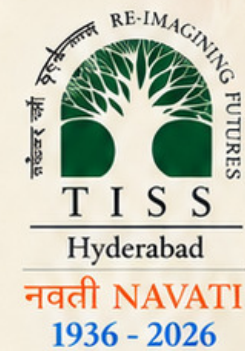


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STATE, MARKET AND CIVIL SOCIETY

*A Tripartite Consensus and Perpetual
Interplay in Post-neoliberalism*

P. Karunakar

School of Gender and Livelihoods, TISS Hyderabad

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State, Market and Civil Society

A Tripartite Consensus and Perpetual Interplay in Post-neoliberalism

P. Karunakar *

Abstract

The debates around the ascendancy of Western liberal democracy and neoliberal capitalism ever since the onset of globalisation have raised critical concerns, particularly with regard to glaring income inequalities, human rights, the exploitation of human and natural resources, gender discrimination and environmental pollution across the world. The pervasive influence of neoliberal ideology has eventually invited enormous criticism, and the term ‘neoliberal’ has become pejorative and acquired negative connotations in day-to-day academic conversations and intellectual discourse. It is in this context that the present paper attempts to revisit the problem of neoliberalism and to outline an alternative approach to reinterpreting it with a distinct analytical framework. Earlier social science scholarship on both the positive and the negative aspects of neoliberalism broadly took a political economy approach, centred on ‘state and market’ analysis. The present paper underscores the significance and effectiveness of bringing in civil society to broaden ‘state and market’-centric analysis, for a deeper understanding of the relationship between democracy and neoliberal capitalism, by positing the analysis as post-neoliberalism.

Keywords: post-neoliberalism, globalisation, state, market, civil society, neoliberalism

Introduction

The last four decades, since the 1980s, have witnessed massive discussions and debates around the world on the pros and cons of neoliberal ideology and its corollaries, globalisation and capitalism. These debates mostly centre on pressing current world problems such as environmental pollution, human rights, pervasive social and economic inequalities, gender discrimination, the challenges of emerging technologies such as artificial intelligence and data monopolies, and the exploitation of

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natural resources. These problems are attributed mostly to neoliberal capitalism and the ascendancy of Western liberal democracy, both in terms of cause and effect.

In addition to the woes of neoliberalism, the onset of global democratic backsliding in recent years has further exacerbated current world problems, as democratic backsliding leads to the incremental erosion of democratic institutions, rules and norms.¹ According to Bermeo (2016), democratic backsliding is the state-led debilitation or elimination of the political institutions that sustain an existing democracy.² Further, in countries where democratic backsliding is incremental, any attempts by civic organisations to counter it are silenced by treating them as tools of foreign forces, as they are often funded from abroad.³ Democratic backsliding is a global phenomenon, although countries in the global South and Eastern Europe are more vulnerable to it. Even advanced liberal democracies such as the USA are not immune to democratic backsliding.⁴ The serious concern about democratic backsliding is not sudden democratic collapse but gradual and incremental erosion, which is insidious and dangerous.⁵ In view of liberal democracy's mounting challenges and criticisms, Arato and Cohen (2022) argue that liberal democracy is by its nature an unfinished and incomplete project.⁶ They further emphasise the need for the democratisation of democracy to defend and strengthen liberal democracy.

Given the persistent criticism of neoliberalism and the problems stated above, the term 'neoliberal' has become pejorative and acquired negative connotations in everyday academic conversations and intellectual discourse. Against this backdrop, this paper attempts to revisit the problem of neoliberalism and outlines an alternative approach to reinterpreting it with a distinct analytical framework. I call this framework a tripartite consensus and perpetual interplay of state, market and civil society in a post-neoliberal world order, which operates through a mechanism of checks and balances. Earlier work by social scientists on both the positive and the negative aspects of neoliberalism broadly took a political economy approach, centred on 'state and market' analysis. The present paper underscores the significance and effectiveness of bringing in civil society to broaden 'state and market'

¹ Stephan Haggard and Robert Kaufman, "The Anatomy of Democratic Backsliding", *Journal of Democracy* 32, no. 4 (2021): 27–41, <https://doi.org/10.1353/jod.2021.0050>.

² Nancy Bermeo, "On Democratic Backsliding", *Journal of Democracy* 27, no. 1 (2016): 5–19, <https://doi.org/10.1353/jod.2016.0012>.

³ Bermeo, "On Democratic Backsliding", 14.

⁴ Haggard and Kaufman, "Anatomy of Democratic Backsliding".

⁵ Tom Ginsburg, "Democratic Backsliding and the Rule of Law", *Ohio Northern University Law Review* 44 (2018): 351–69.

⁶ Andrew Arato and Jean L. Cohen, *Populism and Civil Society: The Challenge to Constitutional Democracy* (New York: Oxford University Press, 2022).

centric analysis, for a deeper understanding of the relationship between democracy and neoliberal capitalism, by positing the analysis as post-neoliberalism.

The rationale for incorporating civil society into this analytical framework is that state- and market-centric analysis has inherent limitations in understanding the social and economic problems of contemporary political society. With its restricted focus on the competition between state and market for the delivery of social and economic benefits and services, 'state and market'-centric analysis has undermined the systematic role that civil society plays in influencing policy outcomes. Liberal democracies have always tried to establish a balance between individual and collective rights, and in this process the group rights of the various communities that form part of civil society have also been accommodated well in political processes. Various civil society organisations, such as pressure groups, interest groups, universities, cultural associations, trade unions, student organisations and women's associations, interface effectively with the state apparatus at various levels to put forth their demands before the system and influence policies in their favour. Furthermore, whenever the state's policies go against the interests of civil society, civil society organisations resist with mass political mobilisation. This is possible because liberal constitutions provide adequate space for the expression of collective interests and for engagement by civil society through legislative bodies, judicial institutions, NGOs and other public platforms. Regular elections and political contestation further reinforce this space for civil society activism, from the local to the national and global levels. Vibrant civil society engagement strengthens democracy, the state and its institutions in terms of legitimacy, and enables governments to respond to the demands of citizens. More specifically, in the context of global democratic backsliding and democratic recession over the past couple of decades, particularly in the global South and Eastern Europe, the role of civil society gains further significance as a countervailing force. The rise of populism in recent times also poses a great threat to democratic institutions and constitutional democracy, as Arato and Cohen (2022) detail in their recent work *Populism and Civil Society*, in which they emphasise the significant and proactive role that civil society is expected to play in countering the challenges that populism poses to constitutional democracy.⁷ Donald Trump's populist 'America First' approach, economic nationalism and the imposition of tariffs on trade partners are also likely to influence other liberal democracies, as any disruption in America has huge impacts on other countries. Platform capitalism led by leading market players such as Amazon, Google and Facebook, and data monopolies, are other significant concerns that further demand responses from civil society.

⁷ Arato and Cohen, *Populism and Civil Society*.

Grugel and Riggirozzi (2012) define post-neoliberalism as more than simply the return of the state in terms of the economy: it calls for a new kind of politics rooted in and responsive to local traditions and communities, and an attempt to forge a new pact between the state and society.⁸ Underlying this definition is the role of the state in balancing domestic social responsibilities with positioning its economy in the global political economy. I define post-neoliberalism as a socio-political and economic framework that establishes an effective and perpetual interplay of state, market and civil society until the goals of substantive democracy and an egalitarian society are achieved. This idea emerges in the context of a neoliberal tension between state and market with regard to their position relative to one another. On the one hand, the promoters of free-market capitalism emphasise a restricted role for the state, along with a balancing role in controlling market fluctuations and crises, which the market alone could not otherwise regulate. On the other hand, the critics of the free market raise concerns about pervasive inequalities and exploitation in capitalism and emphasise human rights and inclusive growth. To understand how this tripartite interplay operates, I explain the merits, strengths and weaknesses of each entity in separate sections and argue for the importance of a mechanism of checks and balances, with relevant insights and examples. No specific methodology is followed, as the article is not based on any empirical source.

Reinvigoration of State Power

The core argument of this section is to emphasise how democratic states are positioned to deal with any challenges or threats that seek to destabilise state power, and to continue to exercise their power without compromising their social, economic, political, legal and ethical responsibilities towards their citizens. The discussion here is confined to democratic states, as the operation of the idea of tripartite consensus and perpetual interplay through checks and balances is very unlikely in other state forms, such as authoritarian, totalitarian and dictatorial states. Democratic states, with their liberal constitutions, provide ample space for freedom of speech and individual liberty, which are little respected in other state forms. Freedom of speech and liberty are fundamental for civil society to operate effectively and for the market to grow. Other state forms either suppress civil society activism or control the market, thus preventing the possibility of a tripartite interplay of state, market and civil society in a consensual pattern.

The intellectual analyses and debates around the minimal or restricted role of the state, or the an-

⁸ Jean Grugel and Pía Riggirozzi, "Post-neoliberalism in Latin America: Rebuilding and Reclaiming the State after Crisis", *Development and Change* 43, no. 1 (2012): 1–21, <https://doi.org/10.1111/j.1467-7660.2011.01746.x>.

archist view of a stateless society, have become largely redundant, as the state and its institutions have gained irrevocable strength in modern times, and the necessity of the state as the collective identity and expression of a nation still holds firm. Given the pervasive influence of the state in the twentieth century, Evans (1995) argues that any attempt to dismantle it or make it wither away risks perverse consequences.⁹ Ever since the Treaty of Westphalia, the state and its institutions, particularly in democracies, have grown exponentially and acquired tremendous strength in terms of military might, bureaucratic apparatus, economic growth and nuclear arsenals, apart from remarkable achievements in consolidating and strengthening existing democratic institutions such as legal institutions, justice systems, the police and defence. This position makes the state strong enough to deal with potential threats or challenges such as civil wars, extremism and terrorism.

There are several instances where states have successfully dealt with such challenges, which aimed at destabilising the state and its institutions both domestically and internationally: for instance, the war on Islamist terrorism after 9/11 and the Taliban in Afghanistan, to name a few. At the domestic level, too, many states have dealt with internal challenges. At the same time, while dealing with those challenges, it becomes imperative for democratic states not to evade their moral and legal obligations towards their citizens, as they derive the legitimacy of their authority from the citizens who elect them. Democratic states also react and respond to the actions of civil society organisations, as these organisations are key observers that evaluate state policies and oppose them strongly if they go against democratic norms.

The necessity of state power also emerges from the fact that, despite the presence of global governing institutions such as the UN and other regional entities, states are still highly concerned about security from external aggression and the safety of their borders. The recent and ongoing wars, such as Russia–Ukraine, India–Pakistan and Iran–Israel–US, and the border skirmishes between India and China, are pertinent examples that raise concerns about peace and security across the globe. States cannot afford to be complacent when such developments occur. Meeting security requirements and preparing to deal with wars is a costly affair that necessitates effective state intervention in, or regulation of, social and economic affairs. The neoliberal notion of the declining role of the state due to globalisation is more an exaggeration than a reality, as the nation state is still the dominant actor in the domestic realm, initiating and administering economic and political reforms

⁹ Peter Evans, *Embedded Autonomy: States and Industrial Transformation* (Princeton, NJ: Princeton University Press, 1995).

through an established legal framework.¹⁰

The vast literature on neoliberalism and globalisation conveys that markets have unrestrained power over nation states and that social and economic policies are defined by market principles. This view has been contested by an equally substantial literature that highlights how countries across the globe have responded differently to the pressures of globalisation, in terms of macroeconomic policy adjustments, structural transformation of the legal framework and social policies; for instance, Britain regarded the welfare state as a problem, but France did not.¹¹ Although the impact of globalisation cuts across the conventional geographical borders of states and facilitates the global integration of nations and their economies, in reality it does not represent the whole world, as a large part of the world is left out of these processes.¹² According to Stiglitz (2008), global governing institutions have undemocratic governance mechanisms and have lost legitimacy in the developing world.¹³ The response to globalisation therefore differs from country to country.

Although neoliberalism is an overarching idea in the current development paradigm, there is no uniformity in its acceptance, its application or the response to it. The attempts to eulogise market efficiency and a minimal role for the state emanate from libertarians' overambitious attempts to undermine the power of the state. These attempts have failed historically: first, with the rise of the welfare state in response to the failure of classical laissez-faire economic theory after the Second World War; and second, with the return of the state to address the inherent flaws and crises that globalisation has brought. The successful developmental state models of Korea and Japan, and the rise of China with its effective 'interventionist state' approach to meeting the demands of globalisation, reinforce this alternative perspective on neoliberalism. Evans (1995) stressed the importance of the state in industrial transformation, despite pro-capitalist attempts to dismantle it, by pointing out that globalisation has affected only the distributive role of the state and not its overall importance.¹⁴ Drèze and Sen emphasise the importance of the state by pointing out how law and order facilitated market development and provided security for business and economic operations during

¹⁰ Emlyn Nardone and Terrence McDonough, "Global Neoliberalism and the Possibility of Transnational State Structures", in *Contemporary Capitalism and Its Crises: Social Structure of Accumulation Theory for the 21st Century*, ed. Terrence McDonough, Michael Reich, and David M. Kotz (Cambridge: Cambridge University Press, 2010), 168–92, <https://doi.org/10.1017/CBO9780511804335.008>.

¹¹ Basak Kus, "Neoliberalism, Institutional Change and the Welfare State: The Case of Britain and France", *International Journal of Comparative Sociology* 47, no. 6 (2006): 488–525, <https://doi.org/10.1177/0020715206070268>.

¹² Roxann Prazniak and Arif Dirlik, eds., *Places and Politics in an Age of Globalization* (Lanham, MD: Rowman and Littlefield, 2001).

¹³ Joseph E. Stiglitz, "The Future of Global Governance", in *The Washington Consensus Reconsidered: Towards a New Global Governance*, ed. Narcís Serra and Joseph E. Stiglitz (Oxford: Oxford University Press, 2008), 309–23.

¹⁴ Evans, *Embedded Autonomy*.

the Industrial Revolution.¹⁵ More specifically, the impact of the COVID-19 pandemic brought to light the need for effective state intervention and radical policy changes, as the pandemic resulted in a global public health crisis that further translated into a social and economic crisis.¹⁶ The pandemic drew attention to the multiple failures of neoliberal capitalism and made it impossible to downplay the role of the state in social and economic affairs.¹⁷

Many developing and underdeveloped states have huge targets in terms of infrastructure development to boost economic growth and to address poverty, inequality, unemployment and human rights. Countries such as India have already been aligning with the private sector since the liberalisation, privatisation and globalisation (LPG) reforms of the 1990s to implement several of these policies. The public–private partnership (PPP) model, New Public Management (NPM), and networks and collaborations with NGOs have emerged in this context.

Another important reason for the continued existence of the state lies in the Hobbesian notion of ‘human nature’, which defines humans as necessarily and excessively motivated by self-interest and therefore in need of a strong regulating power. Although Hobbes’s ideas of ‘human nature’ and ‘absolute sovereignty’ have been much criticised for their universal relevance and applicability, it is difficult to deny that in modern times the majority of individuals are driven by greed and selfish motives for material possessions and power. Some elements of Hobbes’s negative conception of human nature are very much manifest in the present world, owing to the pervasive inequalities that neoliberal globalisation has brought and to individuals’ mindless pursuit of an extravagant and meaningless material life. As such, the state (not necessarily Hobbes’s idea of the absolute state) is required to intervene and regulate them. Harvey (2005) argues that for the poor and vulnerable, who are left or cast outside the market system, there is little to be expected from neoliberalism except poverty, hunger, disease and despair.¹⁸ Further, non-economic pursuits such as culture, traditions, customs, literature, morals, ethics and other sublime interests and psychological needs of individuals are neither adequately met nor taken care of by the market, as it operates purely on material interests and the profit motive. These non-economic interests are better protected by the state, as people collectively have a sense of moral and legal obligation and allegiance to the state, whereas the

¹⁵ Drèze and Sen, cited in Jimmy Dabhi, “State, Market and Civil Society in the Era of Globalisation”, *Social Change* 35, no. 1 (2005): 35–42.

¹⁶ Sara Stevano et al., “COVID-19 and Crises of Capitalism: Intensifying Inequalities and Global Responses”, *Canadian Journal of Development Studies* 42, nos. 1–2 (2021): 1–17, <https://doi.org/10.1080/02255189.2021.1892606>.

¹⁷ Stevano et al., “COVID-19 and Crises of Capitalism”, 2.

¹⁸ David Harvey, *A Brief History of Neoliberalism* (Oxford: Oxford University Press, 2005).

market creates atomistic individuals.

Market Inviolability in the Economic Domain

Since the 1980s, the world has witnessed a rapid and massive transformation of international trade under the aegis of globalisation and liberalisation.¹⁹ The market-led paradigm has contributed enormously to economic growth with the advent of globalisation, though there are wide differences across nations. By the 1990s, most Western capitalist states had adopted the neoliberal framework, and its impact has been reflected elsewhere as well. Apart from the free flow of goods and services, globalisation has brought significant changes in terms of cultural exchanges, the movement of people, and internet and communication technologies. Such a massive shift towards the market management of social and economic affairs has been orchestrated by neoliberal ideology. According to Evans (2025), neoliberalism is a political and economic philosophy that emphasises the role of markets in solving social problems.²⁰ Neoliberalism is mostly defined as a set of ideas about how economies should operate with a limited role for the state.²¹ Harvey (2005) defines neoliberalism as a theory of political economic practices which proposes that human well-being can best be advanced by liberating individual entrepreneurial freedoms and skills within an institutional framework characterised by strong private property rights, free markets and free trade, the role of the state being to create and preserve such an institutional framework.²² Neoliberalism is the ideological underpinning of the era of financial capitalism that emerged from the economic crises of the early 1970s and remained dominant for the rest of the twentieth century.²³ The significant fallout of neoliberal ideology has been deregulation, privatisation and the withdrawal of the state from welfare and social provisioning.²⁴

The rise and consolidation of multinational and transnational corporations, regional trading blocs such as the European Union, ASEAN, NAFTA and MERCOSUR, and the emergence of new trading regimes and strategies under the norms set by the WTO resulted in the sizeable growth of

¹⁹ Hurst (1996), cited in Jorge Nef and Wilder Robles, "Globalization, Neoliberalism, and the State of Underdevelopment in the New Periphery", *Journal of Developing Societies* 16, no. 1 (2000): 27–48.

²⁰ Anthony J. Evans, "A Survey of Recent Critical Histories of Neoliberalism", *Critical Review* 37, nos. 2–3 (2025): 304–39, <https://doi.org/10.1080/08913811.2025.2582952>.

²¹ David Hundt, "Neoliberalism, the Developmental State and Civil Society in Korea", *Asian Studies Review* 39, no. 3 (2015): 466–82, <https://doi.org/10.1080/10357823.2015.1052339>.

²² Harvey, *Brief History of Neoliberalism*.

²³ John Quiggin, *After Neoliberalism* (Canberra: ANU Press, 2024), <https://doi.org/10.22459/AN.2024>.

²⁴ Harvey, *Brief History of Neoliberalism*.

global networks, business alliances and transactions. These have facilitated the transnational integration of business elites, even bypassing national interests and regulatory institutions and structures.²⁵ Further, this process has led to a shift in economic policy from demand-side economics to supply-side monetarism.²⁶ There are obvious reasons for the market to grow and for its continued existence. Two important reasons are its profit-driven nature, and ever-increasing consumerism and the human inclination towards the mindless pursuit of material life.

The core argument of this section is that, though the market has acquired a preponderant position in operating and commanding economic activities vis-à-vis the state, its inherent limitations and weaknesses necessitate effective state intervention in economic affairs and service delivery to facilitate its further growth. The neoliberals' confidence in the market as an effective alternative to the state stems from the fact that the market has grown to incredible heights in efficiently conducting economic affairs and acquiring legitimacy for its efficiency in service delivery. It has emerged as a more competent and parallel institution in managing human affairs, except for defence, security, the police and justice. The ever-increasing power of multinational and transnational corporations, and the rise of Microsoft, Google, Amazon and others, have indeed posed a severe threat to the public sector in terms of efficiency, effective management and organisation from top to bottom. The market is ever expanding and trying to cover every aspect of human life while, in turn, the state is retreating from intervention in many areas of the economic and social provisioning of goods and services. All the questions and criticisms related to the diminished role of the state emerge in this context. This is a pertinent concern to address. Will the market's preponderance and pervasiveness continue without the support of the state? The answer to this question is definitely 'no', for valid reasons. Neoliberalism, in its emphasis on the restricted role of the state in economic affairs, has a narrow understanding of the necessity of states, which exist for reasons other than maintaining the rules of the game.²⁷ Peck argues that neoliberalism cannot be reduced to a simple process of replacing states with markets, because markets themselves are not self-regulating and fail during crises.²⁸ Despite neoliberalism being individualist and pro-capitalist, a growing literature highlights the significant role that the state plays in supporting neoliberalism, particularly since the 2008 financial

²⁵ Nef and Robles, "Globalization, Neoliberalism".

²⁶ Nef and Robles, "Globalization, Neoliberalism", 31.

²⁷ Hundt, "Neoliberalism, the Developmental State".

²⁸ Peck, cited in Hundt, "Neoliberalism, the Developmental State".

crisis.²⁹ Further, critics argue that effective state intervention in economic affairs is not only compatible with market logic but is one of its defining features.³⁰

As many critics have pointed out, the market-led development model has resulted in pervasive income inequalities, poverty, environmental degradation, deterioration in living standards and erosion of national sovereignty. It has also compounded the problems of unemployment, job insecurity, exploitation of workers, gender discrimination, sexual harassment, and loss of work ethics, morals and value systems indiscriminately across the globe, though there are marked differences in scale between developed and underdeveloped countries. Long before the advent of neoliberalism, Karl Polanyi argued that the disembedding of the market from social relations, i.e. the separation of the economic sphere from societal aspects, leads to the enslavement of individuals, as contracts replace social status in market fundamentalism.³¹ In other words, individuals in a market economy are bound by legal contracts to meet their material needs, as opposed to pre-market social organisation, in which economic life was determined by social and status hierarchies influenced by customs, traditions, religion and other societal factors. The massive rise in income and wealth inequalities across the world in the 1990s severely affected the poor and ordinary people in Latin America, Africa, and South and West Asia.³² The flip side of globalisation, as Ghosh (2004) argues, is that different nations are affected by it differently and only a few developed countries have actually benefited from it.³³ A vast number of countries have witnessed a rapid decline in their living standards in the last couple of decades.³⁴ These problems pose a severe challenge to the 'market alone' management of economic affairs. Is the market equipped with the potential and effective mechanisms to meet these challenges? This is the million-dollar question.

Foucault highlights a lacuna in neoliberalism by emphasising the need to exercise political power on

²⁹ Craig Berry, "The Substitutive State? Neoliberal State Interventionism across Industrial, Housing and Private Pensions Policy in the UK", *Competition and Change* 26, no. 2 (2022): 242–65, <https://doi.org/10.1177/1024529421990845>.

³⁰ Berry, "Substitutive State?", 243.

³¹ Kurtuluş Gemici, "Karl Polanyi and the Antinomies of Embeddedness", *Socio-Economic Review* 6, no. 1 (2008): 5–33.

³² Amiya Kumar Bagchi, "Discontents of Democracy: Elite Pluralism, Mystification and Rule of Big Capital", in *Democracy and Civil Society in Asia, Volume 1: Globalization, Democracy and Civil Society in Asia*, ed. Fahimul Quadir and Jayant Lele (London: Palgrave Macmillan, 2004), 13–28, <https://doi.org/10.1057/9780230523753>.

³³ Jayati Ghosh, "Globalization, Economic Restructuring, and the Implications for Democracy in Developing Countries", in *Democracy and Civil Society in Asia, Volume 1: Globalization, Democracy and Civil Society in Asia*, ed. Fahimul Quadir and Jayant Lele (London: Palgrave Macmillan, 2004), 29–55, <https://doi.org/10.1057/9780230523753>.

³⁴ Fahimul Quadir and Jayant Lele, eds., *Democracy and Civil Society in Asia, Volume 1: Globalization, Democracy and Civil Society in Asia* (London: Palgrave Macmillan, 2004), <https://doi.org/10.1057/9780230523753>.

the principles of a market economy, so as to make economic activity a pattern of social and political relations.³⁵ Though the market holds a commanding position in terms of resources, both human and capital, internet and communication networks, and the efficient and effective management of domestic and international trade, it is fully constrained by not having the legal and justice systems that the state possesses to address crises and internal and external challenges. Well-established democratic political institutions and legal and justice systems set the state well apart from the market in this respect. This particular lacuna in the market mechanism of governance puts the market in a relatively weaker position than the state. Such governance problems, coupled with other lacunae in the market, necessitate a strong role for the state in promoting the market. The Asian financial crisis of 1998 accentuated the inability of world economic regimes to overcome crises, which eventually led to the collapse of Asian, Latin American and Eastern European economies; the Bretton Woods institutions, the IMF and the World Bank, could not resolve this crisis effectively and instead further compounded the predicament of these countries.³⁶ For instance, Latin America witnessed stagnation and recession following seven years of strong economic growth in the early 1990s.³⁷

Although the market has some internal operative mechanisms in terms of rules and guidelines on contracts, grievances, employment and disciplinary procedures to address these challenges, those mechanisms lack the legitimacy, effectiveness and confidence among employees that the public sector enjoys. As competition is a driving force for the market's survival, it cannot afford to be complacent or to turn a deaf ear to emerging challenges. Turem (2016) stresses the need for the market to be established and nurtured through the intervention of the state as a political agency, to work out and promote sustainable competition; this becomes imperative as the 2008 economic crisis heralded a profound crisis in the theory and practice of international development.³⁸

Reflexive Power of Civil Society

As stated at the outset, the importance of civil society as a level playing field has been relegated to the background in the intense state-versus-market debate. The inexorable rise of civil society organisations, international advocacy groups and NGOs, and their influence in the 1990s, added a social

³⁵ Foucault, cited in Z. Umut Turem, "The Market Unbound: Neoliberalism, Competition Laws and Post-territoriality", *Journal of International Relations and Development* 19, no. 2 (2016): 243–62.

³⁶ Nef and Robles, "Globalization, Neoliberalism".

³⁷ Stiglitz, "Future of Global Governance".

³⁸ Turem, "Market Unbound".

dimension to policymaking by drawing attention alongside government actions and business.³⁹ By the end of the 1990s there were 37,000 international NGOs, and by the 2000s their number had increased by another 20,000 networks spreading across national boundaries, with effective involvement in debates on long-term developmental issues and challenges.⁴⁰ Any modern debate without due emphasis on civil society is incomplete, as civil society historically has played, and continues to play, an effective and influential role as a bedrock of liberal democracy and a platform connecting citizens to the state. Stressing the importance of civil society, Robert Putnam argues that civil society contributes to successful governance and democracy, citing the example of Italy, where the regions with greater associational activity generated substantial social capital that in turn produced successful regional governments.⁴¹ Fukuyama (2001), in his emphasis on the connection between social capital and civil society, reiterated the importance of civil society as a necessary condition for modern liberal democracy, as it serves to balance state power.⁴² Civil society's ability to check state power, complement its governance functions, and evoke popular empowerment and participation has made it an attractive idea in discourses on democratisation, good governance and sustainable development.⁴³

Civil society as a conceptual category for intellectual debate and political discourse has received much attention since the onset of globalisation and the collapse of the Soviet Union, although the concept evolved and developed from classical to contemporary times, both in terms of what it constitutes and how it is perceived. Ever since its modern conceptual origin in the social contract theory of Locke (who made no distinction between civil society and the state) and later in Hegel (who first distinguished between civil society and the state as separate entities), the concept of civil society has undergone varied interpretations, including counterposing perspectives on its relevance in postcolonial states.⁴⁴ Kaviraj and Khilnani (2001) provide an elaborate discussion of the modern idea of civil society, its evolution in the West, and the limitations of the Western conception of civil society in understanding democracy in postcolonial states such as India, where communities,

³⁹ Richard Youngs, *International Democracy and the West: The Role of Governments, Civil Society, and Multinational Business* (Oxford: Oxford University Press, 2004).

⁴⁰ Youngs, *International Democracy and the West*, 139.

⁴¹ Putnam, cited in John A. Booth and Patricia Bayer Richard, "Civil Society, Political Capital, and Democratization in Central America", *Journal of Politics* 60, no. 3 (1998): 780–800.

⁴² Francis Fukuyama, "Social Capital, Civil Society and Development", *Third World Quarterly* 22, no. 1 (2001): 7–20.

⁴³ Aries A. Arugay and Keith A. Baquisal, *Accountability, Discourse, and Service Provision: Civil Society's Roles in Security Sector Governance and Reform and Sustainable Development Goal 16* (London: Ubiquity Press, 2024).

⁴⁴ Sunil Khilnani, "The Development of Civil Society", in *Civil Society: History and Possibilities*, ed. Sudipta Kaviraj and Sunil Khilnani (Cambridge: Cambridge University Press, 2001), 11–32.

cultural groups and identities, rather than Western notions of civil society, play a significant role in shaping political outcomes.⁴⁵ Partha Chatterjee (2001), while criticising the Western notion of civil society as elite-oriented, brought in the concept of ‘political society’, which includes subaltern groups, to emphasise its importance in understanding postcolonial democracies, though his idea of political society has received much criticism.⁴⁶

There is no unanimity in the conceptual understanding and definition of civil society, as several writers have offered varied definitions in terms of the groups included in its ambit or the nature of the interests they represent. Shefner and Dahms (2012) argue that the term civil society is ambiguous and flexible, and they summarise various earlier definitions, including civil society as a sphere of institutions, organisations and individuals for collective action; as an arena distinct from the state and business corporations; as an agent of communication and representation; as a stark opponent of the neoliberal state; and as a catalyst for society’s misrepresented and marginalised groups.⁴⁷ By all these definitions, civil society encompasses a sphere that mostly consists of pressure groups, interest groups, student unions and organisations, NGOs, social activists, environmentalists, women’s organisations, and universities and colleges that aim at voluntary and collective action to oppose any government action that is detrimental to, or not in the interests of, society, and to fulfil their interests and aspirations through bargaining and protest. As such, civil society is a contested political space, an arena of debate, discussion and innovation criss-crossed by the conflicts and controversies present in society.⁴⁸ With developments in technology, internet communications and social media, civil society has taken on a global shape.⁴⁹

It is a matter of fact that during the booming era of neoliberal ideology and its corollary, globalisation, civil society activities were heavily clamped down on by several states in the name of safeguard-

⁴⁵ Sudipta Kaviraj and Sunil Khilnani, eds., *Civil Society: History and Possibilities* (Cambridge: Cambridge University Press, 2001).

⁴⁶ Partha Chatterjee, “On Civil and Political Society in Postcolonial Democracies”, in *Civil Society: History and Possibilities*, ed. Sudipta Kaviraj and Sunil Khilnani (Cambridge: Cambridge University Press, 2001), 165–78.

⁴⁷ Jon Shefner and Harry F. Dahms, “Civil Society and the State in the Neoliberal Era: Dynamics of Friends and Enemies”, in *Theorizing Modern Society as a Dynamic Process*, ed. Harry F. Dahms and Lawrence Hazelrigg (Bingley: Emerald Group, 2012), 235–61, [https://doi.org/10.1108/S0278-1204\(2012\)0000030013](https://doi.org/10.1108/S0278-1204(2012)0000030013).

⁴⁸ Miguel Darcy de Oliveira, “Deepening Democracy in Latin America”, in *Global Civil Society 2007/8: Communicative Power and Democracy*, ed. Martin Albrow, Helmut Anheier, Marlies Glasius, Monroe E. Price, and Mary Kaldor (Los Angeles: Sage, 2008), 114–23.

⁴⁹ Monroe E. Price, “Civil Society and the Global Market for Loyalties”, in *Global Civil Society 2007/8: Communicative Power and Democracy*, ed. Martin Albrow, Helmut Anheier, Marlies Glasius, Monroe E. Price, and Mary Kaldor (Los Angeles: Sage, 2008), 46–56.

ing their sovereignty and security against domestic and external challenges.⁵⁰ Margaret Thatcher's blunt statement that 'there is no such thing as society', associated with a push towards privatisation and the spread of market values into social life, undermines the existential identity and significance of civil society, and critics of neoliberalism are also concerned about its foreseeable destruction of the state and civil society.⁵¹ The weakness and vulnerability of civil society can be attributed to state repression and legal restrictions designed to curtail the spread of civil society consciousness and its space, particularly to reduce its ability, its access to funding and its advocacy.⁵² Novakova (2020) argues that many Central European countries have resorted to funding cuts and turned hostile to civil society activities with the rise of right-wing and populist governments.⁵³ Mukherji (2024) points out how civil society activities were crippled by the cancellation of the Foreign Contribution (Regulation) Act (FCRA) registrations of 20,000 NGOs in India, and how the subsequent amendments to the FCRA in September 2020 made it difficult even for NGOs with FCRA registration to raise funds.⁵⁴ As a consequence, the space for civil society activism shrank, and the overarching nature of globalisation further exacerbated this. Despite the curbs designed to dissuade civil society activities, civil society has the potential for resurgence, as pro-democratic forces always find alternative ways. Historically, civil society has shaped several economic and political outcomes, particularly in democracies, as democracies provide ample freedom and space for civil society activities. Even under the authoritarian regimes of Latin America before the 1990s, NGOs, social movements and civil society organisations spearheaded the struggle for democracy, and their active mobilisation resulted in the decay and downfall of several authoritarian regimes and the establishment of democratic governments in the region.⁵⁵ The Occupy movement in the USA in 2011 against wealth inequalities and corporate influence in politics, and the successful protests against the Vedanta and POSCO projects in India in 2013, showcase the power of civil society to stall the overarching initia-

⁵⁰ Jennifer Alexander and Kandyce Fernandez, "The Impact of Neoliberalism on Civil Society and Nonprofit Advocacy", *Nonprofit Policy Forum* 12, no. 2 (2021): 367–94, <https://doi.org/10.1515/npf-2020-0016>.

⁵¹ Peter Ackers and Alastair J. Reid, "Looking Forward: Civil Society after State Socialism and beyond Neoliberalism", in *Alternatives to State-Socialism in Britain*, ed. Peter Ackers and Alastair J. Reid (Cham: Palgrave Macmillan, 2016), 329–36, https://doi.org/10.1007/978-3-319-34162-0_12.

⁵² Luc Fransen et al., *How Does Political Repression Affect Civil Society Organisations?*, PRIO Paper (Oslo: Peace Research Institute Oslo, 2019), 1–4; Julia Kreienkamp, *Responding to the Global Crackdown on Civil Society*, Policy Brief (London: UCL Global Governance Institute, 2017).

⁵³ Nataliya Novakova, *Civil Society in Central Europe: Threats and Ways Forward*, Policy Paper No. 21 (Washington, DC: German Marshall Fund of the United States, 2020), <http://www.jstor.org/stable/resrep27661>.

⁵⁴ Rahul Mukherji, "NGOs and Civil Society", in *The Troubling State of India's Democracy*, ed. Sumit Ganguly, Dinsha Mistree, and Larry Diamond (Ann Arbor: University of Michigan Press, 2024), 261–78.

⁵⁵ Richard Feinberg, Carlos H. Waisman, and Leon Zamosc, eds., *Civil Society and Democracy in Latin America* (New York: Palgrave Macmillan, 2006); de Oliveira, "Deepening Democracy in Latin".

tives of corporate entities that go against the interests of local people. The protests against POSCO (a South Korean company) and Vedanta were historic mobilisations by local tribal communities in the Indian state of Odisha against mining, displacement and environmental degradation, to safeguard their land and culture.⁵⁶ The farmers' protest in and around India's national capital in 2020, which drew around 200,000 to 300,000 farmers against three farm laws that favoured large landholders and corporations, is another example of the potential of social forces.⁵⁷ In response to the protest, the Government of India repealed those laws in 2021. Most recently, in 2024, civil society initiatives led to notable successes, such as victories against child marriage in Colombia and Sierra Leone, breakthroughs for LGBTQI rights on equal marriage in Greece and Thailand, people's resistance to martial law in South Korea in defence of democracy, the ousting of Bangladesh's authoritarian regime, and climate change and environmental legal victories in India, Ecuador and Switzerland. These indicate the strong presence and influence of civil society despite the growing challenges of funding cuts by both national and international donors, and hostile laws on receiving aid with penalties for non-compliance.⁵⁸

Democracies and liberal constitutions encourage civil society organisations as partners in social and economic development in order to obtain legitimacy for their rule. People's aspirations and voices are reflected through civil society. Civil society has immense potential to prevent arbitrary state actions and policies through organised protests, strikes, movements, public opinion, debate and discussion. The majority of NGOs and civil society organisations at both the national and global levels, for example the World Social Forum, Greenpeace, Oxfam and Human Rights Watch, have vehemently opposed globalisation and the neoliberal agenda, highlighting the hollowing out of democracy at the local level and the inherent flaws in global capitalism, and providing an alternative approach to hegemonic globalisation.⁵⁹

There is a broad consensus that a global civil society evolves where the role of the state diminishes,

⁵⁶ Kate Macdonald, Shelley Marshall, and Samantha Balaton-Chrimes, "Demanding Rights in Company-Community Resource Extraction Conflicts: Examining the Cases of Vedanta and POSCO in Odisha, India", in *Demanding Justice in the Global South: Claiming Rights*, ed. Jean Grugel, Jewellord Nem Singh, Lorenza B. Fontana, and Anders Uhlin (Cham: Springer International Publishing, 2017), 43–67.

⁵⁷ Mukherji, "NGOs and Civil Society".

⁵⁸ Andrew Firmin, Inés M. Pousadela, and Mandeep Tiwana, *State of Civil Society Report 2025* (Johannesburg: CIVICUS, 2025), https://www.civics.org/documents/reports-and-publications/SOCS/2025/state-of-civil-society-report-2025_en.pdf.

⁵⁹ Nardone and McDonough, "Global Neoliberalism"; Mary Kaldor, "Democracy and Globalisation", in *Global Civil Society 2007/8: Communicative Power and Democracy*, ed. Martin Albrow, Helmut Anheier, Marlies Glasius, Monroe E. Price, and Mary Kaldor (Los Angeles: Sage, 2008), 34–45.

and that it fills the vacuum left by the state's withdrawal.⁶⁰ The explosion of civil society activism with the rise of new social movements since the 1980s filled the void created by the weakening of state power vis-à-vis the market under the pressures of neoliberal globalisation, and by the shift in perceptions of the state's role in bringing about social and economic transformation.⁶¹ O'Brien et al. argue that new social movements and NGOs exert growing influence and pressure on international institutions such as the IMF and the World Bank to modify their social and economic policies to include social issues.⁶² As many have argued, the importance of global civil society, or transnational civil society organisations, arises from the democratic deficit in global governing institutions such as the UN, the World Bank and the WTO.⁶³

People rise up as neoliberalism adversely affects the welfare state and transforms it into a workfare state, through massive cuts in social spending and the upward redistribution of wealth from the bottom and middle to the very top, from wages to CEOs' salaries and stockholders.⁶⁴ The complex changes in economic policies and institutions are blamed for increasing inequalities, cutbacks in welfare spending and the decline of wages, which eventually cause people to rise up, as broken promises have always resulted in protest movements; for instance, France, Britain, Spain, Greece and other European countries have witnessed massive protests.⁶⁵ For effective governance, the involvement of civil society organisations is essential for international organisations, in terms of promoting local legitimacy and attaining consensus for their decisions and policies.⁶⁶ Any attempts by the market and pro-market advocates to replace civil society as the provider of legitimacy to the state are overambitious in the present scenario of pervasive inequalities and divisions across the globe, in both developed and developing nations. Further, civil society represents multiple human concerns and aspirations in terms of identity, culture, well-being and sectoral interests, which makes it apt to call it the provider of legitimacy to the state, rather than the market, which fulfils only the material interests of society.

⁶⁰ Pim Martens, Axel Dreher, and Noel Gaston, "Globalisation, the Global Village and the Civil Society", *Futures* 42, no. 6 (2010): 574–82, <https://doi.org/10.1016/j.futures.2010.01.008>.

⁶¹ Shefner and Dahms, "Civil Society and the State".

⁶² O'Brien et al., cited in Jonathan Joseph, *The Social in the Global: Social Theory, Governmentality and Global Politics* (Cambridge: Cambridge University Press, 2012), <https://doi.org/10.1017/CBO9781139149143>.

⁶³ Christopher L. Pallas, *Transnational Civil Society and the World Bank: Investigating Civil Society's Potential to Democratize Global Governance*, (London: Palgrave Macmillan, 2013); Stiglitz, "Future of Global Governance".

⁶⁴ Frances Fox Piven, "Neoliberalism and the Welfare State", *Journal of International and Comparative Social Policy* 31, no. 1 (2015): 2–9, <https://doi.org/10.1080/21699763.2014.1001665>.

⁶⁵ Piven, "Neoliberalism and the Welfare", 8.

⁶⁶ Joseph, *Social in the Global*.

As stated at the beginning of this article, although the state has acquired a commanding position in terms of institutional, administrative and military strength to suppress any voice and activity, it is constrained, by concerns of legitimacy and ideology, from applying its coercive apparatus on all occasions unless required. Civil society is the major source of legitimacy for any democratic government to initiate progressive legislation. With regard to the market, ever-increasing access to internet communications and social media acts as a means of creating public opinion and raising voices against market excesses. Unlike physical gatherings, social media act as a potential means of thwarting or stalling any unfriendly, unwelcome and undemocratic initiatives or policies of both the state and the market.

Political parties and the press also lend additional strength to civil society activities. To gain electoral advantage, political parties continuously keep an eye on civil society activities and concerns, so as to include such concerns in their larger political agenda, attract votes and mobilise public opinion in their favour. Civil society becomes more vibrant in pluralist societies, as their interests and aspirations are intensely diverse; India is a good example in this regard. Despite opening up its economy to globalisation in the 1990s, the Indian state has not compromised on continuing its welfare programmes. Welfare schemes such as direct cash transfers, the employment guarantee act, food security, the Ayushman Bharat universal health scheme and the Right to Education Act are testimony to India's uncompromising approach to welfare state principles. This has been possible owing to the multi-party system, coalition politics, an active political environment and a competitive electoral process.

At present, the major areas of concern across the globe that provide ample space for civil society activism are the human rights of vulnerable groups, gender discrimination and violence against women, safe working conditions, unemployment, environmental pollution, water crises, poverty, the unorganised sector, income inequalities and the exploitation of workers. These are the most pressing concerns to emerge from the current development paradigm, which has led to rapid industrialisation, urbanisation, deforestation and mining. Recently, António Guterres, the UN Secretary-General, expressed concern about climate change, saying that "the era of global warming has ended and the era of global boiling has arrived".⁶⁷ He urged swift action from leaders, setting aside conditions of 'who goes first', as climate change is terrifying and will have disastrous

⁶⁷ Ajit Niranjana, "‘Era of Global Boiling Has Arrived’, Says UN Chief as July Set to Be Hottest Month on Record", *The Guardian*, 27 July 2023, <https://www.theguardian.com/science/2023/jul/27/scientists-july-world-hottest-month-record-climate-temperatures>.

consequences for the planet. As the problems are diverse, the ubiquitous presence of civil society is also required. Kaldor (2008) argues that, to achieve the goals of substantive democracy, it is essential for procedural democracy to be accompanied by a vibrant and strong civil society.⁶⁸

Tripartite Interplay

The relative strengths and weaknesses of the three entities discussed above – state, market and civil society – draw our attention to the possibility and potential of a perpetual interplay of these entities through checks and balances, and to its inevitability in the post-neoliberal world order. As democracy is considered the most acceptable form of government in many parts of the world today, and as capitalism, liberal ideology and civil society find a cogent place in democracies for their continued existence and progress, the relative strengths and weaknesses of the three entities presented above invariably necessitate the tripartite interplay to happen in a consensual manner, thus preventing the preponderance of any single entity.

The ‘consensus’ presented here is a circumstantial necessity rather than a legal or constitutional framework, and the tripartite interplay mostly operates in a contested and challenging socio-political environment. While state, market and civil society are separate entities, distinct in their purpose, aims and approach, they are also organically intertwined, as they mediate between each other to achieve their aims and objectives. Reis (2012) argues that it is a misconception to treat state, market and society as opposing entities rather than as interconnected spheres of interaction.⁶⁹ They also come into conflict with each other, as the socio-political environment in which they engage is complex. The complexity arises from vested interests, rent seeking, repression and the like. They are further troubled by the lack of strong constitutional support for their actions, and their success depends on each other’s abilities in terms of negotiation, protest, resilience and response. ‘Checks and balances’ also do not operate as they do in the original constitutional design; rather, they operate through the entities’ ability to resist and engage each other when one entity tries to dominate or control another, through the available socio-political platforms, such as advocacy, protests and political participation, state responses and regulations, and corporate actions, initiatives and nexuses with both the state and civil society.

Civil society occupies a prominent space in the tripartite interplay, as it continuously keeps an eye

⁶⁸ Kaldor, “Democracy and Globalisation”.

⁶⁹ José Reis, “The State and the Market: An Institutional and Relational Take”, *RCCS Annual Review* 4 (2012), <https://doi.org/10.4000/rccsar.433>.

on government policies and market initiatives and responds spontaneously if they are arbitrary. Chandhoke (2014) argues that one of the reasons why India is not in the midst of a social revolution is the nature of civil society interventions, and that the Indian state has responded to civil society campaigns.⁷⁰

There are many instances where civil society activism has influenced policy decisions and outcomes. India enacted landmark legislation such as the Right to Information Act, 2005; the Right to Education Act, 2009; the Lokpal and Lokayuktas Act, 2013; the Mahatma Gandhi National Employment Guarantee Act, 2005; and the reservation for women in legislative institutions, 2023, all of which were outcomes of civil society activism. The market has also responded to societal concerns through corporate social responsibility (CSR) initiatives, although there has been much criticism of CSR activities in terms of transparency and implementation. This is very much evident, as many corporate entities spend a portion of their resources to avoid conflict with communities when initiating ventures such as mining and other industries. Liberal democratic constitutions provide a strong platform for the tripartite interplay to happen and persist, as they provide reasonable space for the fundamental freedoms of individuals and for civil society to voice its concerns.

Although democratic states do at times resort to authoritarian decisions, such as the imposition of the Emergency in India, elections were later called to protect the liberal principles enshrined in the Constitution. When the constitution review commission was set up in 2000, opposing groups raised apprehensions about the intent behind constituting such a commission, fearing distortions. Further, as globalisation has brought a paradigm shift in governance structures, emphasising the minimal state, good governance, public–private partnership and participatory development, the scope for tripartite interplay has widened. This has resulted in collaboration and partnership between state, market and civil society in policymaking. Crises arising from wars and pandemics such as COVID-19 require spontaneous action and strong initiatives that demand wide support and coordination among the three entities. Government austerity drives and fiscal and welfare measures in crises are not possible without such support and coordinated action. The global financial crisis of 2008 brought a sudden end to neoliberal dominance and required the state's support, through austerity drives and bailouts, to prevent the collapse of financial systems.⁷¹ The crisis brought to light the flaws in the market-alone management of economic affairs and shook the very foundation

⁷⁰ Neera Chandhoke, "Can Civil Society Reorder Priorities in India?", *Economic and Political Weekly* 49, no. 8 (2014): 43–48.

⁷¹ Quiggin, *After Neoliberalism*.

of the neoliberal framework. Consequently, state intervention in and regulation of the market again gained momentum. The rapid growth of platform capitalism also poses dangers to privacy and human rights, through data monopolies and the exploitation of digital workers, which require prompt action from the state and civil society.⁷² Promoting technological democratisation, spreading awareness among people, encouraging participation against the ill effects of the platform economy, and protecting the rights of digital workers are significant challenges for both the state and civil society in addressing the problems posed by the platform economy.⁷³ Mukherji (2024) points out how NGOs helped the Indian state manage the COVID-19 lockdown in 2020 and helped migrant workers who found themselves without jobs in curfew-like conditions.⁷⁴ For restoring work-life balance, the four-day working week, a concept pioneered by civil society, gained prominence, with 200 companies in the United Kingdom having adopted it by 2025.⁷⁵

The wave of global democratic backsliding, right-wing populism and disinformation, besides overarching neoliberalism, severely cripples and challenges liberal and constitutional democracy and its institutions, and calls for constructive political action in which the role of civil society becomes more significant. Young people (Generation Z or Gen Z) in many countries are raising their voices against wealth inequalities, unemployment and corruption by effectively using social media platforms.⁷⁶ Though civil society faces manifold challenges at present, it has both the potential and the space to persist and to safeguard democracy. Quiggin (2024) argues that the era of unchallenged neoliberal hegemony is clearly over and that this provides space for countervailing forces to emerge.⁷⁷ Civil society can play an effective role in such situations of transition.

At present, conventional bureaucratic administrative processes have been replaced by negotiations, networks, partnerships and consultation as effective tools for policymaking, good governance, monitoring and service delivery. Though these tools and the paradigm shift in governance mechanisms enable the tripartite interplay of state, market and civil society to operate perennially, it is not a smooth journey, as the three entities differ in their nature, character, aspirations and motives. There is always scope for tensions, ups and downs in the outcomes of their interactions, as they operate

⁷² J. Chuan, "Digital Despotism or Platform Capitalism: A Critique of Political Economy against the Theory of Techno-Feudalism", *Critical Sociology* (2026): 1–15.

⁷³ Chuan, "Digital Despotism or Platform Capitalism", 14.

⁷⁴ Mukherji, "NGOs and Civil Society".

⁷⁵ Firmin, Pousadela, and Tiwana, *State of Civil Society Report 2025*.

⁷⁶ Andrew Firmin, Inés M. Pousadela, and Mandeep Tiwana, *State of Civil Society Report 2026* (Johannesburg: CIVICUS, 2026), https://www.civics.org/documents/reports-and-publications/SOCS/2026/state-of-civil-society-report-2026_en.pdf.

⁷⁷ Quiggin, *After Neoliberalism*.

in a complex and contested political environment. However, the interplay will continue as long as social, economic and political problems prevail in society. This process has already begun, and it should not take long for it to become a strong force. This article has made a rudimentary attempt to foresee the possibilities of a novel, forward-looking framework, which may provide ample scope for further research in this direction.

Conclusion

The state- and market-centric approach, as mentioned at the beginning of this article, remains inconclusive, as it fails to establish a coherent relationship between state and market and is therefore inadequate for explaining, understanding and resolving modern-day social and economic problems. This failure could be attributed to the fact that both state and market stand at the providing end in relation to the population and civil society, which are at the receiving end as consumers of benefits and services but are also key actors in the political landscape, influencing policy outcomes. Incorporating civil society as an analytical tool into the state–market analysis therefore does it reasonable justice, and the tripartite interplay presented in this article acts as a conclusive framework for effectively understanding and addressing current world challenges. Thus, the addition of civil society to state- and market-centric analysis provides a strong fillip to filling the void created by neoliberal scholars in their overemphasis on market preponderance and a restricted role for the state.

It is clear from the above arguments that the overarching domination of any single entity, whether the state, the market or civil society, brings unequal changes and challenges, owing to the inherent tensions and imperfections underlying them. Excessive state power would lead to authoritarianism, in which human rights and social peace would be threatened. An unregulated market would lead to economic inequalities, environmental pollution and the exploitation of workers. A hyper-active civil society would lead to the derailment of democratic systems and the possibility of civil wars. These immanent tensions and imperfections would propel the three entities to operate in a tripartite consensual pattern, to ensure sustainable, reciprocal, continuous and perpetual interplay between them by means of checks and balances, for the achievement of the substantive goals of democracy, peace and the gradual realisation of an egalitarian society. To stress again, liberal democratic constitutions provide a strong platform for the tripartite interplay to happen, and the reflexive power of civil society, an entity of collective action, is significant, as it can effectively use the constitutional space to check the excesses of the other two entities, state and market.

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