

Nonprofits & NGOs

## Civil Society as Public Conscience

Civil society can help make sure that we in America do not turn our back on fundamental values, or forget about those who lack market and political power.

By [Larry Kramer](#) | Aug. 7, 2018

**D**oes civil society address questions of values in ways that government and business cannot? This question makes sense if we presuppose limits on the values government and business can express. However, there are no such limits, as evidenced by the way both sectors have, throughout US history, taken positions and played roles on all sides of our nation's great moral and political debates. This is hardly surprising inasmuch as "government" and "business," no less than "civil society," comprise a multiplicity of actors with widely divergent interests, passions, and beliefs. The principle of federalism is built on the idea (well-established empirically) that different governments, operating at different levels and in different places, will respond to problems differently, creating multiple channels for competitive democratic action. Likewise, the competitiveness of the marketplace ensures that, with rare exceptions, there are business interests on different sides of most questions.

Yet while government and business may not be monoliths, their decisions and actions are subject to predictable, systematic forms of distortion. Were our political institutions perfectly democratic, they would still be buffeted by differences of opinion and preference that, as James Madison famously wrote in his essay "Federalist No. 10," are "sown in the nature of man" and beget "the violence of faction." Not that it matters, because these institutions are far from perfect. Differences in wealth, in access, and in the ability to organize and communicate inevitably produce disparities in political power and effectiveness. Nor is this just some improvident flaw in our institutions that can be corrected. Such distortions are a baked-in operating feature of any democratic system. We can—and should—seek to moderate these to the extent feasible, but (again quoting Madison) we could not eliminate them "without extinguishing the liberty which is essential to [democracy's] existence." In truth, they would persist even then.

Actors in the private sector face different distorting pressures from market competition. Given the complexity of our society and economy, consumer and/or investor demands often pull business interests in opposing directions. Oil companies want to continue promoting combustion engines, for example, while utility companies and automobile manufacturers are eager to replace them with electric vehicles. The common thread is the overriding need all businesses share to generate returns—a values-limiting influence exacerbated by the principle that the only legitimate object of business is maximizing owner or shareholder value. This odd, myopic belief, an invention of late 20th century neoliberal ideologues, has been weakened in recent years by the advent of social enterprises, B corps, and public benefit corporations, not to mention the slow rise of impact investing. But the effects of these new forms are (and will always be) constricted by the overriding imperative every for-profit enterprise faces to earn enough money to remain in business.

One other systemic constraint deserves mention: Both government and business are hampered, albeit for different reasons, by severe short-termism. In the case of business, an emphasis on short-term profits is built into the structure of capital markets, as well as existing rules for accounting, public disclosure, and executive compensation. In the case of government, pressure to deliver near-term benefits is an inherent feature of competitive democratic politics, which make it difficult for political leaders to pursue long-term projects at the expense of current supporters and constituents.

These distortions matter because, realistically speaking, government and business are the most viable routes to achieving things at scale. The resources available to civil society organizations are rarely large enough or reliable enough to give them the kind of reach these other sectors attain easily. Philanthropic sources can sometimes supplement public goods that government or for-profit companies may undersupply—think of the role nonprofits play in the arts, for example, or in providing direct services to the poor—but the most serious needs and problems of society invariably require public spending, market-based activity, or some mix of the two.

What sets civil society organizations apart is that they are free from precisely the forces that limit actors in government and business; they are neither responsible to voters nor (usually) restricted by market discipline. They can be entirely mission driven, which gives them the freedom to test controversial ideas, develop challenging positions, and advocate for change based wholly on the magnitude and meaning of an issue or objective. As important, they can use this freedom to intervene with government or business in ways that overcome or circumvent the obstacles that bias these sectors' decisions and activities. Short-term pressures may make it difficult for government agencies to invest in experiments, for example, but they can take up proven concepts. Civil society organizations can establish the

necessary proof and, within legal limits, help overcome political barriers that may block adoption. Nonprofit activity may likewise be able to correct market defects or foster conditions that encourage deeper business investment. Nonprofit leaders can take risks that government agents and business managers dependably shy away from, and they can stay with efforts that take time to show results.

More profoundly, nonprofits have the freedom to play the role of “prodder,” of idea advocate, of irritant to systems that need to be irritated. Civil society can be our public conscience, helping make sure that we do not turn our back on fundamental values, or forget about those who lack market and political power.

There is a rub, of course (there’s always a rub). Civil society organizations may be free from political and market discipline, but only by subjecting themselves to the whims and caprice of philanthropic funders. This alternative distortion is to some extent blunted by the pluralistic, decentralized nature of the funder community; there are a great many funders out there, and they represent a broad range of ideologies, interests, and viewpoints. But the flaws in this system are many and well known. Scrambling for dollars is time consuming and difficult, and most funders restrict their support while failing to cover a grantees’ full costs. Awkward differences between how funders and grantees understand a problem or think it should be addressed are common. Nonprofits understandably feel that funders sometimes undervalue their expertise and front-line experience, while funders just as understandably feel responsible for making independent judgments about how nonprofits should use their resources. And while the funder community is more pluralistic than its critics allow, many viewpoints and approaches indubitably fail to find support—sometimes for worse, as well as for better.

Navigating these shoals forms a great part of any responsible funder’s work. But understanding the role civil society needs to play can provide a touchstone to guide one’s actions. That means being open to supporting new ideas. It means keeping an eye on the long-term and being willing to take risks—not just the risk that something may not work, but the reputational risk of tackling controversial matters. (As I like to say, what’s the point of being unaccountable if you never use it?) But above all, and especially in these unspeakably awful times, it means fighting steadfastly for fundamental values and resolutely standing up for those who lack power. With so many of our political and business leaders cravenly abandoning their integrity and principles, being society’s conscience has never been more important.



## Civil Society for the 21st Century

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, explores important issues of civil society in the 21st century: its origins and evolution, its boundaries and blind spots, its values and variety, its obstacles and opportunities.



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