
The Nation, the Economy, and the Civil Society: What is Next?

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Abstract:

Purpose: The paper presents the specifics of development, crises and the postulates of correcting and making modern the social, political, and post-industrial systems that have been shaped over the years. Around 200 years ago, three modern social regulation systems arose, the modern state, the market state, and the civil society. All these systems are currently undergoing a deep crisis. New questions are being asked about a vision for a system that would be able to replace or successfully reform them.

Design/Methodology/Approach: The analysis will cover both theoretical and practical issues occurring at the state level and in the international dimension. In achieving the research goal, the authors systematized the systems for regulating the society. The undertaken analysis and an overview of the literature points to complementarity and an interdisciplinary approach to these problems.

Findings: The above-selected fragments concerning the systems for regulating the society prompt us to present some general reflections and conclusions. They result from the research assumptions and systematizing the subject matter we come up with formulated answers to the questions. They are selected possibilities in summarizing the vision of society and its citizens.

Practical Implications: Associations, foundations, social associations, and solidarity groups undertake their activities in the interests of the common good. The effectiveness of these entities is great. However, we can more and more often see the temptation to limit their role and subjectivity or even draw them into an often-barren political discourse, although, is not the best way. We can all do better in this area.

Originality/Value: The conclusions are limited to the purpose and scope of the research presented in the article and can be a starting point for further similar analyzes.

Keywords: Social regulation systems, the state, the market, the civil society.

JEL codes: B15, F02, P16.

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1. Introduction

From the beginning of history, humanity felt the need to apply a system that would reflect a certain order in the mutual relationships between individuals, groups, and society, among nations and within the international arena.

The foundations for this need were society's experiences, probably evolving over millions of years during the original horde's coexistence. Early people knew of the risk of increased incidences of birth defects caused by inbreeding, which resulted in the first and oldest principles of social regulations, such as the ban on incest, endogamy, and exogamy, which were taboos. Totemism, and later the first religious systems (animism, polytheism, and later monotheism) were the oldest systems creating orders and prohibitions that regulated the above-mentioned relationships. In any given era, from the point of view of human cognition, there was no other option than to make these orders and prohibitions legitimate. This was done by incorporating supernatural authority figures (a totemic ancestor, a polymorphic or monotheistic deity, God, the almighty creator), thanks to which a medieval monarch could, according to the theory of patrimonialism, constitute the laws.

This highest legislation creating authority was dramatically replaced over 200 years ago by human authority, not in an evolutionary way, but as a revolution. As the direct result of human development, especially in the humanist and rationalist eras, humanity concluded that the source of authority, the source of all orders and prohibitions, is man himself, or society and its citizens. This knowledge led to the rise of three new systems for regulating society. They became the modern state, the market and civil society. Despite this, however, a system of regulation based on religion did not cease to exist (luckily), even though some representatives of rationalism and humanism (and their later followers) expected this would happen.

The presented article will attempt to bring us closer to the specifics of development, its crisis and the postulates of correcting and making modern the social, the political and the post-industrial systems that have been shaped over the years. The analysis will cover both theoretical and practical issues occurring at the state level and in the international dimension³.

2. Classic Social Systems

The first and most significant social regulation system, beginning with the American and French Revolutions at the end of the 18th century, represents the modern, so-called democratic, state based parliamentary government. In this context, several mechanisms were created that promote not only the interests of most of the society, but also the minority's interests that would be accepted as public interests. An

³ *The article does not consider the consequences of COVID-19 since it is difficult to formulate any specific suggestions or forecasts in the time of pandemic.*

important structure, long perceived as the backbone of this system, was the political system. It is based on political parties and transforming public (supra-individual) interests through parliamentary systems into laws that become instruments guaranteeing legally imposed rights and obligations. Due to their high legitimacy, respecting and enforcing them can be done even by using force. Permanently improving the social regulation system includes:

1. developing a parliamentary system, both electoral systems (in order to achieve the most representative transfer of power from its source to parliamentary seats), as well as bicameral mechanisms (regional or corporatist), etc.;
2. expanding electoral rights, the gradual elimination of election censuses (property, education, nationality, age, etc.) in order to achieve the most modeled representation of the source of power and the broadest possible legitimization of group interests as public interests;
3. liberalizing political systems, enabling easier formation of political parties (the principle of registration instead of the principle of authorization) as well as their entry into parliament (sometimes reducing the quorum required in elections to obtain representation in a parliament, etc.).

The market has become the second modern system of social regulation, covering not only the commodity market (which existed previously, though it was much more limited), but also markets concerning production factors, such as the land market, the capital market, and the labor market. Adam Smith gave us a vision of what this would be like 13 years before the French Revolution (Smith, A., 1776). In contrast to the state, the market is a sphere of private interests. It basically works without coercion based on a contract (primarily a contract between the buyer and the seller). This is a basic market instrument. An agreement also includes a universally applied currency (money). It seems that only a matter of time remains before the abolition of the real value of money will come about, because there will be no need for a contract.

The link between the modern state and the modern market was created in the 19th century for the creation and development of a public economy, meaning the sphere of public goods and services. Feudal administration, a feudal army or other seeds of the future public sector were already largely financed by taxing various groups of the population. However, decisions regarding the use of these funds only gradually took on a collective character. Keynes showed that a market-correcting state is especially important (Keynes, 1997). Bismarck benefited from public social services to maintain the state. It became a welfare system which defines the boundaries of the market and serves to consolidate it (Bismarck, 2004).

Civil society became the third system of modern social regulation, which was expressed by the French Revolution's slogan *Liberté-Égalité-Fraternité*. The fall of feudalism brought not only the creation of political parties and political associations,

but also a general and significant increase in civil rights. The feudal regulation of economic relations in the form of associations disappeared (meaning craft guilds). Napoleon's "Code civil des Français" eradicated citizen inequality in respect to the law and created conditions for the emergence of free citizens (concerning professions, territory, culture, etc.). For the most part, until the mid-twentieth century, these codes only maintain a local character, and group interests that integrate people concentrate on these communities rather than outside communities.

3. Transforming the Social System

The 20th century, especially its second half, brought about significant changes in the systems of social regulation. They are the domain of every modern state, especially in the political dimension. So, what is particularly symptomatic in this area?

First, political systems are not always able to guarantee the stability of nations and cease to be their founding structures (Benish and Levi-Faur 2020). Many European nations, starting in the 1970's, discovered that they were rather unstable. Unitarian nations began to change into federations or quasi-federations (Belgium, Spain), while in other complex nations, separatism was intense (Italy, Great Britain), and a certain number of other federations simply collapsed (Yugoslavia, Czechoslovakia, the Soviet Union). In recent years, we have had examples of political crises in key European countries. A textbook example of this was Belgium, which, after the 2012 elections, did not have a government for over 400 days! Germany experienced similar problems, yet it was one of the most important policy linking nations within the EU. The process of re-creating the government in 2017/2018 lasted about 6 months!

Second, federal territory continues to expand, both in practice and according to the postulates of many political circles. Even the regions (Bernhard, 2020; Meyer, Moder, Neumayr, and Vandor, 2020) in unitary states are equipped with significant competences (an example is Poland).

Third, parliamentarism itself has changed. Here we can distinguish several interesting trends:

1. The right to vote is increasing. In many parts of the world, women, ethnic minorities, and younger people now have the right to vote. Electoral restrictions based on citizenship (for example, the local government elections in EU countries) are being eliminated. At the same time, however, new criteria for acquiring electoral rights have emerged (for example, knowledge of the state language in Estonia, or open questions about immigrant rights, especially in Europe since 2015). All this has begun to question the socially acceptable practice of extending voting rights to migrants. Fundamental questions have now come up again, who can be a source of authority and how will they exercise it? What will be the

- consequences of the possible increase in electoral rights? Will the socio-political system change under the influence of rights acquired by an increasing number of migrants? There are now several cases of people, entire immigrant groups or other ethnic migrant groups winning elections (for example, the case of Sadiq Khan and the mayor of London).
2. The concepts of political rights and human rights are fusing. At the same time, the concept of human rights is undergoing liberalization and is immensely widespread (for example, the right to an abortion, the right to euthanasia, the right to change one's gender). Paradoxically, in many cases, human activities are limited to strengthening the "rights" of animals (prohibiting abortions for gorillas in Spain) or the protection of natural habitats in the face of urban expansion. Therefore, security and human rights are now more often competing with the external environment.
 3. There is now a change in the way minority interests are perceived as public interests; in the post-war period, this primarily developed through social partnership in the neo-corporate model (in Scandinavia, Austria and other countries), based on the binding joint decisions of the government and its social partners (such as employer unions, trade unions, local government unions, unions of disabled people's organizations, etc.), which have now replaced the traditional model of a parliamentary dialogue;
 4. Significant changes in the structure and nature of political parties are taking place:
 - traditional parties with a clearly defined electorate (workers, farmers, Christian parties, etc.) are increasingly replacing the catch-all political party model, seeking to gain the support of almost all groups of the population, or at least as much of the potential electorate as possible;
 - the increased possibilities, and hence the number of transformations of civil movements into political parties, are expanding;
 - populist parties, so-called "one-time success" parties, frequently use manipulative marketing techniques in order to win the election. They are not much different from other parties that support the parliament only for their own (selfish) interests, but they are not on the side of their voters' interests. This is related to the few remaining traditionally dominant political parties and their strong belief that the parliament is intended only for political parties;
 5. In some countries, there is still a high level of corruption and public disapproval of the political state, manifested by the lower number of citizens participating in elections, etc. This is a consequence of an overall state crisis, meaning that it lacks an effective law enforcement method by parliament at the level of public administration. It is often not only a law enforcer, but also an interpreter or generator of additional laws.

Here, we ought to recall the example of the shock that the political elites in Europe felt in connection with two events that took place in the last few years. The first was a referendum in Ireland in 2008 related to the public rejection of the Treaty of

Lisbon. EU pressure on Ireland caused the referendum to be repeated, and then the right (positive) effect was obtained, meaning the adoption of the Treaty. The second shock the EU experienced was the Brexit. In 2016, the British voted to leave the EU. In this case, too, there is strong pressure to change the decision or possibly "soften" the conditions for the UK leaving the EU. Both cases illustrate the relationship between public decisions expressed in democratic elections and the expectations of the contemporary political system.

What political scientists cautiously call the emergence of "non-political politics" should rather be called the disintegration of a state's political system. This can inevitably lead to a crisis in the modern state, rocking the idea of a system of social regulation and the common good. The idea of democracy presented by many classics (Sartori, 1987) is unfortunately at present becoming more and more archaic.

The reason for this is the unreflective pursuit of politicians trying to develop the entire social space for their own purposes. An additional problem is the poor information and media coverage on politics, social life, and economic life (McNair, 2016). This is also heightened by the seemingly unlimited possibilities of the so-called social networking sites, which are often able to create an alternative reality, such as influencing the preferences and political decisions of voters, for example, Facebook, Twitter (Martínez-Béjar and Brändle, 2018).

4. Transforming the Economic System

The system of social regulation represented by the market also experienced deep changes. The economy has always influenced politics. Theories have appeared according to which the production of material goods is the first or even main motivation for social development. Without a doubt, the influence of the economy on society is growing because humanity is more often dealing with problems concerning limited material resources and the unlimited development of needs, which are increasing both in quantity and quality.

In relation to the development of the welfare state and using public resources for meeting humanity's needs (for example, a free education, free health care, the system of state social funds, social housing), completely new topics have entered the political life that, for example, explain the theory of public selection. Even this theory, mentioned above as being in a crisis and a dilapidating system of state politics, is now placed in the trap of corruption and will undoubtedly end in failure.

The development of public services makes the state dependent on additional sources of income, and the level of state budget revenues (especially tax revenues) is not always sufficient for populist projects. This situation became particularly more tense after the Second World War (although both wars became a *sui generis* branch of public services, which cannot be financed solely from cumulated tax revenues).

However, similar as in other developing sectors of public life, it was inevitable that we would use privately collected resources for a long time yet having to wait for their capitalization. Although every king had his own Rothschild, and sometimes he could even become his hostage, he always had a handy tool that he could use in such a situation (*ius gladii*).

Both world wars in the 20th century changed the world, but they also changed the viewpoint and relations between the nation and the market in one field. Even WWI required such a great need for resources that the warring sides simply could not provide resources. All attempts to acquire additional means (for example, war bonds) were not extraordinarily successful, and so there was a need for the modern services of the institutionalized Rothschilds. Banks tended to give loans for armies and weapons, but they did not see the perspective of later financing a nation that was destroyed by this army and its weapons. It turned out that nations are particularly good debtors, and most of such credit borrowers will pay their debts to the last penny (just as the nations of Europe paid their debts from the times of WWII in the mid-1970s). If they would not be able to pay their debts, they always had a guarantee in the form of state assets, but these had to be sufficiently fluid or able to be privatized.

Banks and financial groups have become direct policy actors. The interest rates according to which countries have started to borrow money to finance spending on the ever-increasing sphere of public services was politically important (at the state and international levels). These were no longer an instrument in the hands of traditional political entities (e.g., discount rates at the State Treasury or the National Bank). The function of the market as a system of social regulation has turned in the opposite direction. Increasingly, it is no longer the nation that defines market restrictions, but the market now determines the state's limitations.⁴

If the whole system of social regulation, called the market, is based on individual interests, and is made in terms of contracts, then all this is based on mutual trust. Yet, what was expressed in terms of the Bretton Woods agreements ceased to be binding in the seventies. Current solutions differ significantly from providing a stable degree of conditions for contracts. New phenomena (e.g., the Bitcoin) exist on very shaky contracts.

In a broader context, the market today is seen as the authority over money. However, there is a real risk that in the modified form of multi-actor social regulations (Mosco, 2009), man himself more often becomes the product or thing that we can buy and sell. In addition, the market system and the global economy are permanently undergoing crises (King and Galès, 2017; Harris, 2016; Bailey, De Waele, Escalona, and Vieria, 2014; O'Connor, 2002).

⁴*The quintessence of this has become, among others, Chancellor Angela Merkel's words during the financial crisis and the crash in Greece: "It is the duty of the state to save banks."*

5. Dilemmas of the Civil Society

The civil society system arose at the turn of the 18th and 19th centuries. At that time, slogans about brotherhood, equality and freedom could be placed on the contemporary emblem of the civil sector. Although it was created gradually and is today connected with various association activities that for a long time were not clear, civil society was already registered in the 1930s (for example, in connection with popular and apolitical resistance to totalitarian systems). These changes are also illustrated in the differences between the reactions of civil society in the United States to the Korean War and the Vietnam War. While civil society was almost silent about the first of these wars, in the second case, it was highly active.

In general, however, civil society developed primarily in the post-war period, drawing from the testimony of civil resistance against the totalitarian regimes of the wartime period. Perhaps in these years of war, where traditional political systems often failed, we can see the beginning of the emancipation of civil society. Civil society was looking for a chance to use traditional forms of the political society for some time. This particularly concerned the formation of various parties, allegedly anti-fascist, representing uncompromised fragments of pre-war parties directly after the end of World War II, including the "green" parties that emerged in the 1960s because of civilian ecologic movements. However, it moved further away from these forms, and in particular used the methods of partnership (as opposed to traditional cooperation methods or rather competition between political parties, which became a very important factor in the new policy). In addition, it was a policy that used instruments that were rarely used by traditional politics, for example, partnership, volunteering, etc.

In modern times, we can observe numerous citizenship initiatives. Associations, foundations, social associations, and solidarity groups undertake their activities in the interests of the common good. They actively participate in the nation's social life, representing the interests of a wide range of citizens, largely those who do not identify with any political system and have no representation. The effectiveness of these entities is great. However, we can more and more often see the temptation to limit their role and subjectivity or even draw them into an often-barren political discourse. Is this really the best solution?

6. Conclusions

In summarizing the outlined issues, here we ought to repeat the topic question. In what direction is the social system going? The necessity for the existence of effective regulations in the multidimensional social system is a fact. How can we regain the individual and social impact on the social reality that politicians and political parties have lost?

Some people turn to religion at such difficult moments. Difficulties in this respect, however, illustrate the serious problem of competition that we can especially observe between Christianity and Islam. The fact is that religion professed according to its actual assumptions expressed in given revelations (in this case, either the Bible or the Koran) organizes the social system of a nation's faithful. But what about the growing multitude of agnostics and atheists? Is it justifiable to leave the creation of a social system only to the laws that we set up? More and more often we see how many other problems are brought on by the postulate of completely separating religion from the state and social life.

We should also pay attention to another assumption. The relationship between the state and the market is rapidly failing. The market's rule over the state and over the people is strengthening. Before all of us simply become a commodity, there is one more, perhaps last chance. This would be to unite the state and civil society. Although traditionally there has been little mutual trust between them, it seems justified to be able to replace the political system (which has failed) with civil society. Instead of a political state, a civil state should be built.

This is not about a game of direct democracy or ideas like a polyarchy (Dahl, 1961), communism (Bookchin, 1982) or communitarianism (Etzioni, 2003). It is enough to build a parliamentary democracy based on a civil society. If one sees corporatism in this idea, then corporatism in the form of second chambers in the current Irish and Slovenian parliaments (or even former European or Latin American parliaments) is only a very imperfect implementation of this idea. This is not only so because of the second, or "weaker" chamber.

If local civil associations (for example, Hungary) can run for local elections, then why hide such associations in the form of local political parties (e.g., the Czech Republic)? Why do civil associations not have their own parliamentary election list? They are created over many years, have a good reputation and a transparent structure of interests representing a large part of society. Is someone afraid that such candidates are easy to bribe? Perhaps, but certainly not easier than in the case of most political parties, as indicated above.

In Czechoslovakia, the process of democratic renewal began in 1989 with the abolition of the Communist Party, a system playing the leading role. We think that continuing these reforms requires the abolition of the leading and only role of political parties, starting with all traces of the Jacobins.

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