The Businessification of Civil Society

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A vibrant civil society is usually considered a measure of democratization. In assessing democratization and civil society, it is often the nature of the relationship between civil society and the state that is considered vital. Authoritarian states limit the space where civil society organizations (CSOs) and non-governmental organizations (NGOs) can operate and democratically-inclined governments are considered more receptive of demands from civil society actors and allow CSOs considerable space to operate. The very notion of an NGO suggests both a relationship with the state and a distance from the state and its controls. In terms of politics, in both democratic and authoritarian states, civil society and NGOs have often been seen as contesting the state's control of political space (see Whaites 2000).

Yet, by focusing on state and civil society, we are neglecting another struggle that involves a contest *for the control* of the organizations of civil society. This contest involves civil society and business.

Business firms are not simply a means to accumulate capital. Rather, they are a "concentration of power" that is economic, ideological and political (Crouch 2004, 30, 43). As such, like civil society, business exists in a relationship with the state. In recent decades, business has come to dominate the state to such an extent that its interests are paramount in shaping the state and its affairs. As states have confronted declining revenue bases there has been a "commercialization" of the state and its services. Promoted as "reform" and bringing commercial principles to the "business" of state, the result is a commodification of state intervention in critical areas such as education, health and welfare. Such "reforms" are broadly neoliberal, and fundamentally imbued with anti-democratic and technocratic notions of managerialism. Firms don't just dominate the economy but have become deeply involved in the "running of government" (*ibid.*, 44). The result is state services contracted out, a loss of competencies in government, more private sector involvement, advice and contracts, and the dominance of business models. Business power comes to dominate government in a broad process of "businessification." This corporate makeover is complete when businessification results in the combination of processes of managerialism, commodification, privatization and customerization (Wolin 2008, 146–147).

The Struggle for the Organizations of Civil Society

Civil society is undergoing a businessification that mirrors the processes seen in the state's relationship with business. Just as that process has been conflicted and contested, so it is in civil society.

The struggle for civil society has at least two significant resonances with the contest for the state. First, the neoliberal and anti-politics claim that citizens no longer need the state is echoed in civil society discourses about the threat the state poses to the "grassroots." And, second, the businessification of the state is also a part of a process of extending "deep marketization" into the space of civil society through the control of ideology and the organizations in that space (see Carroll 2012).

The anti-state/anti-politics rhetoric rings loud in civil society. Recently, Dhananjayan Sriskandarajah, the Secretary-General of CIVICUS, a global alliance of CSOs and activists from 165 countries, claimed that there is a "renewed period of contestation about the acceptable bounds of civil society, the latest manifestation of the battle to protect citizens against *state* power" (CIVICUS 2015, 5, emphasis added). Such claims fit neatly with neoliberal exhortations that government is best when operating as a combination of "stakeholder participation" augmented by "problem-solving efficiency" (see Mair 2013, 15). Calls for "participatory governance," often a kind of anti-politics declaration, have been widely taken up in CSOs. Yet, participation is usually defined in terms of "appropriate" decision-making. In authoritarian regimes, this might be progressive, but in democratizing regimes, decision-making facilitated by quasi-technocratic NGOs has the potential to undermine elections, representation, delegated power, politicians and political parties. Notions of technocratic decision-making suggest that it is not just states and politicians that cannot be trusted, but voters themselves.

Interestingly, business is neglected in the civil society fight to protect citizens from state power and venal politicians. To be sure, there has been an anti-business rhetoric among NGOs, yet criticism of business is declining as NGOs cooperate with business (and government) on a vast scale and themselves become more business-like.

As governments withdraw from service provision and delivery, it is often NGO "partners" that are contracted to deliver these, complete contract research and deliver other services required by donor and recipient governments. Often, these "projects" are not those that NGOs might have chosen if they had their own funding streams. Increasingly, NGOs find themselves engaged in competitive markets and wound up in the red tape of accountability required by businessified government agencies. This leads to another trend in businessification: working with private donors, perceived as easier to deal with than state agencies.

When CSOs link with businessified government agencies, businesses and foundations, they find themselves competing with the private sector on claims of who is better at implementing projects, delivering services and doing more for poverty alleviation. As state agencies engage in competitive bidding they become "a shopper for the cheapest means of delivery, indifferent about whether it contracts a CSO or a business, although businesses may be preferred because they are less likely to raise difficult questions" (CIVICUS 2015, 153). Yet business is not just a competing "supplier." There is an emerging discourse that argues for the recognition of "the power of the private sector to transform the lives of poor people" (Mitchell 2011). Business executives proclaim their capacity for getting the development job done. Business is claimed to be an efficient "developer," having a critical role in poverty alleviation (Wales 2014).

Claims that firms and entrepreneurs can drive development are now widely accepted in government, international financial institutions and the development community. Even when faced with contrary evidence, state agencies have been reluctant to reconsider self-promoting private sector claims of efficiency (ICAI 2015). Norfund, the Norwegian Investment Fund for Developing Countries, established in 1997, had a portfolio of US$1.7 billion by 2015, all for "business development." Norfund is now the Norwegian government's "main instrument for combatting poverty through private sector development" and seeks to invest in "profitable and sustainable" enterprises to "promote business development and contribute to economic growth and poverty alleviation" (Norfund 2015).

This businessification of development, welfare and other services has also seen the faddish growth of social businesses, sustainable markets, social innovation, microfinance, microbusinesses, micro-franchising, social incubators and more (see Wankel 2008). Indeed, in some accounts, it is "social business" that will "save" capitalism (Yunus 2007). In another take, such privatized ventures are seen as a logical outcomes of capitalism's economic superiority and political victory (Bernstein 2010).

Social business and social enterprise are coupled with "social entrepreneurialism" and touted as bringing business and commercial strategies to bear in improving human and environmental well-being (Ridley-Duff and Bull 2011). Such claims see social enterprise as a voguish vehicle for philanthropists. Some of these rich "developers" describe themselves as "evangelists" for social enterprise, displaying can-do, personalized and individualistic approaches to the business of development (see, for example, Skoll Foundation 2015). Their wealth and resulting influence allow them to bring together governments, rock stars, venerable educational institutions and other celebrity developers to promote their not always successful "feel good" causes (see *The Economist* November 5, 2016). "Philantrocapitalism" is embraced by both businessified governments and business people (Hobbes 2014, 3). Anyone who has been through Bangkok's international airport will have seen the Thai royal family's social enterprise outlets hawking products from "villagers." Such enterprises are commercial but do as much to propagandize for the world's wealthiest monarchy. Meanwhile, the grassroots, remain oppressed and exploited by an alliance of tycoons, military and monarchy (Hewison 2014).

Businessification redefines the nature of civil society. The space of civil society comes to be conceptualized as composed of individuals rather than collections of organizations. Thus, those at the grassroots become "clients," "customers," "entrepreneurs" and "key stakeholders" to be surveyed, focus-grouped and developed. This turn to individuals reflects a view that there is a latent entrepreneurialism at the grassroots, waiting to be unleashed. States are required to contribute to this by providing an appropriate regulatory framework: granting property rights, making loans, providing seed capital and other commercial inputs. These projects often amount to forms of primitive accumulation meant to commodify the commons and increase productivity by smallholder farms producing for capitalist markets. It is then businesses or businessified NGOs that lead grassroots entrepreneurs to the market.

As the nature of civil society is redefined by businessification it changes funding. Some NGOs refuse government and corporate funding, but these are a small minority. Most now operate in an environment where funding has been converted to contracts for services and where philanthropy is coming to dominate. Some estimates are that private development assistance is now equal to about a third of the ODA from DAC members, and that it makes up about a quarter of all humanitarian funding (CIVICUS 2015, 167). While private donations are sometimes seen as coming with fewer strings attached, to access these funds NGOs must engage in corporate-style marketing, advertising and branding, and present an agenda that wealthy individuals and foundations find palatable, even "exciting." In other words, agendas are shaped by the nature and ideology of donors.

What does bussinessification mean for CSOs seeking structural change and social justice? What are the ethics of accepting funds from the 1% who monopolize economic and political power? Certainly, where the money comes from is important. Yet funding independence is increasingly unlikely. As CIVICUS (2015, 170–173) observe, a small and powerful group of "private foundations commands most resources, with the 10 largest private foundations providing 60% of all international foundation giving, meaning that their decisions on resource allocation can be disproportionately influential." The result is a convergence of CSOs and businesses and foundations and a dilution of attention to progressive social change.

The advocates for these processes of bussinessification argue that businesses and civil society appreciate a levelling of the playing field:

> The rule of law is preferable to the rule of power. Predictability trumps disorder. Fairness is better than corruption. These statements ring as true for business as they do for civil society. Stable, balanced environments are better for everyone....
>
> It is time that we acknowledge our similarities and start working together to achieve this, for the benefit of each sector, and for society as a whole (Kiai and Leissner 2015, 272).

Working together means competing with each other with "market logics" applied to NGOs. This often leads to calls for a "rationalization" of the multitude of NGOs in the interest of efficiency, evaluation, transparency and good governance; a kind of CSO mergers and acquisitions movement.

Conclusion

The struggle for civil society is a contest that has been seen before in the ways in which business has come to dominate states. At the same time, the successful businessification of the state means that civil society is faced with a two-pronged effort, by state and business, to businessify the organizations of civil society.

Businessified NGOs will pose few challenges to regimes, repressive or democratic. Businessification means that CSOs will tend to be supportive of the regimes of the day, leading to a narrowing of political space. Civil society representation and participation is now largely about regulation. Businesses and states understand that.

This is not an argument that civil society is lost or that all NGOs have sold out. Rather, this approach observes that, for the organizations of civil society, as bussinessification takes hold of them, there is a diminution of activism that contributes to the narrowing of political space, the rise of anti-politics and the domination of business elites. If the space of civil society is being businessified, political strategies need to be devised to challenge the trajectory of businessification.

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