Aiding democracy? Donors and civil society in South Africa

JULIE HEARN

ABSTRACT *During the 1990s the North has increasingly used a new tool, political aid, to influence its relations with the South. More commonly known as 'democracy assistance', political aid is targeted at governmental structures such as parliament, the judiciary and local government, as well as civil society organisations, with the aim of strengthening the institutions and culture of liberal democracy. However, despite its increasing deployment, the shape and extent of foreign political aid in individual countries in the South remain largely undocumented. This article shows the importance of political aid in South Africa since the pivotal elections of 1994. It then critically examines the role assigned to civil society by donors within the 'democratisation' process. Unlike most writers on the new political aid regime, who are often both its chroniclers and mandarins, this author questions the emancipatory potential of the kind of democracy being 'helped along' by democracy assistance.*

> Foreign intervention has long been a factor in South Africa's politics. But the nature of international involvement in the 1990s differed substantially from that which had preceded it: direct engagement replaced pressure through isolation, giving foreign powers direct real and potential influence over domestic South African politics.[1]
>
> If you can influence the rules of the game, you don't have to play.[2]

Democracy assistance: promoting stability

During the 1980s a new branch of the aid industry was born, democracy assistance. Although 'democracy' often entered the foreign-policy-making vocabulary of the North in the postwar period, it was not the dominant form in which the North related to the South. The principal form was the development of strategic alliances with authoritarian regimes. The new industry arose out of a major reconsideration of Western foreign policy towards the South, particularly within the USA. With the US defeat in Vietnam, the Nicaraguan revolution and other nationalist victories in the South, US foreign policy towards the Third World had reached crisis-point by the late 1970s. It had failed to stop popular anti-US regimes taking power in South East Asia, Central America and Southern Africa and its capacity to shape events abroad appeared severely curtailed. By the early 1980s, a new consensus began to emerge among policy-makers around the strategy of 'democracy promotion'. This involved two key elements.[3]

Julie Hearn teaches at the School of Oriental and African Studies, University of London. She can be contacted at Thornhaugh Street, Russell Square, London WC1H 0XG, UK. E-mail: jfhearn@aol.com.

First was the recognition that coercive political arrangements had failed to deal with the social movements that had challenged authoritarian rule and that formal liberal democracies were better able to absorb social dissent and conflict. It is important to understand that the rationale for turning to liberal democracy was that it was perceived to be a better guarantor of stability. The goal remained the same: social stability, it was simply that the means to achieve the end had changed. This becomes clear when we examine the kind of democracy being promoted in the Third World. It is about creating political structures that most effectively maintain the international system. It has no more to do with radical change than its predecessor, authoritarianism does. As Samuel Huntington, one of the most influential proponents of formal democracy, clearly states: 'The maintenance of democratic politics and the reconstruction of the social order are fundamentally incompatible.'[4] At its core, the contemporary political and industry is about effective system maintenance.

The second point is that, where earlier foreign policy had focused almost exclusively on the strength of the client state and its governmental apparatus, the new democracy strategy began to recognise the important role of civil society. It was from within civil society that opposition to authoritarian rule had emerged and therefore it was imperative 'to penetrate civil society and *from therein* assure control over popular mobilization' (emphasis in original). Robinson continues:

> The composition and balance of power in civil society in a given Third World country is now just as important to US and transnational interests as who controls the governments of those countries. This is a shift from social control 'from above' to social control 'from below …'[5]

This is an important part of democracy assistance. Aid is targeted at a country's most influential, modern, advocacy-orientated civil society organs which include: women's organisations, human rights groups, national or sectoral NGO for a, business associations, private policy institutes, youth and student organisations, and professional media associations. As commentators, including those who direct the new political aid, have pointed out, this is not very different from what the CIA used to do, particularly within the context of counter-insurgency and 'low-intensity conflict'. However, former CIA director William Colby makes a key point: 'Many of the programs which … were conducted as covert operations [can now be] conducted quite openly, and consequently, without controversy'.[6]

As Robinson points out: 'Transferring political intervention from the covert to the overt realm does not change its character, but it does make it easier for policymakers to build domestic and international support for this intervention.'[7] This is the trump-card of democracy promotion, it diffuses opposition to Northern intervention. Advisor to the State Department and academic, Wiarda, clearly sums up:

> A US stance in favor of democracy helps get the Congress, the bureaucracy, the media, the public, and elite opinion to back US policy. It helps ameliorate the domestic debate, disarms critics (who could be against democracy?) … The democracy agenda enables us, additionally, to merge and fudge over some issues that would otherwise be troublesome. It helps bridge the gap between our funda-

mental geopolitical and strategic interests … and our need to clothe those security concerns in moralistic language … The democracy agenda, in short, is a kind of legitimacy cover for our more basic strategic objectives.[8]

Since its inception in the early 1980s, democracy assistance has continued its take-off.[9] In the 1990s this was fuelled by three important developments: the academic and donor preoccupation with 'governance' as the root of underdevelopment, the practice of political conditionality, that is, making aid conditional on political reforms, and the changing balance of power in North–South relations. During the 1980s an orthodoxy developed that Africa's development crisis was precipitated by a failure of the state and that 'governance' had to be reconstructed, from the bottom up. Shaping civil society became the road to reforming the state.[10] Making aid dependent on such changes has been the site of sharp confrontations between the governments of many sub-Saharan African countries and donors.[11] In South Africa, no such crude coercion was needed. As international opponents of apartheid, including Western states, united with domestic combatants, a broad consensus was forged over the form that a new liberal democracy would take. With the demise of nationalist and socialist ideologies, such foreign, overtly political, interference was no longer viewed with the same levels of distrust. The latter has allowed the North to intervene in the (civil) societies of the South with an unprecedented degree of perceived legitimacy.

South Africa has had a long history of Western support to civil society. The highly conflictual politics of apartheid, particularly of the late 1970s and 1980s, generated a 'vast array of more or less popular, more or less institutionalised organisations and initiatives in broad opposition to the apartheid state'.[12] These included trade unions, community organisations, sectorally mobilised movements of youth, students and women, as well as business, lawyers and religious associations. It is these kinds of civil society organisations (CSOs) (although they were hardly ever referred to as such) that donors funded. This support began with Denmark in the mid-1960s and was followed by Norway and Sweden in the 1970s.[13] It culminated in the mid-1980s with the imposition of sanctions by Western governments and the international isolation of the apartheid regime. The Nordic countries were joined at this time by the European Union and the USA, who each provided an unprecedented $340 million over a nine year period to CSOs, before the end of apartheid and the 1994 elections.[14] Despite such a significant involvement, a comprehensive account of foreign assistance to civil society in this period is still to be written, not least because of the covert nature of that support. With the election of an internationally recognised government, foreign donors began to provide aid to the new South African state as well as continuing some funding to civil society, though on a smaller scale. Although this loss of finance has had a considerable impact, it has not been fully analysed and thus there is substantial dispute as to how much funding was withdrawn and how significant this was.

This article examines foreign assistance to civil society in South Africa since 1994. The premise of this research is that political aid is 'political', that it is about consciously influencing the 'rules of the game' as one donor representative, quoted at the beginning of this article, stated in an interview for this study.

The key finding of the research is that, of the CSOs that donors support in their political aid programmes, what we describe as 'governance/democracy' CSOs play a particularly prominent role. These organisations are concerned with promoting the values, procedures and overall framework of liberal democracy in contrast to other donor-funded advocacy NGOs, which tend to be single-issue pressure groups, such as human rights groups or women's associations. There are at least eight such democracy CSOs that donors fund, some of which are among South Africa's most experienced and influential political actors. They formed the largest grouping of CSOs funded by donors, they consistently received the largest foreign grants, and they were supported by a broad cross-section of donors. Other CSOs that featured in donor democracy programmes were think-tanks, legal aid groups providing free services to the poor, NGOs providing services to the development NGO community, and trade unions. However, there were fewer of these, they received less funding, and they received it from fewer donors. Our conclusion is that a donor focus, although by no means an exclusive focus, on liberal democracy organisations is a response to South Africa's political past.

In the literature on democratisation democracy is often left undefined. However, democracy has many, at times conflicting, meanings. During the struggle against apartheid, many South Africans fought for a form of democracy that included increased control over the economy as well as political freedom. This is certainly the kind of democracy that trade unions espoused, who were receiving substantial Western funding at the time. However, in the new South Africa liberal democracy, also known as polyarchy, has come to replace this concept of democracy. Robinson defines polyarchy as 'elite minority rule and socioeconomic inequalities alongside formal political freedom and elections involving universal suffrage'.[15] Under polyarchy, democracy is purely limited to the political sphere. Formal, procedural democracy can exist alongside massive material inequality, because it is outside the definition of polyarchy to address the economic sphere. 'Perhaps more than at any other time in the recent past, it is now that the struggle to define "democracy" has become a major ideological battle.'[16] This ideological battle is evident in South Africa, where our research found that democracy NGOs, supported by Western donors, have been critical in popularising formal democracy over a residual belief in social democracy.[17] In the light of today's highly uncritical view of liberal democracy among Africanists, among many sectors of civil society in Africa and, not surprisingly, among Western aid agencies, the article raises the question of whether this is the kind of democracy that the majority of South Africans want.

The paper begins by identifying South Africa's main foreign donors. We then point out the importance of democracy assistance to South Africa compared will other types of foreign aid and discuss why strengthening government structures has been the primary focus of democracy assistance since 1994. Within the context of promoting a liberal democratic state, we ask what role civil society has to play. We argue that, within the eyes of the foreign donor community, civil society has a critical role to play in bridging the link between the new government structures and society at large. As such it will continue to be of importance to the international donor community.

South Africa's foreign donors

The USA is, by far, the largest overall foreign donor to South Africa. From 1994 to 1999 it provided some $530 million. The EU is the second largest foreign donor, providing an EU Programme for Reconstruction and Development (EUPRD) of nearly $420 million between 1994 and 1999. Between the two of them alone, nearly $1 billion of international aid will have contributed to South Africa's transition. Other significant foreign donors to South Africa are the Netherlands, the Nordic countries, Germany and the UK, providing between $15 million and $45 million annually since 1994. Canada is a relatively smaller bilateral donor, providing less than $10 million per year. The largest actor in the international donor community world-wide, the World Bank, plays a minimal role as a lending institution. Nonetheless it has a significant presence in South Africa by presenting itself as a 'knowledge bank' which has provided the government with 'lessons of international experience' on every aspect of policy.[18]

The importance of democracy assistance

Unlike in other African countries, democracy assistance forms a major part of foreign aid to South Africa. The principal objective of aid programmes to the country is to influence the political transition and to focus on democratic consolidation. This kind of aid is in stark contrast to other donor programmes on the continent, which primarily supplement the meagre national budget of African governments so that they can provide basic services in the areas of welfare, agriculture, energy and infrastructure. These are the predominant categories of aid in most African countries, where democracy assistance on average accounts for less than 5% of total aid. South Africa, with an average per capita GNP of about $3 200, is categorised as an upper middle income country, along with Brazil and Chile. As such it would normally be disqualified as an aid recipient. Danish aid, for example, is restricted to countries with an average GNP per capita of less than $2000. Aid to the country is seen as a temporary measure, because, as USAID/South Africa points out: 'South Africa has substantial resources to address its problems over the long term.' Donor programmes are termed 'transitional', mirroring South Africa's own transition, and were to end soon after the 1999 elections, commonly perceived as the formal end-point of the passage from one political system to another. In South Africa, nation-wide poverty is not the motivating force behind donor activity. The whole thrust of aid involvement is about deepening the political changes that have taken place since 1994 and ensuring that, as far as possible, 'a point of irreversibility' is reached before the ending of external assistance.[19] Foreign aid to South Africa is very much a case of democracy assistance, and if we wished to study contemporary foreign intervention in a country's democratisation process, South Africa could not be a better case study.

Despite the gross inequality in the country, and the fact that for the majority of South Africans the struggle for a new South Africa was conducted in terms of the establishment of an economically different society, influenced by socialist

paradigms, the conceptual framework of aid programmes is that of strengthening a newly emerging liberal democracy. The US aid programme, USAID, states that 'South Africa's transformation is, in the first instance political'. It continues: '… progress in the political arena must continue in order to provide the stability and overall framework for the sustainable transformation of all sectors within South Africa.' It reiterates the importance of the political landscape when it concludes: 'Consolidation of democracy is the most apparent challenge in the new South Africa'. Denmark describes its transitional assistance programme as being 'clearly targeted towards facilitating the transition from an authoritarian minority rule to a democratic system of government'. The aim of the German Konrad Adenauer Foundation is to 'strengthen democracy in people's minds' and a Dutch aid official spoke of the overriding need 'to anchor democracy in South Africa for long-term stability'.[20] Such an emphasis runs contrary to earlier views of the content of donor programmes. Landsberg wrote of significant capital inflows coming to South Africa after 1994 'to assist efforts to reduce socio-economic backlogs'.[21] As a result of the importance placed on transforming South Africa into a stable 'Western' liberal democracy, assistance to other sectors is also viewed in the same light—as mechanisms for contributing to democratic consolidation. For example, USAID/South Africa writes of:

> the indirect support for democratic consolidation provided by other SOs [strategic objectives] through their funding of Government and NGO programs to deliver tangible benefits to the majority population in education, housing, health, and other areas (which most observers believe is important for long-term democratic stability in South Africa).[22]

The importance attached to political development is seen in both the size of funding and the proportion of resources allocated to democracy projects within the overall aid budgets of donors. The USA, as elsewhere in the world, is the lead donor in terms of amounts of aid to democracy. In 1997 it provided $17 million for democracy and governance projects. Over a period of eight years, between 1996 and 2003, it plans to spend $118 million on democracy promotion in South Africa.[23] Other donors are also allocating relatively large sums of aid for political development. Sweden provided about $9 million for democracy and human rights projects in 1997 along with some $7 million for public administration, providing a total of $16 million for democracy and governance in 1997. In 1998 and 1999 it planned to provide about $18 million each year, with democracy and human rights projects accounting for some $11 million per year. Denmark allocated some $23 million for democratisation and the prevention of violence over the five year period 1994 to 1998, averaging almost $5 million annually.[24]

The Canadian aid programme is probably the most exceptional in terms of the relative weighting of resources devoted to democracy and governance. In its current bilateral programme, 57% of funds go towards a governance programme, which, along with the 5% of its programme that goes towards civil society capacity building, forms a record-breaking 62%. Nearly two-thirds of the Canadian programme is political aid. Such an aid profile is unreplicated in South Africa although the US programme comes close and is certainly unique in

comparison to other US programmes around the world. The proportion of US aid designated for democracy and governance ranges from 20% in 1997 to 42% of overall aid from 2001 to 2003. Needless to say, its democracy and governance sector received the highest allocation of funds among the other sectors from 1998 to the end of the programme, an unusual phenomenon in itself. In the Swedish aid programme, democracy and governance aid accounts for 40% of the total aid programme from 1997 into the beginning of the twenty-first century. Although modest in comparison will the previous donors, the proportion of Danish aid going to democracy is also high, in general aid terms, at 20% of total aid. Such astonishingly high proportions suggest that much of these donors' *raison d'etre* in South Africa is to be closely involved in the political development of the country.[25]

Such a strong emphasis on political aid in South Africa is hardly surprising. Since the beginning of the century, South Africa has been important to the West, both politically and economically. It has been described as 'a reliable, if junior, member of the Northern club'.[26] The West's relationship with Africa was largely predicated on a long-term strategic alliance with the apartheid regime in South Africa. This continued throughout the 1970s and into the 1980s. At the same time South African capital, some of which was in the same league as that of any Northern-based corporation, became thoroughly intermeshed with capital originating in Europe, the USA and Japan. As globalisation advanced, South Africa became a key outpost of international capital. However, with the political unrest that began with the 1976 Soweto uprising, capital outside South Africa began to push its South African counterparts to search for a political solution that would involve a transition from racial to non-racial capitalism. There are two factors at this conjuncture that explain the priority given to democracy building in South Africa by the West after 1994.

The first factor is the involvement, from the beginning, of the donor community in shaping the transition that it now understood to be unavoidable. The donor community fully recognised the importance of a negotiated settlement and accordingly invested heavily in it. Landsberg has documented their involvement, from the establishment of the 1986 Commonwealth Eminent Person's Group, which first popularised the notion of a 'peaceful negotiated settlement', to the April 1994 elections.[27] Although much of the influence that the West exerted on the transition was through diplomatic channels, political aid played a role. The German political foundations played an important role in building alliances with different sections of civil society.[28] The conservative Konrad Adenauer foundation was aligning itself with Buthelezi from 1982. The liberal Friedrich Naumann foundation supported the institute for a Democratic South Africa (IDASA), an influential CSO that brought together opposing political protagonists in a ground-breaking series of meetings in Dakar in 1987. The social democratic Friedrich Ebert foundation has been a close supporter of the ANC, and helped to write its macroeconomic policy through the Macro-Economic Research Group in 1993. The donor community knew that this was just the first stage and that if the initial investment were to mean anything it must be followed by substantial aid to consolidate the transition. The second factor that explains donor concentration on political aid is the prolonged period of ungovernability that South Africa

faced in the decade after the Soweto uprising. The rule of law and any semblance of the social contract had completely broken down. With such a history it is no surprise that the donors are making such a concerted effort to shape the political development of the country.

Since 1994 and the installation of a new political dispensation, foreign aid has prioritised reshaping aspects of the 'limited state' other than civil society. These have included the process of policy formulation; government structures at provincial and local level; building government capacity; new political institutions such as the Truth and Reconciliation Commission (TRC); and old institutions such as the police. Canada has provided technical assistance to a wide range of South African government departments and public institutions relating to policy activities and subsequently has been involved in the production of eight green and white papers. This policy involvement is supplemented by a justice system project, linking the Canadian Federal Department of Justice with the Ministry of Justice in South Africa. Two prominent areas that Nordic and Dutch democracy aid have gone to are the TRC and the police.

The emphasis of the US National Democratic Institute for International Affairs (NDI) is on strengthening the national and provincial legislatures and making government more accountable to citizens through ethics codes and similar legislation. It describes its activities as developing a 'structural framework for local government'. Its main project is a $3.8 million USAID-funded programme working with the Department of Constitutional Development, the second house of the South African parliament, the National Council of Provinces (NCOP), the South African Local Government Association and the legislature of South Africa's most strategically placed province, Gauteng. This project is supplemented by another, which has been running since 1995 and has received some $267 000 from the US government-funded National Endowment for Democracy (NED). The project aims to increase the effectiveness of national and regional legislators by organising parliamentary study missions to other countries with relevant democratic experiences. In the words of NED: 'these missions will help parliamentary leaders to undertake concrete measures to institutionalize good governance norms that strengthen public and elite support for democracy.'[29]

After 1994 the primary focus of the Konrad Adenauer Foundation was influencing the design of the final South African constitution as this would affect the whole political framework of the country. It became involved in the 'communication of experience' in constitutional development at national, provincial and local levels, which included sponsoring an international seminar on 'Federation—A comparative perspective', and funding a German consultant to work on local government with all the major South African parties. In addition, it is involved in policy aspects of local government and the training of local government officials and councillors. It has been particularly active, on the ground, in public administration in the Northern Province, helping the ANC to integrate different local government structures. It describes the importance of this work: 'The Foundation is very much aware that if democracy is to be understood and accepted by South Africans it must be seen to work well, particularly at the local level.'

There are several reasons for such a state-centred focus. The primary reason was the intense illegitimacy of the apartheid state. Few other states in the world suffered as profound a crisis of legitimacy as that of South Africa. Along with a desperate need for reconstructing the state, 1994 presented a unique opening, almost a *carte blanche* where domestic and international actors could begin again to redraw the political map. *South Africa: Designing New Political Institutions*, the title of a book by a group of South African political scientists, conveys a sense of this. Finally, the new order was receptive to international intervention in its efforts to re-legitimise the state. This was because the ANC government shared similar values and objectives to the international community and, as Landsberg has pointed out, has a long history of international co-operation. It not only spoke but embodied the inclusive, 1990s language of international liberalism, epitomised in arguably the world's most politically correct constitution. This was a novel moment for international actors. After years of involvement in civil society, donors now finally had a chance to influence the structures and culture of government, an opportunity, we argue, that they seized with fervour.

In the situation proffered by 1994, civil society was not a priority. There are a number of reasons for this. In other African countries, aid to civil society is about establishing something that is not there. It is about creating a modern, advocacy-orientated civil society. In South Africa this already exists. Using the lowest common denominator of pluralist theory, which says the more civil society groups, the better, South Africa scores highly. It has a dense, long-standing associational life. Second, this associational life is modern, a key characteristic of the donor model. Third, it is strongly advocacy-orientated and has proven its lobbying abilities on the world stage. Fourth, in South Africa, in 1994 at least, donors did not need to convince the new government that civil society had a legitimate role to play and that the government must give it the political space in which to operate. That was already what the government believed, since many new government officials came from the NGO sector, and as a result there were unusually close and sympathetic relationships between civil society and the government.

However, perhaps most importantly, many donors had established close links with civil society throughout the 1980s and early 1990s. For example, a large number supported the work of IDASA in the late 1980s and early 1990s. IDASA is arguably one of the most professional, effective and high profile CSOs in South Africa today, and thoroughly steeped in democratic liberalism. A 1994 annual report states that the 'personal credibility with international donors' of co-founder, Boraine, 'was pivotal in securing a generous funding base for the organisation, allowing it to expand country-wide and make interventions with national impact'. After the 1994 elections, IDASA was renamed the Institute for Democracy in South Africa. It now runs some 12 national programmes and projects and has a staff of 140.[30] This close association with donors continues today, possibly making it the most donor-associated democracy NGO in South Africa. We have indicated how the German foundations developed strategic relationships with sections of civil society, how the Nordic countries were stalwart supporters of an underground civil society, and the enormous resources

that the USA spent on cultivating links with CSOs. Already from the mid-1980s the USA had grasped the pivotal role that civil society would play in shaping the new South Africa. Subsequently, it began to attempt to influence it, checking the growing radicalism among the black population by developing counterweight forces conducive to the establishment of a liberal order. This was achieved by supporting an emergent black middle class of professionals who could be incorporated into a post-apartheid order; developing a network of grassroots community leaders who could compete with more radical leadership; and cultivating a black business class that would have a stake in stable South African capitalism. From the standpoint of 1994, donors had already made an impact in civil society. The next section suggests one important role that donors are financing civil society to play in the new South Africa.

What role for civil society?

A report on the democratic outlook for South Africa by an influential South African think-tank concludes that the chief threat to democratic consolidation is:

> the limited capacity of the state to govern—and, more particularly, to cement a 'social contract' with society in which government protects the rights of citizens who, in turn, meet their obligations to democratic government.[31]

The US National Democratic Institute (NDI) describes the situation facing South Africa in the following terms: 'the twin challenges of rebuilding a new united South Africa while simultaneously developing the institutions that will conduct the daily business of government'. We have shown how foreign aid has prioritised the institutional development of government, thereby attempting to meet the need to build the capacity of the state to govern. However, as both analysts note, the other side of the equation is to link society with this new institutional framework, to cement the social contract and to build, in the words of the then Deputy President, Thabo Mbeki, 'a democratized political culture'.[32] This is where the role of civil society is so important to the architects, both domestic and external, of the new South Africa. It is a particular kind of civil society that can help to legitimise the new state in the eyes of the South African citizenry and help to build a culture where citizens meet their obligations to liberal democratic government. First we show why this is needed in South Africa if liberal democracy is to succeed. Then we examine which civil society institutions are available to fulfil this function and how donor organisations are supporting this very role for civil society.

The same South African report writes about 'widespread citizen non-compliance—reflected in, among other indicators, crime and widespread non-payment for public services'. It continues: 'A variety of factors produce outcomes in which citizen dissatisfaction is expressed in withdrawal from the public arena and in attempts to evade the reach of government'. It concludes: 'This threatens democracy as much as overt resistance to democratic order …'[33] An annual review of political developments in South Africa in 1997, produced for the quarterly journal of the South African Coalition of NGOs and Interfund, a

consortium of Northern NGOs, mainly Nordic, provides the following commentary:

> Whether currently higher or merely consistent with historical trends, crime rates in South Africa are unusually high … Public insecurity aside, the effect of crime is to reduce citizens' confidence in public institutions at a point when the success of the democratic transition requires enhanced trust and participation.[34]

And a report written for the consortium of non-governmental donors, Interfund, writes:

> A key challenge for actors in civil society is to capture and steer rising (and probably inevitable) frustation into constructive, non-violent forms of conflict, namely political pressure channeled through social movements.[34]

The purpose of the transition was to provide the political settlement that would allow the passage from racial to non-racial capitalism in South Africa. As we have noted, aid programmes have maintained this focus on political stability rather than on socioeconomic transformation, as a result of which South Africa continues to be a highly unequal society with areas of extreme deprivation. Indeed Mattes and Thiel assert that the inequality is worsening. Marais points out how the kind of instability facing South Africa, described by the above commentators, is 'symptomatic of the extreme inequalities that scar the society'.[35] In a situation of such contradiction between economic inequality and political stability, political stability or 'democracy' will be simply about managing that tension. Civil society is the lynchpin in holding together that tension by fostering support among citizens for a government that maintains the inequality that undermines their lives. This, in effect, is recognised by the above report where it identifies the need for civil society to capture and steer the rising frustation. Obviously, social concessions will be made from time to time to maintain stability, but the primary function of political society, that is the state and civil society, will be to manage the tension between the economic and political spheres. Constituents of civil society must understand that this is their function in the political economy of South Africa in the eyes of those who wish to maintain capitalism, and ask themselves is this the role that they want to play?

Civil society plays this role in two ways. First it is the key mediator between the new state in South Africa and its citizens. From the following ratings we can see how urgently this is needed. According to Mattes and Thiel, approval of the government's performance dropped between 1995 and 1997. The national government's aparting fell from 57% to 47%; parliament's went from 53% to 46%; and overall approval of all the provincial governments declined from 42% to 36%. In 1997 the approval rating for the new local governments introduced at the beginning of 1996 stood at a meagre 30%. No wonder then that the Konrad Adenauer foundation asserts that 'if democracy is to be understood and accepted by South Africans it must be seen to work well, particularly at the local level'. Second, the CPS report points out that democratic consolidation can only occur when there is widespread agreement among political elites and citizens on institutional rules. They cite political development theorists Linz and Stepan who see democracy as consolidated when democratic rules become 'the only game in

town'.[36] Civil society has a key role to play in creating among the population an adherence to the values of liberal democracy and an acceptance of the rules of the game. Mattes and Thiel argue that, as well as structural features, an attitudinal commitment to democracy is essential. They write: 'The level of elite and citizen commitment to democratic processes is the single direct determinant of the probability of democratic endurance or consolidation.' In their analysis of public opinion polls taken on 'democracy' they comment: 'The results raise important questions about South Africans' understanding of democracy.' While only 27% rated as 'essential' such key procedural elements of democracy as regular elections, 48% said that equal access to houses, jobs and a decent income was 'essential' to democracy. They go on to explain why this might be so:

> While 'one man, one vote' was always the goal, the key liberation movements subscribed to and spread to their poverty-stricken followers an economic, as opposed to a procedural view of democracy.

This is disturbing to the authors and, of course, to those, within and outside the country, who wish to maintain the distinction between the political and economic sphere and maintain the tension between gross inequality and political stability. This is the wrong kind of democracy. The authors' advise the following re-education:

> Thus one might urge South Africa's educational system, civil society, and political parties to shift their emphasis … to the … task of teaching people to value democratic institutions and processes more for their own sake than for what they may deliver in terms of immediate and tangible benefits.[37]

What is interesting in South Africa, compared with other African countries, is the number and calibre of CSOs geared towards doing precisely that, encouraging a popular commitment to procedural democracy. What is more, these kinds of CSOs feature predominantly in donor political aid programmes. In our research we asked over a dozen different foreign donors what kind of civil society organisations they funded through their democracy assistance. There were five main categories: democracy organisations, concerned with the overall relationship between states and citizens; human rights and legal aid groups; conflict resolution agencies; organisations servicing or representing the non-governmental sector; and think-tanks. Of these categories, democracy organisations were the largest. Not only were they the most numerous, but they also received the largest amounts of aid and were supported by the broadest cross-section of donors.

This is not to suggest that donor focus on the other categories, particularly in the human rights and legal aid field, is unimportant. For example, the National Institute for Public Interest Law & Research (NIPLAR), a consortium, received $3.25 million from USAID between 1996 and 1998 to create 18 human rights and democracy centres nation-wide. Along with the Legal Resource Centre (LRC) and the Black Sash Trust, NIPLAR receives donor funds to provide free legal advice. Between 1996 and 1999 USAID funded the Independent Mediation Service of South Africa (IMSSA) with $3 million as an umbrella grantee providing sub-grants to conflict resolution NGOs working with local government. Another

significant grant from the USA in 1997 went to the Free Market Foundation, a core partner of the German liberal Friedrich Naumann Foundation. This was to fund a programme promoting market-orientated economic policies in the South African parliament and administration. Many of these internationally funded projects form part of a broad liberal democratic discourse; however, it is crucial to investigate what the specific category of democracy organisations do in civil society.

The most prominent is IDASA. It is fully commited to procedural democracy, for example, the manager of the public opinion service at IDASA co-wrote the above article.[37] As we mentioned, it is now an organisation with a staff of 140. It is probably also the most donor-funded CSO in South Africa. The other organisations are the Institute for Multiparty Democracy, whose name could not be more indicative of procedural democracy, and Khululekani Institute for Democracy, aimed at bringing parliament closer to the people. A fourth, the Electoral Institute of South Africa, deals with that key aspect of procedural democracy. A fifth, the Helen Suzman foundation, undertakes similar democracy surveys to those of IDASA, and has a map of Southern Africa on the back of its quarterly enblazoned with 'promoting liberal democracy'.[38] A sixth, the South African Institute of Race Relations has a foreign donor-funded Free Society project which aims to monitor South Africa's democratic development and to promote the rule of law, ethics, justice, the concept of limited government and economic freedom. As a 1995 project description, written by one of its foreign funders, the US National Endowment for Democracy, explains: the programme will inform key government and non-government officials on activities that hinder the development of a free society. The project seeks to achieve these aims through three principal means: (1) publishing '*Frontiers of Freedom*', a quarterly newsletter; (2) sponsoring specific research projects; and (3) hosting and attending special events, including briefings and lectures, frequently in conjunction with other non-profit institutions. It is interesting to note how some of the language has changed in the 1997 project description, which introduces the relatively new term 'civil society organisations', talks explicitly about researching 'public policy alternatives', and replaces the ideologically unambiguous 'limited government' with the much more ambiguous and widely accepted term, 'good governance'.

It is not altogether surprising to find out that these civil society organisations at the forefront of promoting procedural democracy are very much part of the South African liberal landscape. The South African Institute of Race Relations is one of the oldest liberal institutions in the country. The Helen Suzman foundation is named after arguably the most prominent South African liberal politician. IDASA was started in 1987 by van Zyl Slabbert former leader of the opposition and Alex Boraine, former Progressive Federal Party MP.[39] What these CSOs have done is to put procedural democracy high up on the agenda for civil society, and for the nation, and to establish the terms of the debate. This is not surprising given the resources allocated to them by the international donor community. IDASA has received grants not simply of tens of thousands of dollars, but of $1 million. In 1996 it received $1.165 million from the Ford Foundation. This is an exceptionally large grant by the Foundation's standards, which

normally provides grants from $200 000 to $50 000 to CSOs in Africa, and is by far the largest grant to any grantee in South Africa. At the same time IDASA received a $1 million grant from USAID for a two-year period. The South African Institute of Race Relations and the Institute for Multi-Party Democracy received similar grants from USAID over the same period.

Conclusion

As we have seen, since 1994 South Africa has received an unprecedented amount of international political aid aimed at consolidating its liberal democracy. Even without the benefit of an in-depth, detailed study, one can safely conclude that there are few, if any, aspects of the new South African political system that have not been shaped by donor input. The external involvement in the construction of the new South African state raises important questions. What is the nature of the state of a middle income country that has been so extensively 'advised' by a myriad of international players? How do we understand such a state within existing theoretical frameworks? Does a state that is so permeable and malleable to external shapers exhibit the same autonomy as the states of advanced economies? Does it change the nature of the state? Is it a case of autonomy compromised? What impact does it have on the state's foreign policy and, perhaps even more pertinently, on its domestic policy?

And what of civil society? This article suggests that political aid to civil society has had two major consequences. First it has changed the debate on democracy. During the past five years, it is possible to see a process in which democracy has been redefined. Although half of South Africans still belief that access to housing, jobs and a decent income are essential components of a democratic society, this residual belief in social democracy is being eroded and replaced by the norms and practice of procedural democracy. It is our argument that the North has played its role in this process by funding the liberal proponents of procedural democracy in civil society, and that, subsequently, political aid has successfully 'influenced the rules of the game'. The second consequence is that this has facilitated a newly legitimatised South African state to preside over the same intensely exploitative economic system, but this time unchallenged. External and domestic support for procedural democracy has successfully removed all challenges to the system. It has ensured that democracy in the new South Africa is not about reconstructing the social order but about effective system maintenance.

Notes

1 C Landsberg, 'Directing from the stalls? The international community and the South African negotiation forum', in S Friedman & D Atkinson (eds), *The Small Miracle: South Africa's Negotiated Settlement*, Randburg; Ravan Press, 1994, p 276.
2 Interview with the director of a German political foundation in South Africa, 1998.
3 W Robinson has investigated the development of democracy assistance in US foreign policy comprehensively and critically in his ground-breaking *Promoting Polyarchy: Globalization, US Intervention, and Hegemony*, Cambridge: Cambridge University Press, 1996. This article applies some of his broader

conclusions to the post-1994 South African context, based on primary research carried out by the author in 1998.

[4] Cited in Robinson, *Promoting Polyarchy*, p 51, from a chapter Huntington wrote, interestingly entitled 'The modest meaning of democracy'.

[5] Robinson *Promoting Polyarchy*, p 69.

[6] Cited in *ibid* p 89 from the *Washington Post*, 14 March 1982.

[7] Robinson, *Promoting Polyarchy*, p 94.

[8] Cited in *ibid* p 73.

[9] According to one of the most recent and authoritative accounts, US democracy aid is a $500 million-a-year industry. See T Carothers, *Aiding Democracy Abroad: The Learning Curve*, Washington, DC: Carnegie Endowment for International Peace, 1999.

[10] See D Williams & T Young, 'Governance, the World Bank and liberal theory', *Political Studies*, 42(1), 1994, pp 84–101; P Landell-Mills, 'Governance, cultural change, and empowerment', *The Journal of Modern African Studies*, 30(4), 1992, pp 543–567; and B Beckman, 'The liberation of civil society: neo-liberal ideology and political theory', *Review of African Political Economy*, 58, 1993, pp 20–33.

[11] See S Gibson, 'Aid and politics in Malawi and Kenya: political conditionality and donor support to the "human rights, democracy and governance" sector' in L. Wohlgemuth *et al* (eds) *Common Security and Civil Society in Africa*, Uppsala: Nordiska Afrikainstitutet, 1999.

[12] D Aitkinson, G Goetz, T Rapoo, M Reitzes & K Shubane, 'Changing models of civil society in South Africa', mimeo, Johannesburg: Centre for Policy Studies, 1996, p 4.

[13] G Jakobsen, *Denmark—South Africa: The Decades from Resistance to Reconstruction*, Johannesburg: Ibis/INTERFUND, 1996.

[14] USAID/South Africa, *USAID/South Africa Briefing Book*, 1995, p 1; and G Olsen, 'Europe and the promotion of democracy in post-cold war Africa: how serious is Europe and for what reasons?', *African Affairs*, 97(388), 1998, p 350. The Soviet Union, with its support for the liberation movement, was also a significant 'donor', and needs to be included in any discussion of foreign aid in this period.

[15] Robinson, *Promoting Polyarchy*, p 356.

[16] B Gills, J Rocamora, R Wilson (eds) *Low Intensity Democracy: Political Power in the New World Order*, London: Pluto Press, 1993.

[17] See I Taylor, 'South Africa's "democratic transition" in a globalised world: the "change industry" and the promotion of polyarchy', unpublished working paper, January 2000, for an excellent study of how the ideological battle over democracy has been fought in South Africa. The paper draws broadly similar conclusions to those in this article about the process.

[18] USAID/South Africa, *USAID/South Africa Country Strategic Plan*, 1997, p 110; interview with the director of the EU Foundation for Human Rights, 6 March 1998; OECD, *Geographical Distribution of Financial Flows to Aid Recipients*, Paris: OECD, 1997; and interview with the World Bank resident representative and the NGO liaison officer, 4 March 1998. Non-lending services amount to an annual $3 to $4 million Bank investment in the country. For more on the Bank's influence in South Africa see J Michie & V Padayachee (eds), *The Political Economy of South Africa's Transition*, London: Harcourt Brace, 1997.

[19] USAID/South Africa, *Country Strategic Plan*, pp 13, 22.

[20] *Ibid*, p 15; Danida, *South Africa: Strategy for Danish—South African Development Cooperation*, Copenhagen: Danida, 1995, p 19; interview with the Konrad Adenauer resident representative, 10 March 1998; and interview with the second secretary, Royal Netherlands Embassy, 6 March 1998.

[21] Landsberg, 'Directing from the stalls?'

[22] USAID/South Africa, *Country Strategic Plan*, p 18.

[23] USAID/South Africa, Country Strategic Plan, p 5.

[24] Danida, *South Africa*, p 22.

[25] Aid data comes from USAID/South Africa, *Country Strategic Plan*; Danida, *South Africa*; Cida, *Profile of Canadian Assistance to South Africa*; and Sida, *Development in Partnership: Sida and Bilateral Development Cooperation in Africa*, Stockholm: Sida, 1997.

[26] D Ryall, 'Caught between two worlds: understanding South Africa's foreign policy options', *Third World Quarterly*, 18(2), 1997, p 399.

[27] Landsberg, 'Directing from the stalls?'.

[28] Interviews with Friedrich Ebert Foundation programme manager, 26 February 1998; Friedrich Naumann Foundation project officer, 27 February 1998; and Konrad Adenauer resident representative, 10 March 1998.

[29] National Endowment for Democracy (NED) grant descriptions, 1997.

[30] 'IDASA; what we do', http://www.idasa.org.za/acronyms/default.htm.

[31] Centre for Policy Studies, Sector Assessment: 'USAID/South Africa democracy and governance programme', 1998, p 5.

[32] Cited in H Marais, 'Annual reivew: the voluntary sector and development in South Africa 1996/97', *Development Update*, 1(3), 1997, p 25.

[33] Centre for Policy Studies, 'USAID/South Africa democracy and governance programme,' p 3.

34 Marais, 'Annual review', p 20; and N Bentzen, J Cole & D Sogge, p 20. 'Funding for transformation in times of transition', a report of a mid-term review of the INTERFUND/Ibis Transitional Development Assistance Programme in South Africa 1994–98, p 20.

35 R Mattes & H Thiel, 'Consolidation and public opinion in South Africa,' *Journal of Democracy*, 9(1), 1998, p 103; and Marais, 'Annual review', p 20.

36 Ling & Stepan, 1996, cited in Centre for Policy Studies, 'USAID/South Africa democracy and governance programme', 1998.

37 Mattes & Thiel, 'Consolidation and public opinion in South Africa'.

38 *Focus*, 1998, pp 22–28.

39 See Taylor, 'South Africa's "democratic transition" in a globalised world', for Slabbert's close association with South African business interests and his very open defence of liberal democracy as the best political guarantor of capitalism.