots groupings and movements in the South and, as a result, rapidly became the new panacea for the world's ills and the challenges of the new millenium. In the process, the notion of *civil society* became imbued with a wild variety of exaggerated expectations and a general air of positive purpose. Outside academic debates, very little effort was ever made to contextualise the use of the term and/or engage with its complexity, diversity, fluidity, inherent contradictions and conflict potential.

Although acquiring its newly revered status as a result of a complex confluence of acutely political and ideological events, like the end of the Cold War, the concept *civil society* soon joined the everyday 'development lexicon', where it became vastly oversimplified and de-politicized. In practice, it was reduced to an amorphous and homogeneous entity, generally assumed to be broadly progressive in nature and often almost exclusively associated with NGOs and

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[7] Pearce, J, 2000, in *"Development, NGO's, and Civil Society. Selected essays from Development in Practice"*. (Series Editor D.Eade)., p.32. Oxfam, United Kingdom..

[8] See for example Sachs, W. (ed), *"The Development Dictionary"*, 1993, Zed Books & Witwatersrand University Press, Johannesburg; & Rahnema, M. (ed), *"The Post-Development Reader"*, 1998, Zed Books & David Philip, Cape Town.

[9] For a comprehensive history of the concept and its evolution, see Jean Cohen and Andrew Arato, 1992, *"Civil Society and Political Theory"*, Boston MIT Press.

CBOs. Unsurprisingly, in the process, it acquired an *opacity of meaning* that remained uncontested for far too long. Jenny Pearce reflects on the *rhetorical consensus* that developed around the term and argues that this myth can now no longer be tolerated. She adds that, "the reluctance to clarify the distinct meanings invested in these concepts, reflects collective collusion in the myth that a consensus on development exists, or even that some clear conclusions have been reached about how to deal with global poverty."[10] Clearly it is time to deconstruct the many myths that have pervaded development discourse and practice and start engaging with the more complex reality of conflicting interests and opposing agendas in the world.

Nowhere is this more necessary than in South Africa. The role of associational groups in bringing an end to apartheid has promoted an overly romanticized view of the sector among both scholars and activists. Almost all definitions of civil society in South Africa are afflicted with this malady and treat the sector as a homogenous entity ascribed with a progressive political agenda.[11] This, however, is clearly not academically, nor politically sustainable. Ideological and political heterogeneity must be a defining element of the concept of civil society. In addition, civil society must be conceptualized as distinct from both the market and state. Of course, traditional Hegelian definitions of civil society, include the market. Jean Cohen and Andrew Arato's comprehensive and defining work on the subject, however, makes a coherent case for why the market should be excluded from definitions of civil society.[12] In line with their recommendation, then, this study takes its working definition of civil society as the organized expression of various interests and values operating in the triangular space between the family, state, and the market.

ii) Globalisation

It has now become abundantly clear that the false 'rhetorical consensus' around civil society has conveniently played into the hands of those in charge of implementing the neo-liberal agenda in the world. It is certainly beginning to look as if behind all the general praise for *civil society*, there might have been a more functionalist agenda and one which many CSOs in the world did not fully grasp until they found themselves compromised to varying degrees. The brutal reality is that, with the Cold War and its ideological and economic contestation at an end, the United States, its allies and multinational corporations were generally in a triumphant mood. With no real opposition, strategic threats or semblance of an international balance of power left at the time, these political and economic forces faced very few constraints to implementing their vision of a new global world order. Briefly, this meant the breaking down of trade and financial barriers, shrinking *the state* and cutting back on its obligations, stream-lining social

[10] Pearce, J., op cit., p.18. Oxfam
[11] For a review of various definitions of civil society, see Swilling, M., & Russel, B., op cit., pp 15-18
[12] See Cohen and Arato, op cit.

expenditure and above all, establishing the supremacy of the market to regulate everything, including social services.

From the mid 1980's, the pressure was on internationally to implement this vision *at all costs*. Although many countries in the South had earlier on been pressurised into accepting structural adjustment programmes and had already began to experience the negative socio-economic effects of liberalisation, the globalisation agenda was now deployed in full force. The World Bank and the International Monetary Fund (IMF) provided financial assistance and loans to 'developing countries', or gave their blessings to such assistance, on condition that they restructure their economies and political systems exactly to the standard dictates of what became known as the 'Washington Consensus'. There was clearly very little room for manoeuvre, given the general indebtedness and the weak bargaining power of many 'developing countries'.[13]

More than that though, it was difficult to engage with the globalisation discourse which tended to remain the preserve of international financiers and mainstream economists. Contrary to the more humanistic and Keynesian development literature of the 1950's, 1960's and 1970's, the globalisation discourse is essentially technicist and economistic in nature, which makes it harder to engage with critically. All demurring voices, including those of concerned social scientists, are quickly silenced with the arrogant and dismissive *"there-is-no-alternative"* mantra. Gradually, though, this "techno-efficiency determinism"[14] is increasingly questioned, particularly as the naked economic self-interest and the social and human cost of these conservative neo-liberal economic policies become glaringly apparent.

There is increasing acknowledgement in the 'development fraternity' that, 'globalisation, driven by the values of neo-liberalism, has seriously harmed the anti-poverty and anti-exploitation struggle in the world. The benefits to the few have not compensated for the increased poverty, inequality and uncertainty which many have experienced.'[15] The cuts in social spending demanded by this 'economic model' have brought about real regression in the gains developing countries have made in fields, such as education, literacy, housing and health, over past decades. Measures taken to establish 'free' markets in developing countries have, in many cases, led to widespread job losses and increased human suffering.

The inherent economic self interest and the accompanying double standards of the rich industrialised countries have become increasingly difficult to disguise.

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[13] See, for example, Habib & Padayachee, "Economic Policy and Power Relations in South Africa's Transition to Democracy", in *World Development*, vol.28, no 2, 2000. For an analysis of the effects of neo-liberal policies in one industrialised country, the United Kingdom, see Colin Leys's new book, *"Market Driven Politics: Neo-Liberal Democracy and the Public Interest"*, Verso, London, New York, 2001

[14] Pearce, J., op cit., p.24

[15] ibid., p. 36

Despite all the rhetoric about open markets and free trade, the playing fields in this regard have proved to be vastly unequal: poor 'under-developed' countries simply cannot, even with the best will in the world, compete equally on world markets with the rich and powerful. After decades of radical analysis regarding the origin of this inequality and volumes of development literature on how to alleviate it, we are now living in a much harsher world, where naked greed reigns supreme. There has also been a tendency among the powerful industrialised nations to preach free markets to the developing world, while keeping in place subsidisation and other protective measures for their own agricultural sectors and key industries[16].

As a result of both these double standards and the negative effects of neo-liberalism, there is a growing challenge to this order, as is witnessed in the regular anti-globalisation demonstrations across the world[17]. This is partly facilitated by another feature of the phenomenon of globalisation, namely the increasing interconnectedness of the world. The Internet, television and other manifestations of the global technological and communications revolution have not only enabled the corporate sector to become more mobile, but have also facilitated greater linkages and collaboration between and among social activists across the globe[18]. The result is an ever-increasing global social struggle against institutions and organisations that are seen as the manifestations of the new world order.

The growing crescendo of criticism and calls for change have not gone entirely unheeded and spaces are slowly opening for more critical engagement. It is imperative, however, that CSOs, particularly the bigger international NGOs that tended to step so willy-nilly and often *unthinkingly* into the global neo-liberal agenda [see below] , use these spaces to clarify a number of principle existential matters, before going on and making more informed choices about their place and role in the new global order. As is often the case in extreme situations, the choices appear to be quite stark: either one of radical challenge to the status quo or one of compliance and compromise. In practice, for CSOs involved in the promotion and facilitation of development and democracy, this means either engaging in various forms of resistance and challenge, at local and global level, or accepting the status quo and becoming [often unwittingly] agents in its further implementation.

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[16] This was a major source of debate at the UN World Food Conference in Rome, during June 2002.

[17] For a rationale of this, see Noreena Hertz, 2001, *"The Silent Takeover: Global Capitalism and the Death of Democracy"*,Heinemann, London

[18] See Michael Byers, 2000, "Woken Up in Seattle", *London Review of Books*, vol. 22, no.1

iii) 'Civil Society', an unwitting 'delivery agency for a global soup kitchen'?[19]

Since the notion of 'civil society' was brought back in vogue primarily as a result of the strong influence of *people's power* in 'the third wave of democracies'[20], the primary element of its new-found respectability in official donor and other powerful circles was its association with the promotion and strengthening of *democracy*. CSOs were expected to continue playing an active role in the promotion and deepening of democracy in their societies. This was encouraged, in particular, because continued CSO involvement implied 'a diffusion of power both in state institutions and between the state and non-state actors'[21], that fitted in neatly with neo-liberal thinking on the role and power of nation-states.

Although it is clearly impossible to construct a precise chronology of developments in the aftermath of the complex confluence of historical events that had propelled the Third Wave of democracies, the net effect of these was the coupling of democracy with neo-liberal economic prescriptions. This vision was not only advanced by Western powers and international financial institutions, but also by the mainstream academy in both the developed and developing world. It was implemented through the standard mechanism of conditional 'governance' packages that Western governments, the International Monetary Fund (IMF) and the World Bank attached to foreign aid and loan programmes in the newly democratising societies. Gradually, this set of standard prescriptions just became an inherent part of the *no-arguments/ no-alternative* 'home truth' narrative of neo-liberalism and globalisation proponents. Somewhere in the process, *"civil society"*[22] in developing countries was allocated the task of promoting democracy *and* 'engaging' with the shrinking state.

One significant element of its new responsibilities included, stepping into the social services delivery domain, partially vacated by the state in terms of the standard neo-liberal budgetary and fiscal directives. Basically, the official neo-liberal logic starts with the 'efficiency' argument, that NGOs, unhindered by large bureaucracies and having closer links with beneficiary communities, can deliver a better, more efficient and cost-effective service than government departments. In order to do this, they would either be contracted by government departments or funded directly by foreign donors to implement certain programmes on the state's behalf. The question immediately arises, to whom are these NGOs accountable in these circumstances? The answer, generally, is that they become directly accountable to their donors and the government that had contracted them, thus becoming mere implementing agencies for the agendas and policies of other institutional actors.

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[19] Commins, S., quoted by Pearce, op cit., p.20

[20] Huntington, S, 1991, *"The Third Wave: Democratization in the Late Twentieth Century"*. University of Oaklahoma Press, Oaklahoma

[21] Shubane, K, 1999, *"No easy walk to Civility: Civil society organisation and the South African context."* Policy: Issues and Actors, vol 12 no 4, Centre for Policy Studies. p.10

[22] In this context, *civil society,* is equated mainly with medium to large professionalised NGO's

Apart from the cost-cutting concerns though, there is also a strong element of *social containment* implicit in this project. It is well-recognised, even by the architects and technocrats of this economic order that the prescribed cuts in governments' social expenditure and the job losses resulting from privatisation and the removal of trade barriers have a high social and human cost. If this cost rises too high, it may lead to political instability, which could derail the neo-liberal project. To avoid this consequence, NGOs are expected to pick up the social costs of neo-liberal programmes: to help take the edge off increased poverty, inequality, unemployment and worsening basic living conditions.

The appeal was of course made in more technical and persuasive terms though, otherwise not even the most deluded NGO would have taken on this impossible task. Clearly not all the NGOs in the world, even if there were thousands more, could possibly address the underlying causes of global poverty and inequality. Their involvement, then, could at best be of a palliative nature, providing social band-aid to the victims of the very system that employ their services. Rather like doctors in a war hospital. Or to put it in the more graphic description of Stephen Commins, NGOs role in the present order can only but be seen as 'useful fig leaves to cover government inaction or indifference to human suffering.'[23]

Thus NGOs took on a task, each in their own way and context, which simply could not be won. In doing so, they took risks and made compromises that are already starting to turn against them, not only in increasing cynicism from community constituencies and smaller more radical grassroots groupings, but also in growing scepticism from official donors. Pearce states that,

> "Perhaps what has encouraged the beginnings of an anti-NGO shift is that, unsurprisingly, NGOs were unable to offer the solution to the social cost of economic restructuring. Criticisms of NGOs have focussed on their technical deficiency, their lack of accountability, and their excessively politicised and critical character. This 'failure' has undermined their credibility among the technocrats within donor institutions, who demanded rapid and measurable outputs from investments in the NGO sector. And it weakened the influence of the pro-NGO social development advocates within those institutions."[24]

Many NGOs across the 'developing world' have arrived at this lamentable predicament, primarily as a result of having made a trade-off between their progressive guiding principles and organisational survival, hoping in the process that some good can still come of their work. Thousands of organisations have also walked into the 'new game' quite confounded by the new technicist-economistic discourse and unable to engage with it critically. Pearce argues that this 'false dichotomy between political and technical agenda [is]...one of the reasons why NGOs failed to develop their own critique of neo-liberalism, and why

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[23] Commins, in Pearce, op cit., p. 20
[24] Pearce, ibid., p.20

many ended up implementing a model with which they felt deeply uncomfortable.'[25]

On a more cynical note, it seems that it was the *usefulness*, more than any of the other publicly lauded attributes of CSOs, that attracted the likes of the World Bank and IMF to the sector? Somewhere amid the thunderous consensus around *civil society*, the momentous political events of the last two decades, and the associated notions of citizens action and democracy, the bigger NGOs quietly began to serve the interests of neo-liberal objectives in the world. The question is, now that this usefulness is wearing thin and criticism is gathering from all sides, will CSOs soon be dumped in favour of some new 'development fad'?

iv) Civil society, existential dilemmas?

> *"Indeed, it might be said that 20 years of economic liberalisation have damaged the NGO sector, fragmenting it and fomenting competition in which, as the free-market model argues, only the most efficient survive. The rush to efficiency, as if it were a discreet and neutral outcome of technical decisions, appears to have been at the cost of the time-consuming and messy business of debating other values, such as how greater efficiency could be pursued without a cost to social-change objectives."*[26]

Needless to say that these blatantly functionalist agendas undermine the core purpose of the civil society sector. Donor and government contracts, while useful for implementing day-to-day programmes and agendas, imply the loss of the very quintessence of *civil society*, namely its freedom and independence. The ability of CSOs to question and challenge those in power tends to make the latter uncomfortable and its therefore in their interest to involve these organisations in ways that would lead to their de-politicization and bureaucratisation. This is particularly true of governments with centralist tendencies, who often regard it as their prerogative to determine democracy and development priorities and see the role of CSOs as simply to follow suit. Shubane comments in this regard on the situation in South Africa:

"...some analysts have suggested that the government's increasing irritation [with criticism] expresses a desire to ensure that civil society organisations move away from policy debate into direct service delivery in partnership with itself – a role which, of course, would not pose any direct challenge to government decisions and would also create an interdependence which would reduce civil society's freedom of action."[27]

It appears that what many governments and official donor agencies really want from CSOs is greater *'neutrality'*. Although not necessarily pursued in an open or concerted way, it does appear to be the *sub-text* of the 'techno-efficiency'

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[25] ibid., p.23
[26] ibid., p.23
[27] Shubane, op cit., p25.

discourse, that is, if CSOs could just stop being so 'difficult', so 'political', so unwieldy, we can all just get on with it! 'Neutrality' thus seems to imply conformism, getting in line, the *taming* of civil society. The whole issue, of course, goes to the very heart of the nature of the relationship between civil society and the state. Historically, civil society's role is to irritate and ask questions and [hopefully], in the process, contribute to a better balance of power, better practice and greater transparency. Governments always had to find ways to deal with this irritating presence, pitching their responses somewhere on a continuum between confrontation and co-operation.

The present international response to this irritation, however, seems to be one of *compromising* CSOs, of drawing them into an agenda they do not always fully grasp (because it's never explicit) and trapping them there as recipients of donor or government funding and contracts. It can therefore not be overstated how important it is for CSOs to seek more clarity about the situation they have let themselves into, and to, at the very least, do some serious reflection and develop an active stance about their role. Pearce states that, "the theoretical, normative, and political basis for a critique of the global order is still weak and/or absent amongst NGOs, and that rhethorical consensus is one result of this vacuum. This has implications for practice and action, and also for the generation of open debate in search of common ground and new forms of cooperation."[28]

The overall implications of these developments are far-reaching and pose serious existential questions about the essential meaning of *civil society* in the current environment. Apart from compromising their [clearly valued] closeness to communities, the question arises, what happens to that treasured central characteristic of *civil society*, viz. it's independence from the state and the corridors of power? If the bigger, more formalised NGOs, become mere implementers of donor and government 'development' agendas, who is then responsible for developing the *alternative* development agenda? Increasingly, it appears that this task is left to smaller, more radical grassroots organisations and movements, whose members and supporters experience the negative effects of neo-liberalism first-hand.

These moral dilemmas and choices, largely emanating from neo-liberal technocrats' desire to contain the state and transfer its responsibilities to non-state actors, have caused more *fragmentation and tension* in the civil society sector. Civil society, of course, has never exactly been a model of harmony and homogeneity and neither is it expected to be thus. The new plans and funding preferences of technocrats, however, have led to more fingerpointing and fiercer competition between NGOs and have opened up a *growing divide* between the formal structures and their smaller grassroots-based counterparts.

This divide appeared quite early on in Latin-America, where harsh distinctions were being drawn between what were termed 'neo-liberal' and 'progressive

[28] Pearce, op cit, p.18

NGOs'.[29] Increasingly, this divide, which [incidentially] often seems to reflect the wider inequalities and divisions in societies, has manifested itself across the developing world. In recent years, there has been a tendency in developing countries for the smaller CBOs, that are truly closer to ordinary people's lives, to start organising around the human fall-out of neo-liberal programmes. They tend to organise around quite specific issues and identities, broadly related to issues of economic and social exclusion and exploitation. Social observers and analysts are always speculating about the significance of these developments and whether they have the potential to be harnessed into broader-based social movements with real potential to challenge the status quo.

The position of churches and trade unions on the effects of neo-liberalism and globalisation obviously vary among countries, but is in most cases, also located among ordinary people, they have generally tended to be critical of the status quo. In South Africa, for example, the churches have in recent years become more vocal in campaigns to cancel international debt and have publicly urged the government to address the growing poverty and inequality in the country. COSATU, the biggest trade union federation, has also been extremely vocal in its anti-neo-liberal sentiments, but remains in an uneasy alliance with the ruling party.

In the end, it is impossible to generalise too much. Moreover, it is unfair to apportion blame to this or that section of civil society. The issues and dilemmas raised here are complex and multi-layered and often not even clear in the minds of the individuals and organisations confronting the choices imposed upon them by the 'new world order'. Although many NGOs presumably became service delivery agents by *choice,* the majority probably ended up in that role either through considerations of survival and lack of a proper grasp of the neo-liberal discourse and its practical implications.

Civil society is neither a homogeneous nor a static entity though, so hopefully the growing international challenge to the neo-liberal paradigm would lead to radical self-analysis and a new commitment to pursue fairer alternatives in local and 'world development'. An early positive indication is the fact that the World Bank is irritated not only with the technical deficiencies of CSOs, but also, as indicated above, with *'their excessively politicised and critical character'*. It is just possible, that in spite of all the forced conformism, something about the essential nature of CSOs remained intact, and can form the basis for the rethinking that is urgently required. What is necessary now, is peer pressure on CSOs to disentangle themselves for the 'thought vacuum' they have tended to inhabit these last years and move forward with more critical clarity and a new clearer purpose.

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[29] See Kotzé, H. 1998, *Civil Society, Setting the Record Straight.*, in Barberton, C,. Blake, M., & Kotzé, H., *Creating Action Space: the Challenge for Poverty and Democracy In South Africa*, IDASA & David Philip; and, 1999, *Swimming in a Wild Sea: The New challenges Facing Civil Society*, in Maharaj, G (ed), *Between Unity and Diversity, Essays on Nation-building in Post-Apartheid South Africa*, IDASA, David Philip.

Reflection and repositioning is, however, not only required on the side of civil society. Increasingly, the notion and practices of neo-liberalism and globalisation are being fundamentally challenged across the world. No longer is there only a confused retreat in the face of the 'no alternative' mantra. Instead there is a well-coordinated and increasingly vocal and visible insistence on an alternative. Ironically, a large part of the growing success of the anti-globalisation movement is attributable to extensive use of new forms of electronic communication (the Internet and cell phone technology), that paradoxically contributed to enlarging corporate power in the first place.

In any case, the core of this new social movement is constituted by a variety of diverse organisations, located across the developed and developing world, who question the ideological parameters of the existing world order. This has prompted a chorus of voices in international officialdom who are now making consistent demands for more and better regulation of the world economy[30]. But it is also important for these CSOs critical of the world order to make a concerted effort at improving analysis and strategy, as well as develop real alternatives to the present economic orthodoxy.

III. South Africa: the end of exceptionalism?

The question then is, are the same processes at play in South Africa? Are we bound to follow the same route, face the same dilemmas and choices or can we persist with our long-held delusion of being *different*? Do we even have a solid grasp of the dilemmas and choices confronting us? These are some of the questions and issues that will be addressed in this section.

South Africans have always had a tendency to see themselves and their country as different, exceptional even. The origins of this acute sense of exceptionalism, usually expressed as a blend of pride and defensiveness, can probably, at least partially, be found in the country's colonial history and distant geographical location at the southern-most part of the African continent, far from Europe and North-America but also strangely out of touch with [what is generally referred to as] *'the rest of Africa'*. For a very long time thus, there was South Africa, then 'the rest of Africa', and finally, the rest of the world.[31]

This mentality became near pathological during the isolation of the apartheid years, particularly in the case of many white South Africans, who responded to all challenges and criticism of the system with the lament that [other] people simply *didn't understand*. Black South Africans were not entirely exempt from the

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[30] See, for instance, Joseph Stiglitz, 1998, *"More instruments and Broader Goals: Moving Towards a Post-Washington Consensus,"* Wicker Annual Lecture, Helsinki, 7 January.

[31] Mahmood Mamdani, in his 1996 book, *Citizen and Subject – Contemporary Africa and The Legacy of Late Colonialism*, also refers to the notion of South African exceptionalism, see pp 27-32

exceptionalism tendency either, in that for many decades they had to daily face and fight apartheid, which in itself required a degree of single-mindedness. South Africans thus, each in their own way and for different reasons, became a dangerously inward-looking nation. We believe that what happened here had no parallel in the rest of the world (true in some ways) and we were all in our own ways *different* from everybody else.

The tendency peaked, in a more positive way, in the immediate aftermath of the successful and relatively peaceful general election in 1994. Millions of South Africans, including many who previously opposed majority rule, basked in the glory of the political miracle and the general sense of being at the centre of the world's attention. 'Madiba magic', the short-reigning notion of the rainbow nation, major international sport achievements and the general opening up of South Africa to the world and visa versa, were just some of the many new factors that contributed to a new sense of being special.

i) The developmentalist phase

On the political front there was also euphoria enough to, at least temporarily, sustain the belief that we can and will do 'our own thing', and on a grand scale, regardless of prevailing trends in the rest of the world. After centuries of colonial rule and 46 years of apartheid, the majority of South Africans were left poor, inadequately educated, badly housed, living far from their places of employment or job opportunities, with little or no access to basic services like electricity, clean piped water and accessible health facilities. Any government serious about socio-economic justice and the consolidation of democracy, needed a comprehensive development programme to address this multitude of needs and restore dignity and decency to the lives of the millions of ordinary South Africans who were the victims of apartheid and colonial conquest. This was even more true for the ANC government, that came to power on a broad base of popular support, that embodied the hopes and expectations for a better life of millions of people.

In response, the ANC and its allies developed the *Reconstruction and Development Programme* (RDP), which served as their electoral manifesto. The programme was premised on state-led development, informed by neo-Keynesian assumptions and policy prescriptions, which had lost favour in the World Bank and IMF. For a while there, we were going to be different: we had a large and legitimate task to address the ills and backlogs of the past and had clearly earned the moral right to do it in our way.

The ruling party had strong social-democratic underpinnings, which at that time had already begun eroding, in the face of subtle pressures and persuasion from local and international business. Thus whilst the RDP was on everybody's lips, popular expectations skyhigh and government officials struggling to gear up for massive delivery, the balance of power turned out decidedly against such a programme. It should not be surprising to note that, already in December 1993,

the ANC gave support to a small IMF Compensatory Financing Facility, to which the standard, neo-liberal, draft Letter of Intent was accepted by the ANC *without any changes,* and quite contrary to the advice of their own economic advisors at the time.[32]

Nontheless, and maybe indicative of the compromises, concessions and contradictions of the time, the RDP was adopted and, for some time, had the full support of politicians, ordinary South Africans and even some business people. Although there were subtle signs, even in the RDP document, of economic moderation[33], the programme was, and is still, better known for its more popular social-democratic vision. For the two years that the RDP was official policy, the government completely seized the 'development initiative' which, under apartheid, had been the almost exclusive preserve of development CSOs. The latter were almost completely crowded out of even the policy-making circles that they had participated in since the early nineties. Moreover, many of the development projects, initiated over many years, experienced serious problems, as a result of confusion over direction, issues of scale of projects and problems over funding.[34] The state claimed total control over the development agenda, a task it was often woefully unprepared for, but would not share with anyone, even old allies and erstwhile colleagues in CSOs.

Despite all the centralised activity (endless workshops, strategic planning, hiring of consultants, meetings and business plans) it was clear quite early on that there were serious problems of capacity in state institutions. In retrospect, it was almost impossible to implement a programme of that magnitude, from scratch, and in such a short space of time, particularly given the massive restructuring and reorientation of the public service that had to take place. Government officials, particularly those attached to RDP units across the country, quite contrary to the public commitment to inclusiveness, turned inward [and to private consultants] to figure out ways of mastering the mammoth task. In the process they generally became totally inaccessible to the very people they were supposed to help.[35]

The government's public commitment to 'people-centred' development and to working closely with CSOs[36] generally turned out to have been largely rhetorical. Early on, with all the people-centred rhetoric still officially around, there was already a discernible shift in the development discourse towards a more technical interpretation of *development,* commonly referred to as the 'bricks and mortar approach'. The more complex and circumspect human / social processes generally associated with development projects in the "NGO world" worldwide,

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[32] Habib & Padayachee, op cit., p.10
[33] ibid., p.11
[34] Kotzé, H., 1998, *Civil Society, Setting the Record Straight.*, in Barberton, C,. Blake, M., & Kotzé, H, 1998, *"Creating Action Space: the Challenge for Poverty and Democracy In South Africa"*, IDASA & David Philip, p.176
[35] ibid., p. 176
[36] See RDP document, 1994

started falling by the wayside. When questioned about this, senior government officials often responded with irritation, stating that they need not consult with people about their needs, since they already knew their needs.[37]

Moreover, instead of drawing on the experience and expertise of thousands of CSOs and actively involving them in policy-making and [where appropriate] implementation of projects, the government tried to handle it on their own [or assisted by consultants[38]]. Ironically, given its generally anti-capitalist policies in the past, the new ANC government preferred a working relationship with the private rather than with the 'third sector'. In 1996 Thabo Mbeki, then Deputy President of South Africa, expressed this in his "The State and Social Transformation" document, where he argued for, 'a dialectical relationship with private capital as a social partner for development and social progress.'[39] In retrospect, however, it is clear that the growing courtship between big business and the ANC government had begun much earlier, probably even prior to the formal onset of constitutional negotiations in the 1990's.

In any case, whether the tendency to *exclude* other development players was caused by sheer panic at the enormity of the task or by the inherent centralist tendencies of the ruling party[40] or even the early dabbling with the *'efficiency discourse'* [or a complex combination of these and other factors], the net effect was a major alienation between some CSOs and the state. In other cases, most notably in rural areas, development NGOs were left to play a kind of intermediary role between government and communities, namely assisting in the preparation of business plans and other technical requirements imposed by the RDP Office and/or undertaking service delivery through sub-contracting arrangements with the state agencies. The result was a growing schism within civil society on precisely how to relate to government and its developmental agenda.

ii) The official arrival of neo-liberalism

In the end though, South Africa was 'allowed' just over two years to indulge in this illusion of economic exceptionalism. Bigger pressures were beginning to exert themselves: the World Bank, IMF and South African and multi-national corporations were increasingly visible at government events. Even in the heyday of the RDP, World Bank staffers routinely attended national RDP workshops, officially as observers, but often giving presentations and certainly mingling with

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[37] For example, then Minister of Public Works in the Eastern Cape, Mr Mhlahlo, in interview with H.Kotze, 1996.

[38] As a result 'development consultancy' became an extremely lucrative field and suddenly just about everybody was a development expert/ consultant, quite independent of prior development experience. The local branches of major international accounting firms, almost overnight, had development/ rural development divisions in place.

[39] Thabo Mbeki, "The State and Social Transformation", 1996, p.22, quoted in Habib & Padayachee, 2000, op cit., p. 17

[40] See, for example, Shubane, op cit., pp 6-14

the crowds [41]. The heads of the World Bank and IMF started paying official courtesy visits, but the official government response to criticism and concern raised in this regard remained dismissive: *we are doing our own thing!*

By mid-1996 the illusion of exceptionalism was finally over, when the government announced their contentious new Growth, Employment and Redistribution (GEAR) policy[42]. Referred to by Patrick Bond as 'home grown structural adjustment'[43], this economic plan was drawn up by the Department of Finance, drawing on technical advice from economists from the World Bank, the Universities of Cape Town and Stellenbosch, as well as other public institutions and research agencies. Although ongoing commitment to the RDP was stated, critics have commented that GEAR's "emphasis on containing government expenditure, lower fiscal deficits, lower inflation, deregulation, privatisation, the priority accorded to attracting foreign investment, and minimalist state intervention are in fundamental opposition to the basic policies and developmental thrust of MERG and the RDP."[44]

In practice the RDP Office was closed, and the country and ordinary people who pinned their hopes on this programme, lost all sense of a coherent developmental vision. Carter & May state that, "during Mandela's presidency, the South African government's orientation towards addressing the problems of poverty and inequality underwent some marked shifts, in language and emphasis, if not in substance. The 1996 closure of the Office of the RDP signaled to some an at least symbolic reduction in the priority given to improving the access of the majority of South Africans to adequate shelter, sanitation and education."[45]

The *'no alternative'* mantra had thus arrived on our shores and, like elsewhere, was wielded like a weapon by its adherents, dismissing alternative discussion. South Africa had thus, in a few short years, been brought on a par with the rest of the world, the end of our illusion of economic exceptionalism. Michael Blake commented at the time, "now it seems that South Africa was not a pioneer after all but was just catching up."[46] The grand experiment was over and we joined the new world economic order, on its own standardised terms.

iii) Reaping the benefits or counting the cost?

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[41] Authors' [participant] observations during 1995/96.

[42] For a more detailed discussion of the policy processes, choices, trade-off, as well as policy prescriptions of GEAR, see Habib & Padayachee, 2000, op cit.

[43] Bond, P., 1997, *Homegrown Structural Adjustment: implications for social policy & social movements.* Paper presented to the Initiative for Participatory Democracy, April 1997

[44] Freund & Padayachee, 1998, Habib, 1997, quoted in Habib & Padayachee 2000, op cit., p. 14

[45] Carter, M.R & May, J., "One Kind of Freedom: Poverty Dynamics in Post-Apartheid South Africa." *World Development,* Vol. 29, No 12. 2001, p.1992

[46] Blake, M., in Barberton, Blake & Kotze (eds), 1998, op cit., p.47

In retrospect, it is clear that the classic neo-liberal scenario had already fully unfolded in South Africa, not only in terms of the standard set of policies adopted, but, more importantly, in terms of the typical social and economic effects of these policies. The irony is that, with few exceptions, GEAR has not done well even by its own objectives and targets. It has, for example, not come near its projected economic and export growth rates and "[in general] sustained inflows of direct foreign investment, which many predicted or hoped would follow democratic change, have not materialised."[47] Moreover, prospects for increased flows of foreign investment have been further eroded by factors like the rampant tide of violent crime, the exceptionally high HIV/AIDS infection rates, not to mention the government's atrocious handling of the HIV/AIDS and Zimbabwe crises in recent years.

Indeed, the relaxation of exchange controls and special concessions to South African companies have actually led to substantial capital *outflows* from the country. The national currency has been in a downward spiral for a number of years and interest rates, already high by international standards, have recently again been upwardly adjusted, the third time since the beginning of 2002. There has not been a lot of progress in realising GEAR's targets for privatisation of state assets and, most importantly, instead of the projected employment creation targets, there have been massive job losses in almost all sectors of the economy.

Tighter fiscal constraints have generally led to slower delivery of social and physical infrastructure to disadvantaged communities[48]. Although considerable gains were [initially] made in the fields of electricity, water and housing provision, this record has been steadily eroded in recent years by the crises around cost recovery and affordability of services. David MacDonald estimates that, "close to 10 million people have had their water cut off for non-payment of service bills, with the same number having experienced an electricity cut off. More than two million people have been evicted from their homes for the same reason. [And although] it is low-income African households that bear the brunt of these service cutoffs, lower middle income families are also being affected..."[49]

Apart from the few who have benefitted from economic liberalisation [mainly the upper classes of all racial groups, and in particular, the black political, economic and professional elite who are the primary beneficiaries of affirmative action policies and black economic empowerment deals], GEAR has had a devastating effect on the lives of millions of poor and low -income families. Habib & Padayachee state unambigously that, "the ANC's implementation of neo-liberal economic policies has meant disaster for the vast majority of South Africa's poor. Increasing unemployment and economic inequalities associated with neo-liberal policies have also pushed even more of South Africa's population into the

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[47] Habib & Padayachee, op cit., p. 20
[48] ibid., pp 20-21
[49] MacDonald, D., Special Report. *"The Bell Tolls for Thee: Cost Recovery, Cutoffs, and the Affordability of Municipal Services in South Africa."* March 2002. p.3.

poverty trap."[50] They refer to the 'near barbaric' existence that a part of the population has been confined to and predict that this terrible condition of economic marginalisation is likely to undermine future political stability and the consolidation of democracy.

Other recent studies have supported Habib and Padayachee's analysis by demonstrating that poverty and inequality has increased in real and measurable ways. Carter and May, using a follow-up study of approximately 1200 black households in KwaZulu-Natal, over the period 1993 – 98 found that, 'poverty rates have increased from 27% to 43% among this cohort, and that the distribution of scaled per capita expenditure (or well-being) has become less equal. Underlying these findings is a skewed or class-based pattern of income mobility in which initially better-off households have shown more upward mobility than initially poorer households.[51] Although a regional study, one can probably quite safely surmise that there would be similar trends in other parts of the country.

A shocking scenario is thus unfolding, one of the most terrible deprivation experienced by ever growing numbers of South Africans. Ironically, these are the same South Africans who lined up jubilantly to cast their vote for the ANC in 1994 and 1999, in the hope of *'a better life for all'*. The reality is that, as long as the government doggedly adheres to its present economic policies, there is very little hope that this dismal picture will change in the foreseeable future. As a result, one can probably also expect to see crime levels rising, as an almost unavoidable expression of economic want and rising levels of frustration and desperation, particularly among the youth. Couple this with the terrible devastation that HIV/AIDS is wreaking on this same marginalised and vulnerable population, and it is hard to believe that the government can be so blindly stuck to its self-delusionary course.

Apart from the natural environment maybe, there is therefore not a great sense of specialness left in South Africa. Our national self esteem is being constantly eroded by this dehumanising spectre of desperate poverty, unemployment, violent crime, AIDS and the rising cost of living, existing alongside the most spectacular affluence. The growing inequality is also no longer confined to the classic racial divide, as there is widespread evidence of growing economic inequality within the black community.[52] On a cynical note then, it seems that South Africa has indeed been 'normalised', certainly by neo-liberal standards, with the new political elite having formed and entrenched relationships and alliances with the old [and new] business elites. The early exploratory relationships have now largely been established and solidified. The rich are getting richer, and the poor, poorer. This is the harsh world we are now [re]inhabiting in South Africa.

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[50] Habib & Padayachee, op cit., p24.
[51] See Carter, M.R & May, J, op cit.
[52] ibid., p.1995

IV. Civil Society in South Africa, understanding the new choices and challenges?

The situation in South Africa has changed vastly in recent years. There have been a great many complex and multi-layered societal changes, resulting from both the political and economic transitions of the 1990s. During the last decade we have witnessed the most spectacular political and economic realignments and shifting alliances, many of which are to be expected in a society undergoing rapid change. With racial discrimination removed from the statute books and no remaining formal barriers to economic advancement, new social hierarchies and trajectories rapidly took shape. The speed of upward and downward social mobility and the rapid assimilation of new class attributes by a section of the historically disadvantaged has been most astonishing. All part of the 'normalisation' of post-apartheid society, of course, but some of it sad and disappointing, given the high hopes and moral principles the South African transition started out with.

In many ways South African society is still lingering in the exciting, but difficult space created by the transition to democracy, where remnants of the old society co-exists uncomfortably with the new. Although, attitudes and mindsets have generally shifted significantly, the issue of race, for example, is still present. This scourge appears not only in its old manifestations, but also in new forms. For instance, it is undeniable that the new political elite deliberately politicise race in the current environment either to advance their own interest and/or defend themselves against criticism. Similarly, the 'poor are still with us', with the situation growing more alarming all the time and no real sign of a radical reconsideration of economic policy. And, finally, there is the new scourge of HIV/AIDS, which has brought many new issues and challenges to the fore.

The big question, then, is how and where do South Africa's famously vibrant CSOs feature in this changed and complex new political and socio-economic landscape? How has the 'Third Sector', that essential independent voice and critical conscience of society, responded to the new developments and challenges, including the worsening poverty and inequality and the HIV/AIDS crisis? Are organisations within this sector adhering to their old loyalties and traditional activities or have they, in their turn, adjusted to the new social and political hierarchies and demands of the new dispensation? Most importantly, now that South Africa is in the full throes of neo-liberalism, have their responses and choices echoed those of CSOs in other countries? Are they even consciously aware of the choices and dilemmas they are confronting?

The subject of South Africa's vibrant *civil society* and it *exceptional* role in the anti-apartheid struggle and the transition to democracy, has been well-lauded

and documented.[53] The same applies to the subsequent 'collapse' of civil society [as then understood], as a result of changes in donor funding and political priorities.[54] What was often lost in these discussions and debates was the realization that *civil society* in South Africa is *more* than just the 'progressive forces' that participated in the anti-apartheid struggle. In effect, like the society within which they were located, these CSOs were fundamentally divided along lines of race, class and ideology.[55] Each one served their chosen interests and/or beneficiary groups in a specific sector and area of activity. This is an important point, often overlooked in the *'rhetorical consensus'* around civil society.

In the harsh climate of apartheid, there were not a great many political sides to choose from and, as a result, CSOs tended to fall into at least two main categories, those that broadly supported the liberation movement and those that tacitly or actively supported the *apartheid* status quo.[56] In these extreme circumstances though, both 'camps' generally adhered quite closely to their chosen orthodoxies, and did not encourage much internal dissent or debate. Shubane states that, "as with all orthodoxies, debate on these ideas among adherents is limited to showing enthusiastic support or, at best, discussing the most effective means of implementation."[57] This, of course, raises interesting questions as to how independent a voice CSOs really represent, then and now.

Some of these political divisions, mistrust, diversity and conflicting and competing interests were presumably carried over into the new era, but like elsewhere, often got lost in the new blurred discourse about *civil society*. More than ten years on[58], and despite dramatic changes in the political and economic environment, not to mention the almost total reconstituting of South African *civil society*, the blurred and simplistic discourse tends to continue in many circles. In addition, like elsewhere, the introduction of neo-liberal policies and the accompanying 'techno-efficiency' discourse, has aggravated the conceptual confusion. This may have contributed to the fact that very few people in the sector, even now, have realised that there are serious conceptual challenges and political choices to be confronted.

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[53] See, for example, Marais, H., 1997, "Annual review: The Voluntary Sector and development in South Africa, 1996/97". *Development Update*, vol. 1., no 3 ; and Marais, H., 1998, *South Africa – Limits to Change: The Political Economy of Transformation.* University of Cape Town Press, Cape Town.; Murray, M, 1994, *The Revolution Deferred: The Painful Birth of Post-Apartheid South Africa*, London, Verso; Taylor, R., Cock, J., & Habib, A., 1999, *Projecting Peace in Apartheid South Africa, in* Peace and Change, vol. 24, no.1; Kotze, H., 1998 & 1999 (op cit.); Adler, G., & Webster, E., 1995, *The Labour Movement, Radical Reform, & Transition to Democracy in South Africa.* Politics and Society, vol. 23, no. 1.

[54] See all above, plus Swilling and Russell, op cit.

[55] For a more detailed discussion of these divides, see Habib, A., & Taylor, R., *South Africa: Anti-Apartheid Non-Governmental Organisations (NGO's) in Transition.*, in Anheier, H., & Kendall, J. (eds), *The Non-Profit Sector at the Crossroads*, 2001, London, Routledge. Also, Shubane, K., op cit., p. 12.

[56] One could add a third category, the liberal establishment and the CSOs faithful to it, but these tended to implicitly fall into one of the other two camps.

[57] Shubane, op cit., p.12

[58] since the return of the notion of *civil society* to conceptual and popular prominence

For years, many people in the sector relied on a very rudimentary set of catch phrases when talking about 'development'. Contributing to the problem were the many self-styled 'development experts' that materialised after 1994, often with no prior development experience. Pearce refers to a similar trend in NGOs worldwide, "an intellectually lazy reliance on a handful of concepts and words as a substitute for thought, [which] has weakened and confused practice and, ..contributed to the present crisis of legitimacy within the NGO sector."[59] The same generally applies to CSOs in South Africa and, like elsewhere, the complacency and self-assurance that often accompanies these simplistic 'development' discourses, acts as a deterrent to the development of a more sophisticated and critical discourse.

It is clearly time for CSOs in South Africa to undertake a strategic pause and reconsider some of the challenges mentioned above. Although the full package of neo-liberal policies, and its implications, came to South Africa relatively late, it has been unrolled rapidly and the full consequences are fast materializing. CSOs are already facing the same choices and dilemmas as elsewhere in the developing world and are equally, if not more, unprepared to do so. The post-1994 existential crisis, caused many CSOs to turn their focus and organisational energies *inward,* in a search for survival and new direction. With the common enemy of apartheid removed, the subsequent internal transformation processes of CSOs were often characterised by terrible conflict and near organisational paralysis. Presumably those that eventually survived this 'first crisis' have found ways, not only to survive financially, but also to redirect their focus in the post-apartheid era.

Whether they have the awareness and acumen, to engage critically with the new externally imposed economic and political realities is another question altogether. Although it will require more in-depth research to make a well-informed assessment in this regard, most political commentators and development practitioners believe that this is generally not the case. The obstacles to conceptual clarity and informed action experienced internationally, also apply in South Africa. In addition, most CSOs have never really engaged closely with matters purely economic and are unprepared to engage in debate about the adoption of neo-liberal policies, their implications for the country and for the changing nature of their own work.

Also, like elsewhere in the world, the 'language of neo-liberalism has rapidly penetrated, possibly even overlaying the old 'NGO-speak' in South Africa. The process appeared to have taken place so 'naturally' that few people actually seem to have noticed that it involved a massive paradigm shift. The essentially technical nature of this jargon, which lends itself ideally to an easy pretence of 'neutrality', probably helped to effect this smooth transition. Also the fact that the government adopted the technicist terminology quite early on facilitated its transmission to the civil society sector in particular because of the ANC's

[59] Pearce, op cit., p.32

historical alliance with some CSOs and/or the latter's desire and need to partner with the post-apartheid government. As a result very few CSOs have attempted even a peek at the ideology behind the technical jargon. And so it has become entrenched, now part of a kind of hybrid terminology, still speckled with some of the older notions and values that refuse to make way.

In the last two or three years, though, there have been some encouraging signs that some organisations and groupings in civil society *are* starting to engage more critically with neo-liberal policies and their effects on the lives of ordinary people. Interestingly, the critical voices are coming primarily from the one extreme end of an increasingly clear ideological and class divide that has recently become more apparent in civil society. At the core of this critical space is a group of organisations representing the interests of the poor and marginalised. Although the trade unions and churches have traditionally formed part of these constituencies, it is interesting to note that they no longer exclusively inhabit this critical space in society and that new forms of organisation and mobilisation are taking shape around the marginalisation of the poor and vulnerable.

Much of this organisation and mobilisation revolves around the politics of consumption. Located within communities, these organisations are largely preoccupied with protesting against neo-liberal social policies and preventing their implementation in South Africa. In Chatsworth, Durban, community organisations are challenging the local state and preventing it from evicting poor residents who are unable to pay their rates.[60] In Soweto, local structures have emerged to protest against and prevent official and private agencies from cutting residents access to electricity. Similar examples abound across the county. Issues like land, rates and rent, water, and electricity are areas around which CBOs are beginning mobilise.[61] As a result they implicitly launch a fundamental challenge to the neo-liberal framework that conditions the behaviour and policies of the South African state.

In many ways, the 'civil society' that emerged from the crisis of the mid-nineties, is characterised by the same patterns and divisions observed in the rest of the developing world, namely, a clear and growing divide between the bigger, professionalised NGOs, involved in service delivery, and smaller grassroots groupings and social movements generally opposed to the neo-liberal agenda. The former have generally managed to maintain high levels of funding and appear to have moved smoothly into the service delivery domain, while the latter tend to organise around specific and localised issues relating to the increasing levels of poverty, unemployment, inequality and HIV/AIDS, to name but a few. 'Bread and butter', or a more appropriate description in this environment, maybe 'life and death' issues.

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[60] Desai, A., 2001, *The Poors of Chatsworth*, Institute for Black Research/ Madiba Publishers, University of Natal

[61] For a review of these struggles, see Desai's forthcoming work, 2002, *The Poors of South Africa: Class, Race, and Social Movements*, New York, Monthly Review Press.

The findings of the 'Johns Hopkins' study into the Non-profit Sector in South Africa, generally bears witness to this growing divide. According to Swilling and Russell, out of an estimated total of 98 920 CSOs in South Africa, 53 percent are less formalised, community-based organisations. Adam Habib in his editorial introduction to the same study argues, on the basis of anecdotal evidence, "that informal, community-based networks are on the rise, particularly in the struggle to deal with the ever-increasing repercussions of the government's failure to address the HIV/AIDS and unemployment crises.'[62] The study also concludes that, 'the sectors which received most of government's funds were characterised by well-developed, formal NPOs[63], which tended to be more active in established, urban working class and middle class communities than in the poorer communities'.[64]

The notable rise in self-generated income among the more formalised CSOs[65] also seems to indicate that they have come to rely substantially on government and other contracts to supplement donor funding. Indeed, the 'John Hopkins' study categorically indicated that government is by far the largest financial donor to civil society, accounting for 43 percent of contributions to the sector. Thus, issues of accountability and independence, raised in the international context, are equally relevant to South Africa. A few of the bigger, more sophisticated and well-resourced NGOs have at times succeeded in combining selective government contracts with ongoing critical monitoring and evaluation of government performance. This, however, has been limited to those NGOs with access to funds, primarily from either corporate or foreign sources, and whose agendas are not seen as typically hostile to the prevailing status quo.

In any case, the exceptions do not really detract from the main trend though, which is the growing divide between bigger professionalised NGOs and smaller grassroots groups. Following in the slipstream of the country's rapid conversion to neo-liberal ideas, the radical reconstitution of civil society has occurred remarkably fast. Formal CSOs, as we knew and understood them before 1994, went into their well-documented crisis in the mid-nineties and, a few years later, re-emerged more streamlined and in much reduced numbers. Although it is widely acknowledged that some streamlining was necessary, there were clear winners and losers in this process. Despite a dismissive *'survival of the fittest'* type discourse that has surfaced in academic discussions in this regard, the fact remains that a lot of development capacity [and commitment] was lost during this period, particularly in rural areas.

The implications of these developments run deep and wide. One of the areas of concern is the deepening economic and ideological polarisation amongst CSOs.

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[62] Swilling, M., & Russell, B., op cit., p.iv of Introduction by Habib, A.
[63] The above study uses the term "non profit organisation" (NPO)
[64] ibid., p.37
[65] See IDASA/ CORE study, op cit.

There have always been tensions between the more formalised NGOs and smaller CBOs, even in the 'good' old bad days, mainly around issues of representivity and accountability. These tensions have now been heightened by the financial [and class] gulf between these two types of CSOs, the opposing ideological choices and courses of action each seems to have made and taken, and the old issues of representivity and accountability, which have gained a new and acute pertinence.

The finding of the 'Johns Hopkins' study that an estimated 53 percent of CSOs are smaller less formalised CBOs, does suggest a proliferation of these kinds of organisations in the country. There are obviously various ways to interpret this finding, one of which is to regard it, as the authors of this study seem to do, as a positive new form and manifestation of the old vibrant energies of South African civil society. And, it may well be that. But it is hard to dispute a slightly darker interpretation of this finding which stresses the survivalist character of these organisations and networks. Is it not true that as a result of government's policy choices, poor people have had no alternative but to return to small survivalist self-help networks? Are these organisations not a sad indictment of the retreat of the state and people's consequent realisation that they are *on their own again*, with little or no immediate help to be expected from the government.

Moreover, serious questions need to be raised about the importance the authors of the 'Johns Hopkins' study attach to their finding regarding the growth of voluntarism in civil society in South Africa[66]. Although Swilling and Russell acknowledge that their sample and methodology had been weighted in favour of CBOs, they nevertheless make much of the finding that a high number of volunteers are engaged in the sector, even calculating the monetary cost of this contribution to the economy.[67] This is without doubt a complex area, and does require a more in-depth follow-up study. But the unqualified positive interpretation given to this finding by Swilling and Russell must at the very least be questioned.

Voluntary work has traditionally been the preserve of middle and upper class women, who usually have the financial freedom and a significant amount of leisure time at their disposal. Does volunteering in poor, resource starved communities therefore not, of necessity, mean something different? Although agrarian societies in the past, had various forms of voluntary work, for example, around the harvests, the question is, how can one understand voluntarism in the *here and now* of fragmented and poor communities in this country? Is it not tied to the unemployment and HIV/AIDS crisis in South African society? Is it not just another manifestation of the failure of the state to meet its obligations to the citizenry.

It needs to be noted that the use of volunteers in development projects is not always the most satisfactory situation, as people tend to, in most cases, do this

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[66] Swilling, M., & Russell, B., op cit., p. 27

[67] the authors of the report give a figure of R5.1 billion in this regard. ibid. p.27

kind of work as a *substitute* for paid employment that is not available to them at that point. They often receive training, which in some cases enables them to gain paid employment, a gain for them, but a loss for the organisation that invested in them. Volunteers tend to be highly mobile and understandably lack the commitment and perseverance of full-time staff. In practice, they are therefore mostly utilised in smaller organisations and networks that cannot afford to employ full-time staff. In these cases, they are most often motivated by religion or personal identification with the problem at hand.

One further question that needs to be addressed is how did the repositioning and reconstitution of civil society occur so fast, literally in the span of a few years? At one level, the answer is quite simple. The reconstitution and repositioning of civil society was largely the product of two factors, its transformed relationship with the state as a result of the transition to democracy, and the changing funding priorities of the donor community. The broad relationship between civil society and the state has undergone several transformations in the last two decades. In the 1980s progressive civil society made its debut as a result of the state's reform program and the dramatic increase of funds made available in particular by the foreign donor community. But its relationship with the state remained tense especially since the latter continually placed obstacles in the path of and even actively repressed CSOs.

The post-apartheid era was supposed to have been civil society's 'wonder years', the period in which it was to have flourished and thrived. But the relationship with the state was not entirely positive. In fact, for a short period during the RDP relationship between the state and civil society became quite acrimonious. After that, there was a kind of selective return on the part of the state to some NGOs, sometimes for advice on policy matters, but more often to assist in implementing selected projects and programs. As soon as NGOs got the general hang of it, they started to tender for government contracts to deliver various services, thereby moving into the difficult terrain of trade offs, choices and compromises described earlier.

After the crisis and chaos of the initial period, NGOs across the country, gradually became organised under the umbrella of the South African National NGO Coalition (SANGOCO). Although the formation of SANGOCO was initially in response to the then Minister responsible for the RDP, Jay Naidoo's challenge to CSOs that they 'speak with one voice'[68], it did gradually develop an identity and began taking up important issues and initiatives on behalf of its members. One of the more important undertakings, was the initiation of negotiations with government, to carve out a new legal and fiscal space in which CSOs could operate. This included issues of registration of CSOs, tax exemptions, as well as the establishment of the National Development Agency (NDA) that would act as a conduit for development funding to CSOs.

[68] a clearly impossible demand, and based on a complete misreading of the basic 'nature' of civil society.

This process has not been entirely without problems or delays. But these initiatives did eventually culminate in a new political-legal environment that is best described by Swilling and Russell:

> "In conclusion, the state and the non-profit sector have negotiated an impressive and sophisticated public space that serves their respective interests: the state is able to harness resources (financial and institutional) to realise its development goals, and NPOs are able to access financial resources and shape delivery processes in a way that helps sustain them in the new democratic order. We must emphasize, however, that like so much else at the policy and legislative level in South Africa since 1994, *it is only really the potential that has been created.* There are already complications with the implementation of the framework, most of which have to do with a dearth of managerial and institutional capacity in the NDA, the Department of Welfare, and the South African Revenue Services. Much will depend on how the new mechanisms are put to use. *And, more importantly, whether they are sustainable in a neo-liberal macro-economic environment. Will they simply become mechanisms for co-opting NPOs?*"[69]

Clearly, where governments funds and contracts are concerned, the playing field is likely to remain highly unequal, and the winners in this game will be those with the capacity to engage and access resources. Swilling and Russell argue that, 'if these continue to be the large, formalised NPOs in the social services and health sectors, and if the terms of the funding do not force them to serve the poorer segments of society, *then state funds may not end up eliminating poverty.*[70]" Indeed, they express concern about the future of the many CBOs that are unlikely to develop the capacity to access the resources available through this framework and pose the following pertinent questions:

> "Will their exclusion make any difference to them? Or will they become the intermediaries between the NPOs who take delivery of the funds and the communities who are the targets of the funds? And will some community-based CBOs become the organisational facilitators of new social movements that mobilise those who stand to benefit least from a conservative macro-economic regime and from social spending priorities that will take time to meet all needs?"[71]

The schism between service-oriented NGOs and mobilisational CBOs, fostered in large part by the post-apartheid regime's initiatives to engage civil society, was also reinforced by the changing funding priorities of the donor community. This process was set in motion by foreign donors who, at short notice in 1994, changed their funding priorities and redirected the bulk of their funding to the new democratically elected government. Although this new direction was understandable, given that the 'special status' conferred to South Africa by donors during the apartheid years no longer applied, it nevertheless had an enormous effect on civil society.

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[69] Swilling & Russell, op cit., p. 79, own emphasis.
[70] Ibid, p.79
[71] ibid, p.80

The reality is that donors wield enormous power over the political and economic development and direction of recipient organisations and countries. They also regularly change their funding priorities and, in many instances, these decisions are made by wealthy and influential board members, in faraway boardrooms, in rich countries. Donors can, in essence, decide which CSOs are to live and which are to die, and, in the process, consciously or unconsciously, transplant their own values and worldviews on the recipients of aid. Given that neo-liberal policies have been in place in the rich industrialised countries for over two decades, it is probably safe to surmise that donors from these countries tend to regard neo-liberalism and globalisation as little more than everyday realities. It goes without saying, then, that their decisions about which organisations to support will be heavily influenced by these beliefs.

Given CSOs' general dependency on external funding, donors tend to have undue influence on the *shape* of civil society in a country. For example, by supporting big professionalised NGOs, with the capacity to meet complicated funding requirements and to ably deliver services, donors make a value-laden choice in favour of one section of civil society to the direct detriment of others. There is no doubt at all that many CSOs in South Africa, for the sake of survival, tailor their funding proposals to the known priority areas of particular funders. Compromises and trade-offs thus become the order of the day and development becomes unavoidably donor-driven. The primary line of accountability is most often to donors. And, generally, in this unequal playing field, it is the more organised, more articulate, urban-based players that walk away with the prize.

Despite all the rhetoric, small groups and organisations that are desperately trying to make a difference to the lives of poor and vulnerable people, inevitably end up as the losers in this 'game'. Organisations involved in the prevention of violence against women, victim support, the needs of the disabled in poor communities, community-based AIDS support groups, often continue their work with little more than sheer determination. In the present political and economic climate, the issues and interests of 'the rural poor' have also seemingly fallen off the bandwagon altogether. The classic 'rural biases' developed by Robert Chambers in the seventies[72], still prevent most government officials, donors and even researchers[73] from paying serious attention to the everyday struggles for survival of millions of rural people. But even this, can be taken as a sign of the 'normalisation' of our society in the era of globalisation.

The state's reform of the political and legal environment and the changing funding priorities and requirements of donors, both of which intensified in the post-1994 era, has thus had the net effect of fostering or at the very least reinforcing the growing schism within civil society between formal professionalised NGOs and their CBO counterparts. Like elsewhere in the world,

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[72] Chambers, Robert, *"Rural Development, Putting the Last First"*, circa 1976.

[73] In both the JHU and the CORE/IDASA studies, money and time constraints prevented the inclusion of anything [much] beyond peri-urban areas in the research samples.

those NGOs that have moved into the service delivery domain have largely maintained cooperative or at the very least amicable relations with government. To a large extent these agencies operate within the parameters of the existing status quo. On the other side of the divide are grassroots CBOs who are increasingly witnessing the further marginalisation of the communities they organize within and represent. Their struggle against this marginalisation has propelled them into an adversarial stance vis-à-vis government. Increasingly these organizations question and want to transform the status quo. A schism has thus emerged between the politics of opposition and the politics of engagement.

There have of course been attempts to transcend this divide. Perhaps the most successful example of this has been the campaign of the Treatment Action Campaign (TAC) to provide anti-retroviral therapy to prevent mother to child transmission. Combining opposition and engagement, mobilization and advocacy, court injunctions and lobbying, the TAC forced the government to transcend its unscientific paranoia with anti-retroviral therapy and compelled it to agree to roll out a universal program to prevent mother to child transmissions. Is this example, however, replicable to other sectors and issue areas? Is the success of the TAC not confined to the peculiar circumstances of AIDS activism in South Africa? Whatever the answers to these questions, what is without doubt required is the need to transcend the false divide that has emerged between opposition and engagement in South Africa. For without this transcendence, civil society is going to remain divided, and perhaps incapable of developing the sophistication to deal with advancing the interests of marginalized communities in today's neo-liberal global environment.

V. Conclusion

In sum then: the post-apartheid era has witnessed the 'normalisation' of South African society in a neo-liberal global environment. Poverty, inequality and the attendant problems of marginalisation and governance that the 'Washington Consensus' model of globalisation has wreaked on other parts of the world, are now the hallmarks of South African society. The legacy bequeathed by apartheid has not only not been addressed, but in fact, has in many ways been reinforced and even aggravated. How to respond to and address this is the primary challenge confronting South African civil society?

Civil society's response in South Africa to these developments has been similar to that of the Third Sector in other parts of the world. Its reconstitution, informed partly by state reform and donor pressures, to differentially address the challenges spawned by globalisation has, as was indicated earlier, reinforced the schism within it, between those NGOs who operate within the system and those CBOs who challenge it. Increasingly the two agencies are being propelled onto different sides of the political divide, not realizing that each requires the other for their own success. In a lot of ways, service-related NGOs within the system need

to recognize that reform cannot be realized within the parameters of the status quo. Fundamental changes are required and so long as they are oblivious to or oppose this, their engagement merely constitutes one cog in a broader systemic exploitation of South Africa's poor and disadvantaged. Similarly, mobilisational CBOs need to recognize that shouting from the sidelines and even actively opposing the state and its agencies in their day-to-day operations is not sustainable in the long term unless reforms are consistently forthcoming through their actions.

Each thus needs the other. NGOs need to recognize that they only have a seat at the systemic table because rulers and elites fear the CBOs that threaten or have the potential to ultimately undermine the system. CBOs need NGOs' seats at the systemic table to facilitate the reforms that they so need to sustain their mobilisation in the long term. A lesson needs to be drawn from the practice of social activism at the dawn of the last century, and in particular from that great German social revolutionary, Rosa Luxemburg, whose pamphlet on the problematique of reform and revolution inspired not only philosophical reflection but also practical engagement for decades thereafter. Its primary lesson can perhaps be summarized in that simple paragraph that opens the preface to the pamphlet:

> Can the social democracy be against reforms? Can we counter-pose the social revolution, the transformation of the existing social order, our final goal, to social reforms? Certainly not. The daily struggle for reforms, for the amelioration of the condition of the workers within the framework of the existing social order, and for democratic institutions, offers to the social democracy the only means of ... working in the direction of the final goal .... Between social reforms and revolution there exists for the social democracy an indissoluble tie. The struggle for reforms is its means; the social revolution, its aim.[74]

Or for those at the systemic table who would prefer a more mainstream voice, there can be no better one than that of Joseph Stiglitz, nobel laureate for economics and former vice-president of the World Bank:

> Left with no alternatives, no way to express their concern, to press for change, people riot. The streets, of course, are not the place where issues are discussed, policies formulated, or compromises forged. But the protests have made government officials and economists around the told think about alternatives to these Washington Consensus policies as the one and true way for growth and development.[75]

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[74] Rosa Luxemburg, 1989, *Reform or Revolution*, London: Bookmarks, p. 21.

[75] Joseph Stiglitz, 2002, *Globalization and its Discontents*, The Penguin Press, London.

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