

- The study of the history of corporatism illustrates the importance of a form of state licensing of private interest associations as a means of affording the state influence over the representation of interests and the mobilization of opposition, while possibly affording a structure for a degree of delegated self-regulation of producers.
- Corporatist licensing of interest associations would appear to be confined, as an arrangement, to economies where the means of production are in private hands and there is free wage labour.

Note

1 For a fuller discussion of the reasons for this, see Williamson (1985), Ch. 1.

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The Debate between Corporatism and Pluralism

This chapter discusses:

- The presentation of corporatism by its proponents as an alternative to pluralism.
- The basic tenets of contemporary pluralism in its approach to organized interests.
- The main criticisms of pluralist methods and assumptions.
- The contention of many pluralists that corporatism is a variant of pluralism.
- The argument of corporatists that pluralism is not a total system and that empirically corporatist and pluralist arrangements will be found together within a political system, and possibly within issue areas.
- The different theoretical perspectives adopted by corporatist writers compared to the pluralist approach.
- The potential for similarity between corporatism and pluralism if they remain essentially descriptive models, and the resultant need to draw a theoretical distinction between them.

Introduction: the corporatist-pluralist debate

When Philippe Schmitter launched his model of corporatism in 1974 there was one evident reason underlying his efforts:

One purpose in developing this elaborate general model, beyond that of describing the behavior of a certain number of political systems which have interested me, is to offer to the political analyst an explicit alternative to the paradigm of interest politics which has heretofore completely dominated the discipline of North American political science: pluralism. (Schmitter, 1979a: 14)

Schmitter possibly exaggerated the extent to which pluralism was dominant in North American political science, although in terms of his own specific concern with interest associations he was probably

not too wide of the mark. Moreover, what he said about North America was in many respects true of Western Europe, if to a lesser degree. What Schmitter had picked up on was not so much the point that there were no *alternative models*, but that these *alternatives had little to say on interest associations*. Under managerial and Marxist perspectives the behaviour of interest associations could be explained by reference to wider organizational or socio-economic characteristics. Interest associations did not themselves require detailed attention.

Yet by the 1970s, if not before, the growing importance of interest associations at the centre of political decision making made it much less tenable, whatever one's perspective, to place interest associations in the residual category. But until Schmitter's 'Still the Century of Corporatism?' pluralism made almost all of the running in providing an explicit theoretical model of interest associations. Despite the fact that throughout the preceding decade pluralism had been subject to considerable theoretical and methodological criticism, its dominance in the study of interest associations, until the arrival of neo-corporatism, had been guaranteed by its virtual monopoly position.

The emergence of a neo-corporatist alternative to pluralism soon generated a reaction among adherents of pluralism to counter this threat to their market position, and the *pluralist versus corporatist debate* was launched. This often acerbic, not to mention entertaining, debate has not been resolved. What has been interesting about the debate is that it has not simply been about the relative analytic merits of the two models. Additionally, and often principally, it has been a more fundamental debate as to *whether corporatism is really that distinctive from pluralism*. The debate, therefore, has focused not only on the explanatory capacity of corporatism, but also on its construction as a theoretical model. We shall see in due course that this latter part of the debate has perhaps been more a product of confusion than any absence of distinctiveness. For the moment, however, there are a number of advantages to be gained from probing the issues that have formed the basis of the pluralism-corporatism divide. One aim is simply to help clear up the aforementioned confusion that is not only a problem for those new to corporatism, but also proves an impediment for many 'older hands' as well. Indeed this confusion, and the ambiguity upon which it is based, seem to be one of the main *barriers to accessibility* of the corporatist model because it muddles the central matter of where corporatism fits in. Having said that, I am aware, as one who has been accused of contributing to this confusion (McKay, 1987: 298), that the possibility of entirely eradicating it is slim.

A second advantage of looking into the pluralist-corporatist debate is that it should assist in *clarifying what the essentials of the corporatist model are*, and what are the underlying premises upon which it rests. The final benefit to be drawn from such an examination is that it should assist in any assessment of the utility of the corporatist model. To a large extent any assessment has to be comparative – how it compares with alternative models – and obviously pluralism must be the main alternative against which corporatism is judged. This present chapter will not directly make such a comparison, although it will obviously refer to those made by others, but will lay a foundation for evaluating the relative merits of the two when we have considered corporatism in more detail. The first step in laying that foundation is to say something about pluralism.

Contemporary pluralism: the underlying tenets and philosophy

In seeking to summarize pluralism there is a danger of embarking upon a fool's errand. Pluralism is a broad church that has over the years evolved and developed in response to changes in political practice and theoretical criticism. In seeking to set down the boundaries of pluralism there is always the likelihood of not giving credit to the richness of its varieties, or of ignoring some interpretation presented decades ago. Pluralism, indeed, is not just a theory of liberal democratic politics; it is more fundamentally *an approach to political analysis* (Lowi, 1964: 681). This section does not purport to be a thorough exposition on pluralist democracy, but seeks to provide an overview of the pluralist picture of the world of organized interests. Recognizing that the picture drawn is based upon a particular approach, we begin by outlining two key elements of the *pluralist method*.

The first element of the pluralist approach is its *methodological individualism*. This notion holds that society can be explained and understood by reference to individuals who hold preferences and adopt values. Society may contain organizations such as trade unions or government departments, and can be categorized into various groupings such as the working class or farmers, but these are viewed as simply *aggregations of individuals* who can be seen to behave collectively. Collectivities are no more than the sum of their individuals' preferences and values, and political behaviour can be explained exclusively by reference to individual agents or roles or activities. The consequence of this position is that collectivities such as organized interests can be analysed in isolation from the wider

system on the assumption that the boundaries of collectivities are functionally determined (Alford and Friedland, 1985: 36).

The second element in the pluralist approach is that of *behaviourism*. This accepts the notion that social science should only analyse objective behaviour, and should not focus on the subjective wants, intentions and motives of individuals because these *cannot be observed scientifically*. Pluralism in consequence is only concerned with what is directly observable, and ignores what other approaches regard as the underlying structures of society and the polity which cannot be directly observed (Polsby, 1980: Ch. 12).

The pluralist approach to political analysis, therefore, has an empirical focus upon the interactions among citizens, representatives and officials, usually over 'controversial issues', but which takes as given *underlying structures and functions and class relations*. Outcomes are explained by reference to the interactions, and not to underlying structures embodied in the wider organizational and social systems of a polity. Pluralist analyses of democratic polities identify a vast range of preferences and values, most usually expressed through the collective action of individuals, that stand in conflict with each other. These conflicting preferences and values are mediated through institutions, most notably governments. A central finding of pluralist analysis is that this diversity of preferences and values is reflected in political decision making. No one group regularly sees its preferences fully realized in political decisions. Instead *influence is widely dispersed*, resting in the hands of the many rather than the few.

Influence over political decision making is widely dispersed because of the relatively open and competitive nature, not only of elections, but also of interest group activity. In terms of competition pluralists point to the sheer range of organized interests. Moreover, they argue that even if an interest is not organized, if that interest feels it is losing out to others in political decision making, it will be encouraged to become organized and enter the political arena. Likewise, even where an interest is already organized, if it judges its opponents are becoming too influential it will be encouraged to increase its own efforts and counter such threats. Thus, through so-called *countervailing power*, if an interest has a grievance it will find the costs and barriers to organized activity far from prohibitive. As Dahl notes:

few groups in the United States who are determined to influence the government – certainly few if any groups of citizens who are organized, active, and persistent – lack the capacity and opportunity to influence some officials somewhere in the political system in order to obtain at least some of their goals. (Dahl, 1967: 386)

Pluralists do, however, acknowledge that, while interest group activity is an important supplement to electoral politics, participation by individuals is limited (Polsby, 1980: 123). Those directly involved in decision making are usually confined to the handful of leaders of interest associations. But the important point is that, while decision making may rest directly with a *plurality of elites*, influence remains in the hands of the many. Most obviously, when the membership are not happy with the leadership they are likely to increase their participation by attending meetings and so on. If this fails to bring about the desired changes the result will be that the members will start to leave the association, and possibly form a rival association. Thus the leadership is wedded to the membership. Low levels of participation are, therefore, often taken to read that there is general satisfaction within the membership.

The pluralist case is not just that associations are representative of membership preferences, but that associations enjoy success in influencing decisions taken by government or other public authorities. This happens because governments are interested for electoral reasons in responding to the preferences of citizens, and they are most likely to respond to those associations with the largest memberships, who are the most representative (have the highest mobilization) and whose members hold their preferences most intensely. In other words, it is in the interests of governments to take seriously the width and strength of preferences being expressed to them through associations.

There has been a tendency among certain critics of pluralism to imply that pluralism requires influence to be equally dispersed. (Newton, 1976: 228; see also Dahl, 1961: 1). It is important to emphasize, however, that the pluralist argument is that *influence is widely, not equally, dispersed*. Pluralists do recognize that there are inequalities in influence among different interests. An important idea in the pluralist model is that of *polyarchy* (literally rule by the many) which emphasizes rule by minorities rather than rule by a or the majority. For Robert Dahl the distinction between dictatorship and democracy comes closest

to being one between government by a minority and government by minorities. As compared with the political processes of a dictatorship, the characteristics of polyarchy greatly extend the number, size, and diversity of the minorities whose preferences will influence the outcome of governmental decisions. (Dahl, 1956: 133)

Dahl is arguing that pluralist democracies create a specialist division of labour where those most directly involved in an issue predominate in influencing the decisions surrounding the issue. So farmers and farm workers, as 'interested minorities', would be

highly influential over the form of agricultural subsidies, but would have little or no influence over education policy. However, these minorities are in competition with each other, most obviously over the amount of public revenue that will be devoted to farm subsidies as against being put into education. They therefore place a check on each other, preventing any minority from becoming predominant. As we shall see, although the term 'polyarchy' is not universally used, the idea of decision making being divided into *segments* of interested parties is increasingly important to pluralist representations.

While pluralism is most commonly understood as representing a wide dispersal of power, and the absence of a dominant elite as being a key feature of Western democracies, there is another central plank to the pluralist world – social integration. Pluralists acknowledge that conflict is inherent, but they suggest that, unlike other types of political arrangements, this conflict is limited to disputes over policy preferences and is not about the system itself. It has been argued by some pluralists that there is an institutionalized value system, a value consensus, which governs the interactions of individuals and socializes them into conformity. In consequence, this acceptance of democratic norms means that political conflict does not surround the system – the rules by which conflicts over preferences are resolved – and that tensions between the pursuit of private interests and the wider needs of the system are kept in check. Such a view owes much to functionalist sociology (Parsons and Smelser, 1956), which holds that the institutionalized value subsystem (for example, the family and the education system) contributes to the maintenance of the wider system. Such functionalist arguments have been criticized for their circularity in not specifying cause and effect, because the consequences of action are not distinguished from their causes. Other pluralists, less inclined to take on the sociological emphasis on consensus, have adopted a political economic perspective which regards the acceptance of the norms of the system as being no more than an extension of self-interested conflict. This view is based on the grounds that individuals judge the system as providing the best means through which they can realize their interests, hence their support for it. The idea that there is no wider loyalty to the system, but that it merely serves individual self-interest, has gained greater credence in pluralist writings in the 1970s when liberal democracies appeared less stable and cohesive, and indeed less consensual.

An essential component of any model of liberal democracy has to be the role ascribed to, and the nature of, the state. In many respects pluralism has treated 'the state' as a conceptual *persona*

non grata, preferring to exclude it from the conceptual vocabulary due to its 'misleading' image of a unified political authority when contrasted with a pluralist one of multiple, competing sources of authority (Alford and Friedland, 1985: 41–7). In short, the state *qua* state is not regarded as an object of serious concern. Instead, pluralists prefer to focus on democratically elected and accountable governments as the key actors, with discrete state institutions such as the bureaucracy, the courts and public enterprises being labelled separately to add to the image of the state as not being a unified entity as far as political analysis is concerned. The wider state institutions are presented as a set of fundamentally neutral institutions operating at the behest of, and accountable to, democratic government: a view of *state power as a consequence of democracy*.

Behind the term 'neutral' have been a number of interpretations (Dunleavy and O'Leary, 1987: 41–9). The view presented in the pluralist writings which have drawn upon group theory models (Latham, 1953; Dahl, 1961; Truman, 1971) is of the state providing an *arena* where group pressures are brought to bear. In this schema the state mirrors society, being shaped in its decisions and structure by outside pressure. In such a presentation of the state it is sometimes unclear, other than for the salary and status, why anyone should seek elected office given that they have no influence on events. A second perspective on neutrality is that of the state as a *referee*, where the state acts to ensure the legitimacy of the system by harmonizing interests and building consensus. Included in such a role is ensuring a degree of fairness in the balance of influence among different organized interests (Dunleavy and O'Leary, 1987: 44–7; Connolly, 1969). The state, therefore, acts to prevent powerful interests from becoming 'overpowerful'. The poorly and dis-organized enjoy a measure of state countervailing power exercised on their behalf.

The third version of the neutral state has been particularly prevalent with the increased recognition of the enormous growth in the size of the liberal democratic state in the post-war period. The increased size and attendant complexity of the state has made it difficult to sustain the notion that state institutions were accountable to elected governments and imbued with the public interest. Instead, it was noted that many public institutions appeared to be pursuing private interests such as agency growth. But within the confines of the pluralist framework this was taken as evidence of the essentially fragmented nature of power centres inside the state itself. In the relatively open and competitive environment revealed by pluralist methods the group process not only encompasses relations between the state and society, but likewise

explains intra-state behaviour. Policy decisions are made by a bureaucratic politics process involving private and public bureaucracies (Allison, 1971). The state, or at least its officials and agents, act in a partisan manner constrained by outside interests, other partisan state actors and their need to act as mediators among all conflicting interests. In short, the state itself is a *set of arenas of pluralist politics*.

Whichever view of neutrality is adopted, the essential argument is that, as a fundamentally neutral set of institutions, the state does not act collectively against the balance of societal preferences, but simply reflects them, or keeps them in balance, or is an extension of them. Importantly none of the views holds that the state is a threat to the wide dispersion of influence in the polity, through it being a large, unified and autonomous centre of power that could override the plurality of societal preferences.

In sketching out the pluralist view of liberal democracies, and the role that organized interests play in it, it is essential to remember that the representation, while containing a normative element, is based upon considerable empirical observation conducted over many years. In fact most pluralist works predominantly contain lengthy observations of this 'reality' rather than detailed theoretical discourse. From the early 1960s, however, there has emerged a growing body of literature which took to task the theory upon which these observations gave credence to the pluralist model as a valid representation of reality. The criticisms from radical and Marxist writers – and to a lesser extent from previous pluralist luminaries like Robert Dahl and Charles Lindblom – focused upon the extent to which influence was dispersed in society and the supposedly neutral role of the state. It is now necessary to examine the bases of these criticisms because they clearly have influenced those engaged in developing the corporatist alternative.

The critical challenge to the pluralist model

Perhaps the most telling criticism of pluralist theory has been directed at its treatment of power. Essentially the criticisms suggested that the pluralist concept of power, focusing as it did on the relationship between espoused preferences of those involved in decision making and the outcome of the decision making process, was too narrow. The argument put forward by Bachrach and Baratz was that a more fundamental form of power lay in being able to exclude issues from entering the political decision making process in the first place. Through social and political values and institutional practices issues are filtered out, or defined in a particular way before actually

entering the decision making arena and come into the range of the pluralists' observation cameras. Moreover, such exclusion and limitation of decision making is not a random process but is a systematic 'mobilization of bias' (Schnattscheider, 1960). The rules of the game are not neutral as between one interest and another, but the value systems upon which appropriate actions are determined, and the rules by which political institutions operate, are weighted in favour of a dominant grouping because the issues that actually get decided upon are not detrimental to their interests (Bachrach and Baratz, 1962, 1963, and 1970).

Thus the dominant group restricts the decision making process to relatively innocuous issues, and manages to exclude more fundamental issues which would threaten their position; that is issues which essentially are to do with the nature of the system itself. Thus everybody is compelled to work within a system of values and institutional rules which restricts the formal political process to making the current system work, even though the system only benefits the few. Bachrach and Baratz were distinguishing between decision making – 'a choice among alternative modes of action' – and what they termed, perhaps misleadingly, as 'non-decision making'. A non-decision is 'a decision that results in suppression or thwarting of a latent or manifest challenge to the values or interests of the decision-maker' (Bachrach and Baratz, 1970: 39 and 44). In effect Bachrach and Baratz were arguing for an extension of the definition of a political issue to potential issues which non-decision making prevents from becoming actual issues.

To elaborate the argument: to organize and pressurize governments requires resources, time, knowledge and particular skills which the poor in society may be relatively lacking in. They may, therefore, find it difficult to organize at all to press for issues of importance to them. Such failure to press their demands into the political arena would to the pluralist be taken to indicate that the issue was not a matter of major political conflict because those concerned had not pushed it into the formal political arena. An important aspect of non-decision making is the *anticipatory nature of power*. If the poor appreciate their weak position, and that their interests cannot be realized through political activity, they may quite rationally not bother to enter the political arena in the first place. Moreover, the importance of values in legitimizing the status quo should not be underestimated in making it difficult to challenge the existing order, or for even having such a challenge regarded as legitimate.

The importance of values and ideas featured in an even more fundamental criticism of the pluralist treatment of power put for-

ward by Steven Lukes. Lukes argued that the pluralist approach, and that of Bachrach and Baratz, both focused on *observable conflict*, but that power may be manifested in the absence of conflict. This can happen where one group has, through its dominance of ideas, got others to *share subjectively its interests*, even though it is against their objective interests. Because of this false assimilation of interests conflict is not overt but, given the differences between the subjective and objective or real interests of those dominated, the conflict is latent. In particular, Lukes was emphasizing the importance of authority relations with their unquestioning compliance to decisions as an important basis for the exercise of domination (Lukes, 1979: 21–5).

These discussions raised the theoretical possibility that the open and democratic nature of the system discovered by pluralists was more imagined than real. Firstly it opened up the possibility that the interests held by individuals are not solely determined autonomously by them and, consequently, their interests are not fully manifest in their espousal of policy preferences in the political process. Instead interests are influenced by, and to some even produced by, *social, political and organizational* factors that in effect limit the choices that would have otherwise been made as to what individuals considered to be in their interests. Secondly, it raised the possibility that power actually is *cumulative*, in that those who gain influence can use it not only to influence present decisions, but also to enhance their influence in the future by, say, effectively having their interests reflected or incorporated in procedures and norms. In short they can, wittingly or otherwise, bend the rules to their interests. Thirdly, it suggested the possibility that the democratic consensus was actually a *false or imposed consensus*. This raised fundamental questions about the way in which power and influence was distributed in democratic polities. While questions were raised, however, answers were not so readily supplied. Critics of pluralism had pointed to the theoretical possibility that power existed beyond that which was observed in the political domain, but they did not find it so easy to then identify in practice the darker side of power (but see Crenson, 1971; Saunders, 1979).

The problem was that the analysis of power had to operationally move beyond how individuals behaved, and to examine how power was realized through structures of institutions and values that in some sense inhibited individual and group choices about what was in their real interests and how they should behave. The pluralist repost to such perspectives was indeed to point to the lack of empirical evidence, and to question the criteria by which analysts were able to argue that choices made by individuals were not exclusively in their interests (Polsby, 1980: Ch. 11).

It is important to reiterate that concerns about the maldistribution

of power and influence within liberal democracies also came from certain pluralist quarters. In essence, the pluralist position had in the early years rested on the importance of electoral politics as being the basis upon which governments responded to pressure. This guaranteed some rough equivalence in terms of numbers and intensity, given that one vote is equivalent to another. Many studies revealed in the 1960s, however, that the basis of power of many interests was not their ability to mobilize voters, but rested on the kind of sanctions they had to wield, most obviously sanctions to re-locate or prevent production. Given the ever-increasing concentration of productive power in Western economies, the issue arose as to what degree of imbalance in influence was compatible with pluralism. As Manley noted:

If it is true that pluralism has always recognised that not all groups are equal, it is also true that pluralism seems to require the assumption of at least some rough equality among groups for a system to be a polyarchy. . . . So far pluralism has not specified the parameters or levels of power distribution necessary for a system to be judged a pluralist democracy. (Manley, 1983: 379–80)

Both erstwhile committed pluralists Lindblom (1982) and Dahl (1982: 40–1 and Appendix A) themselves raised the question of how far socio-economic inequalities which grant privileges of resources, but also influence over public volitions (Lindblom, 1977), were compatible with even some rough political equality necessary for a pluralist democracy. Of course certain other pluralists could seek refuge in the notion that the state acted to counterbalance the growth of the ‘overpowerful’. However, the bases of such arguments were themselves being dented by the concentration of economic power. The argument that the state acted as some kind of umpire rested on the assumption that the state could determine the communal or general interest free from distorting influences. But this assumption itself rested on a matter of faith that the ‘overpowerful’ were only influential over policy decisions (if the state was not so influenced then it would not be possible to talk of the ‘overpowerful’), while the state was immune from any excessive influence from these same quarters in determining the overall framework within which groups operate. In short, the state always lost the battles but still managed to win the war.

In a sense the arguments that power within society was not widely dispersed were applied to the matter of state neutrality. For one thing, the state would be under such uneven pressure which it would have to be able to disregard if it were not simply to mirror the inequalities of society. More fundamental was the possibility that state institutions, like politics within society, were *structured in a*

biased form themselves, whatever the pressures presently brought to bear on them, such that in mediating conflicts they automatically favoured certain interests over others. These interests, it has to be added, were not necessarily those of a dominant section of society, but could equally be interests held by state personnel separately from those in society. The state, backed by considerable resources, authority and influence over ideas, could act to exclude or redefine threatening issues and to assimilate interests such that it was not a neutral set of institutions, but an 'instrument' of domination or class rule. Indeed, given the central position of the state in political life the view was expressed that it had a pivotal role in sustaining imbalances of power within society. Again such perspectives were stronger in theory than they were in practice at identifying structural bias. But despite the formidable operational problems they nevertheless raised the serious possibility that the pluralist perspectives on the state were misleadingly narrow by focusing simply on observable behaviour and ignoring the hidden norms and procedures which guided, and constrained, that behaviour in a systematic manner to the benefit of the few.

The pluralist response to the challenge of corporatism

From the early 1960s onwards pluralism as the dominant model of Western democracies has been subject to a theoretical challenge concerning its methods and underlying assumptions. The advent of corporatist theory in the early 1970s drew upon and added to such criticisms in respect of pluralist representations of the politics of organized interests. As with any onslaught on its credentials, pluralism has not taken such challenges lightly, and has in turn sought to promote its own critical appraisal of corporatist theory. What is interesting about the pluralist reply is that it has mainly, but by no means exclusively, turned its attention not on the *validity* of corporatist theory, but the *distinctiveness* of the corporatist model. Instead of the titanic methodological and epistemological disputes that surrounded the community power debate in the 1960s and 1970s (Polsby, 1980; Newton, 1976), there has been an equally barbed, but different, dispute over the title deeds of corporatism. Most pluralist critics have come to view corporatism as simply a *variant of pluralism*. They regard corporatism as lacking significant distinguishing features, and argue that it should be encompassed in the broad church of pluralism; their outlook is integrationist, if not colonial. The view of pluralists that corporatism is 'really one of us' has not found any favour with corporatists, who clearly resent the suggestion that their model is no more than a variant of pluralism

not worthy of claims to be some major alternative. Such divisions on what corporatism actually is requires further investigation because, while doubts may surround the utility of pluralism, we have to establish that corporatism is offering something that is different. We will first consider the pluralist charge against corporatism before examining the merits of the case. We will also in due course see that the foregoing discussion of pluralist methods and assumptions is relevant to consideration of corporatism as an alternative to pluralism.

In line with the view that corporatism is a variant of pluralism Ross Martin, for instance, has argued that proponents of the corporatist thesis have exaggerated the concept's differences with pluralism by drawing a distinction between corporatism and *group theory* (compare Latham, 1953), rather than contemporary pluralism. To his mind corporatism and pluralism are close bedfellows, corporatism being merely a more formalized outgrowth of pluralism. He therefore posits corporatism as one extreme of a pluralist continuum, where the corporatist pole 'would signify a situation, broadly speaking, in which groups have a formalised and substantial share in formulating and administering government policy'. His opposite pole, at least as appropriate to the British case, is one in which 'parliamentary channels provide the only means of contact between office-holders and organized interest groups' (Martin, 1983: 99; but see Lehbruch's similar basis for making the distinction in his IPSA paper 1985: 14). Martin's case is that what corporatists describe as 'corporatism' is something very close to modern pluralism.

Grant Jordan similarly sees the actual distinctiveness behind the claims of corporatist writers to be only at best a superficial one. His position is somewhat different to that of Martin's, and is based on the view that corporatism is two-faced – a formal model and a much looser application of it empirically. He notes a tendency 'in practice of diluting the criteria of corporatism, to the extent that it is difficult to distinguish from pluralism – and particularly corporate pluralism' (Jordan, 1984a: 147). The descriptions given by corporatist writers are 'essentially pluralistic descriptions' borrowing the corporatist label, achieved by applying the model in a watered-down form and through often qualifying the conclusions about the incidence of corporatism. Unlike Martin, who is at least willing to welcome 'corporatism' into the pluralist fold, Jordan sees no merit in the term. Despite his recognition of similarities between pluralism and 'watered-down' corporatism, he wishes to hold corporatists to their word: 'If "revised corporatism" fails to discover a dominant structure of interest relations . . . , it seems unwise to be quite so

dismissive of pluralism' (Jordan, 1981: 110; Jordan, 1984a: 151). Jordan is convinced that such a discovery has not been made. (Jordan, 1983).

The pluralist argument has not simply been that corporatism has failed to take account of modern developments in pluralism. There has also been the case put forward that corporatists have not properly understood what earlier versions of pluralism have had to say (Jordan, 1983). Indeed, the contention of Gabriel Almond is that the earlier literature has virtually been ignored: '[t]he casualness of the search of the earlier literature and the distortion of its contents are serious weaknesses in an otherwise important contribution to the interest group literature' (Almond, 1983: 252). Instead he reaches the position, via a sortie into the group-processual-pluralist studies of the 1950s and 1960s, that much of what corporatism has to say had already been said prior to the upsurge of corporatist works in the 1970s (a view shared by Jordan, 1984b). For Almond the earlier group theory literature is versatile enough to accommodate the changing political context of the 1970s and 1980s. The concern for corporatism 'is its centrality in a growing polemic over the causes of, and remedies for, the economic and political crises in advanced industrial societies'. But with a basis of versatile theory laid down in earlier decades, this new 'historical juncture' requires only that new questions are asked, not that a new theory need be developed and the old discarded. Therefore, corporatism is viewed by Almond as 'a variety of pluralism – to be distinguished from a more disaggregated competitive variety of pluralism at one extreme, and a state-controlled variety at the other' (Almond, 1983: 250–1).

For writers like Almond, Jordan and Martin, corporatism is no more than a label for some *developed*, that is *institutionalized*, form of pluralism. This, it should be added, is a viewpoint that can be dated back to Samuel Beer's study of pressure groups in the mid-1950s when he referred to 'quasi-corporatism' (Beer, 1956), and traced through a number of essentially pluralist works subsequent to that discussed in Chapter 1. While it might be acknowledged by them that increased state intervention in the 1960s and 1970s produced a new environment for more stable and close relations between the state and organized interests, such developments have not been held to invalidate the overall pluralist framework – even if it has necessitated some modification – and do not lend support to the claims of the corporatists for having discovered some new species. There is no doubt that the term 'corporatism' has been used by many observers as a shorthand for some form of institutionalized pluralism. But the charges made are not against those who have used 'corporatism' as a handy label by those

who generally adhere to pluralist frameworks, but against all the principal theories of corporatism.

Such charges have been vehemently denied, and stand in stark contrast to the stated positions of the major corporatist writers. Apart from Schmitter's own remarks of clarification in 1974 (Schmitter, 1979a: 15), numerous corporatist theorists have subsequently drawn the boundary with a broad brush. Leo Panitch for one noted that corporatism has been used to 'carelessly characterise virtually any or all intimate interest group state relations', but was clear enough in his intention to place corporatist theory outside the assumptions of pluralist theory (Panitch, 1979: 123). Likewise, Colin Crouch sought to distinguish corporatism and pluralism by conceptualizing them as ideal typical opposites in relation to the nature of discipline or control exercised by subordinate organizations over their members (Crouch, 1977: 39–40). Even after the onslaught by pluralist critics in the early 1980s, corporatists have stood their ground, and see no reason to review their position. Wyn Grant has emphatically stated that 'the attempt to assimilate corporatism as a variety of pluralism cannot be left unchallenged' (Grant, 1985b: 20), while Alan Cawson reminded the readership of a recent edited volume that 'corporatism is more than simply a variation or enlargement on the theme of pluralism' (Cawson, 1985b: 1).

Corporatism and pluralism: what are the differences?

The question inevitably arises as to why the dispute over the title deeds of corporatism has persisted for so long, and shows no sign of moving to a resolution. After all, it does seem strange that corporatist writers cannot work out whether their model is part of a wider pluralist framework or not. One cynical answer is to see the whole prolonged debate as simply the consequence of academic entrepreneurship: those with a new product have a vested interest in marketing it as something different, while those with an older product have an equally strong interest in denying the difference. There is no doubt that corporatism has been somewhat fashionable and, like any good fashion, has attracted a band of 'seen it all before' detractors. But this can hardly account for the persistence of such diametrically opposite positions. Instead, the problem seems to lie more seriously with a degree of confusion surrounding the conceptual and empirical nature of corporatism which has generated the kind of ambiguity that legitimately or otherwise produces uncertainty about its distinctiveness. This, of course, has been complemented by the variations within the pluralist literature.

Indeed, it is hardly surprising, given the breadth and diversity of the pluralist literature, that some disputes over its boundaries with corporatism have occurred. In particular, there does appear to have been a tendency by corporatists to draw distinctions between themselves and 'ideal pluralism' only to be knocked down by pluralists pointing to their own less idealized empirical findings (Martin, 1983: 92-4; Almond, 1983: 252-6; Crouch, 1983: 456).

But such problems, fuelled as they no doubt were by the excessively euphoric claims made about the range and relevance of the corporatist model by its proponents when it first appeared, are now matters of history. The corporatist-pluralist debate has done much to banish the straw men of pluralism (Grant, 1982: 20). In other words, the problem is not – although it may have once appeared to some to be so – that corporatists have claimed an unjustly large share of the territory already occupied by pluralist studies.

Corporatism is not a total system

There have, nonetheless, been problems relating to distinctiveness associated with the empirical findings and applicability of corporatism. While corporatism has been presented as an *ideal typical response*, or at least as an essentially exclusive model, most corporatist writers agree that in practice corporatist and pluralist arrangements are often found *side by side* or in *some mixed combination*. Philippe Schmitter reminded us in 1982 that corporatism 'is clearly not something a polity has or does not have. For definitional purposes it may be preferable to define concepts in terms of polar opposites with logically consistent properties, but the real world is almost always located somewhere in between'. Corporatist patterns vary in their extent over issue arenas, countries and time (Schmitter, 1982: 264-5). From a similar standpoint Gerhard Lehbruch has ranked polities according to a 'cumulative scale' of corporatist *concertation* with several Western countries falling into the 'weak' and 'medium' bands (Lehbruch, 1982: 16-25). According to such a perspective corporatist arrangements can stand alongside pluralist ones, possibly as 'corporatism displaces a decaying pluralism', though there is far from unanimous support for a simple developmental view of corporatism (Schmitter, 1982: 265-6).

Colin Crouch, if in a different manner, also emphasizes the reality of the pluralist-corporatist mix. He starts from a position where *bargained corporatism* and pluralism are placed on a continuum between the twin poles of *contestation* – a purely representative role for 'interest organizations' – and *authoritarian corporatism* – a purely disciplinary one. Corporatism is contrasted with pluralism in

that under the former, unlike the latter, interest organizations *police their members on behalf of the public authorities* (Crouch, 1983: 456-8). In terms of their operation in practice pluralism and corporatism can be distinguished by the type of bargaining relationships involved: pluralist bargaining involves zero-sum games, corporatism entails positive-sum games (Crouch, 1985a: 64-79). Crouch, however, advises us that between the points on the continuum 'there is considerable scope for intermediate positions between each of them' (Crouch, 1983: 458). Further, he makes the important point that in complex bargaining relationships zero-sum (that is, pluralist) exchanges may become incorporated into positive-sum (that is, corporatist) exchanges in the course of time (Crouch, 1985a: 75). Streeck, indeed, in his study of West German business associations, has pointed to the extreme symbiosis between pluralism and corporatism given the scale in variations of corporatist tendencies. He finds among West German business associations a picture 'of a complex mix of pluralist and corporatist elements' with differences over issues, sectors and level of interest aggregation such that the 'same association may be a pluralist interest representative in one respect and a corporatist interest intermediary in another' (Streeck, 1983: 279).

Perhaps the most insightful presentation of the mixed incidence of corporatism and pluralism has been the *dual-state or dual-politics thesis* developed by Alan Cawson and Peter Saunders. We will be studying the thesis in detail later, but for the moment a general outline will suffice. The central tenet of the thesis is that there is a fundamental difference between the *politics of production* and the *politics of consumption*. The difference is reflected in the nature or type of state intervention, and consequently, leads to differences in the bases from which interest associations draw their power and upon which they are constituted. This in turn affects the relationship between organized interests and the state. The corporatist mode of interest representation is associated with the politics of production, while consumption politics is usually associated with some variant of pluralism. The advantage of the dual-state thesis is that it clearly assists in focusing on the important factors which determine the incidence of corporatism and pluralism. It should, nonetheless, be noted that other corporatist writers identify other factors as being relevant to explaining the variable existence of pluralism and corporatism, and Cawson and Saunders themselves do not suggest that the form of intervention absolutely determines the mode of interest group politics (Cawson and Saunders, 1983; Saunders, 1985).

It is evident enough that corporatist writers do not regard corporatism as being some *all-pervading phenomenon* in liberal demo-

cracies. Instead it is argued that across arenas and over time both corporatism and pluralism can be valid descriptions. Moreover, given that in particular arenas there may be a mixture of arrangements, the validity of either description is a relative matter. There is room for both. Such a situation also implies that identifying and distinguishing between pluralist and corporatist arrangements could well prove to be something less than straightforward. Another implication of all this is that we should be wary of claims that a polity *completely* displays either pluralist or corporatist characteristics (Cawson, 1988). Such an observation would need to be backed by substantial and wide-ranging empirical evidence, not off-the-cuff observations. The confusion over the distinctiveness of the two models, therefore, can in part be attributed to this point that in practice corporatism and pluralism are not so far apart. Corporatism and pluralism can be measured along a number of dimensions, and it is not surprising that along some dimensions corporatism 'scores higher' than along others, and likewise with pluralism. The result is that empirically the issue is 'more corporatist, less pluralist' or vice-versa (partial exception to this would be the dual-state thesis). What is not clear is whether there is a one-to-one relationship between the two.

Corporatism as a theoretical alternative to pluralism

While the relativity of corporatism and pluralism may help to explain the uncertainty surrounding their respective distinctiveness, it can only be taken as a partial – and not satisfactory – answer to this particular puzzle. First, the debate between the two sets of protagonists has not exclusively centred on empirical findings, but has also encompassed conceptual and theoretical issues. Martin for one has probed the corporatist model and found it close to contemporary pluralism. Second, while corporatists may identify mixes of the two arrangements in practice, there is not much evidence that pluralist writers agree with their sightings of corporatism. Pluralists do not seem inclined to so readily go along the path of the mixed-incidence thesis. Their position is that it is all pluralism in one guise or another (Jordan, 1981, 1983). It might be added that such a position is bolstered by the fact that corporatists themselves cannot agree on the empirical sightings: Lehbruch suggests that agriculture 'remains largely confined to the classical pluralist "pressure politics"' (Lehbruch, 1979b: 152); Schmitter, on the contrary, suggests that it has 'shown a much more marked propensity for being structured' in a corporatist form (Schmitter, 1982: 265). The mixed incidence may help to explain, but certainly has not resolved, the territorial competition among the two sides. Third, the

acceptance by corporatists that pluralism is still alive and kicking ignores the wider case against pluralist method and theory mentioned above; a case, incidentally, widely adhered to by most corporatists. This ready acceptance of the existence of pluralism in particular areas has been challenged for displaying a ready acceptance of pluralist assumptions (Dunleavy, 1984).

Such arguments bring us back to the crucial point made in the first chapter surrounding the confusion between *descriptive corporatism* and *theoretical corporatism*. It is the contention here that it is this which underlies the whole difficulty over the pluralist–corporatist boundary. If one looks at what corporatism is descriptively, then with a little probing it is possible to illustrate that corporatism is not that distinctive from pluralism (certainly in its more recent formulations).

Institutionally corporatism implies that: competition among interest associations is no longer open; these associations are to some degree institutionally dependent on the state and consequently have to check their behaviour; the membership of associations is significantly wedded to the organizations through pressures to join and the absence of alternative channels, which itself suggests that they are under some form of control by the leadership; the associations are no longer purely private but quasi-public in their functions; and group politics is mediated through hierarchies of authority rather than structures based on the sovereignty of the constituents. In terms of *processes* corporatism sees interest associations acting not simply as institutions of pressure on the members' behalf, but taking account of other wider interests. These components are formally set out in Table 3.1, which draws heavily upon the work of Philippe Schmitter (1982: 260–1), but which would find considerable accord among all corporatist theorists.

But the 'factual' contents of such a model have been encompassed in many recent pluralist analyses of organized interests in Western Europe. The corporatist 'description' is different from modern variants of pluralism in large measure because the actual 'facts' it purports to represent are inevitably described through some sort of theoretical perspective which affords them certain qualitative attributes, and hence makes an assessment of what such phenomena add up to. In other words, corporatists take certain observable phenomena such as trends towards monopoly among interest associations, increasing formal bureaucratization, the evidently better access to public authorities enjoyed by some associations over others, and the failure of associations to fully push home their immediate advantage in negotiations over policy, and interpret them from a particular theoretical perspective to provide an assessment of

Table 3.1 *A formal model of corporatism*

- 1 Organized interests representing functional interests show a tendency towards a position of monopoly.
- 2 Certain functional interests are granted privileged access to the state's authoritative decision making processes and in other ways supported by the state, but such 'licensing' is granted on the basis of adherence to certain norms.
- 3 Membership of such associations may cease to be wholly voluntary, while the associations' privileged monopoly position deprives the members of alternative effective channels.
- 4 In addition to performing a representative function, interest associations also perform a regulatory function over their members on behalf of the state.
- 5 Interest associations and state agencies show increasing bureaucratic tendencies so sectors in society tend to be regulated through hierarchical structures.
- 6 Functional interest associations and state agencies enter into a closed process of bargaining over public policy where consciously or not the associations do not fully pursue their immediate advantages but act in a 'system-regarding' manner.

what these phenomena mean for the politics of state-interest association relationships. So, for example, they take the observed phenomena such as monopolization of representation by interest associations, and provide an interpretation which associates this with leadership control over the association's membership. Apart from the problematic matter of whether agreed criteria exist to measure phenomena such as 'monopolization' and 'bureaucratization', it is possible for a pluralist confronted with these same phenomena to interpret them through her/his theoretical framework and provide an overall assessment that presents a group-state system as one of pluralism. Such an interpretation is set out in Table 3.2 in the form of a pluralist riposte to the corporatist model, and hopefully illustrates that the observable phenomena incorporated in the corporatist model are open to *legitimate* pluralist interpretation.

While there may be differences between pluralists and corporatists about how to measure certain phenomena like the degree of monopolization among interest associations, and what terminology to apply to them, the really fundamental difference between them is the different theoretically informed interpretations they place on the same phenomena. Pluralism as a political theory cannot be tied down rigidly to particular institutional arrangements if a case can be made that new arrangements are still generally compatible with notions of a democratic and stable polity. In fact pluralists have for

Table 3.2 *A pluralist version of the formal components of the corporatist model*

- 1 There may be a tendency to monopoly but this reflects the need for interest to organize effectively given the importance of state intervention and ignores the fact that there is a plurality of often quite specialized arenas which – even if there are only a limited number of associations in each – taken together represent a plurality of competing arenas placing demands upon the public authorities.
- 2 The granting of privileged access to certain associations reflects the power of the interests upon which they are based *vis-à-vis* limited, specific issues (for example in their industry), but the power of others such as consumers operates through a wider range of admittedly more diffuse channels which *in toto* are reasonably effective.
- 3 Pressures to join interest associations to gain access to services and benefits, while reducing the voluntariness of membership, help to increase institutional participation and enhance social integration.
- 4 To be effective in negotiations interest associations must be able to 'deliver their members' on an agreement, and this may entail some regulatory activity which, if the association is 'democratic', is institutionally defensible, while collective self-regulation should prove more responsive to member preferences than direct regulation by the state.
- 5 Bureaucratic structures may formally be based on a hierarchy of authority, but within such structures other resources and dependencies will count, generating the need for bargaining and producing more fluid and dispersed relations of power.
- 6 Organized interests involved in policy negotiations may have to accept norms of behaviour during the negotiations to ensure the continued efficacy of such arenas and to balance private preferences with the public interest, even if this theoretically curtails their immediate advantage.

some time accepted as part of the pluralist model certain traits regarding group-state relations that are descriptively very close to those included in corporatist models during the 1970s. While on occasions they have themselves employed the term 'corporatism' to confusing effect, their uneasily similar model has most usually been labelled *corporate pluralism*. In particular, corporate pluralist studies have focused upon the closed, centralized and bureaucratic nature of the structures and a blurring of the private and public domains (Heisler with Kvavik, 1974: 43–65; *Scandinavian Political Studies*, 1979). (The 'pluralism' element comes in large measure from the multiplicity of these sectors and the implicit competition among them – Heisler with Kvavik, 1974: 42. Indeed there appears to be a close affinity between such presentations and 'Dahlian' polyarchy with its notion of competing sectors made up of a limited

minority of interested parties.) The descriptive representation of an open, competitive pluralism or some other idealized representation of it (Schmitter, 1979a: 15) is not a sufficient basis against which corporatism can sustain a separate identity, for the simple reason that (corporate) pluralists have moved to encompass closed and institutionalized sectors of group-government negotiations. Corporatism, therefore, can really only provide a *theoretical alternative* to pluralism if it is to have any conceptual distinctiveness.

Yet the corporatist-pluralist debate has to a large extent ignored this crucial point, and instead focused heavily upon the observable, descriptive attributes. It is hardly surprising, however, that competing models of state-interest association relationships concerned to have contemporary relevance have directed attention to the same features and therefore led to similar descriptions of the relationship, even though the terminology has sometimes been different. Both sides have been guilty of squeezing out the all-important theoretical differences to the debate, but there can be little doubt that corporatists do adhere to a different theoretical perspective from the pluralist one.

For Alan Cawson the appeal of corporatist theory is in part a product of theoretical problems with other paradigms of state-society relations:

Pluralism has proven to be deficient because of its underlying assumptions of a competitive political marketplace, its voluntarism and methodological individualism in its implicit theory of interests, and especially in its portrayal of a neutral state which is disengaged from interest conflicts at the same time as it preserves an institutional and ideological boundary between public and private spheres (Cawson, 1985b: 2; see also Panitch, 1979: 124-6; Panitch, 1981: 176; Berger, 1981b: 1-22)

Schmitter himself has not been one to explicitly elaborate his fundamental theoretical assumptions, but any general reading of his arguments without doubt places him outside a pluralist perspective. The main premise from which so much of his arguments commence is that the structures and processes which, liberal theorists argue, hold public and private political organizations responsive to their constituents, have broken down. From what is most accurately termed a managerialist perspective (Alford and Friedland, 1985: 234-8), he views such organizations as having become instruments for pursuing elite strategies of control, rather than being directly responsive to members' interests: 'In other words, it [neo-corporatism] may be undermining the "virtuous cycle" between associability and democracy' (Schmitter, 1983: 37). He therefore specifically sets himself against the assumptions underlying the

pluralist model, and suggests that 'a different logic of collective action might be more apposite' (Schmitter, 1985: 55).

Most corporatists start from a different theoretical perspective to those of pluralists, and apply divergent underlying assumptions in their analysis. This in effect means that many of the pluralists' criticisms of the corporatist model - certainly as they stand - are invalid, or are only valid so long as one adheres to pluralist premises. For example Ross Martin has argued that the corporatist notion of the state as non-neutral is very close to the pluralist conception of active and initiative-taking government (Martin, 1983: 91-5). This argument almost completely misses the point. The corporatist writers that Martin is referring to, such as Leo Panitch, are concerned with a *systematic bias of the state toward capitalist class dominance* (Panitch, 1979: 124-6). There is a world of a difference between that sort of position and one that sees the *government as an active participant* in policy negotiations. Similarly, there has been a tendency by pluralists to ignore the corporatist view that bargaining between state and interest organizations is constrained by underlying structures and, therefore, they see corporatist use of bargaining as virtually synonymous with their own. This is particularly evident in Martin Heisler's highly dismissive assault on corporatist theory, where he questions whether the corporatist picture of order compares favourably with empirical findings of complexity and disorder (Heisler, 1979: 283-7; Williamson, 1985: 142-3). Yet Heisler's instant dismissal is based upon a position that reflects his own adherence to pluralist premises that in no way acknowledges that these have been challenged, and that there is some need to defend the position of only considering what is observable on the surface.

The community power debate of the 1960s and 1970s between pluralists and elitists spent considerable time and effort in the undergrowth of theory pondering over method and the scientific basis of political analysis. In stark contrast the corporatist-pluralist debate has not been so engaged. Indeed, there has not been much by way of reference to this earlier debate. While there have been exceptions to this, the question arises as to why the present debate has been so heavily caught up in descriptive matters. In part the answer is simply that this has been the basis upon which certain corporatists (Crouch, 1983; Lehmbuch, 1979b) have sought to draw a distinction with pluralism. Perhaps less obviously, another reason may be that neither side has made its underlying assumptions explicit, presumably on the grounds that they are obvious enough and do not need spelling out. This does appear to be the case, and at times the two sides seem to have been talking over each other's

heads. That being said, the differences are there but they do require to be drawn out from a textual analysis of how corporatists define and approach political analysis. In particular, one has to recognize the different approaches adopted in corporatist analysis to the formation of interests, the distorting impacts of organizational and other structures and the role and nature of the state, compared to pluralist studies. Without recognizing these important differences – hidden though they may be behind the formal models – it is impossible to adequately draw a significant distinction between pluralism and corporatism.

Corporatism as a set of alternatives to pluralism

While a distinction between pluralist approaches and those adopted by corporatists can be drawn, it has to be recognized that corporatist writings do not present a unified approach to theory. Within corporatism there are a number of contending approaches. Such divisions no doubt add to the confusion about the essentials of corporatism, and provide ammunition for critics. This lack of unity means that within the corporatist camp there is a theoretical debate going on which, while it may be far more sedate than the external clash with the pluralists, is similarly not close to reaching a point of resolution. Many corporatist theorists, especially in the late 1970s, explicitly adopted a Marxist approach to analysis, particularly in regard to the treatment of the state. This approach itself should really be viewed as a set of contending and distinctive approaches (Panitch, 1979; Jessop, 1979; Offe, 1981). In recent years there has been a decline in support for adopting an exclusively Marxist or class-based perspective, and a greater emphasis has been given to theory informed by elite or managerial approaches to analysis, which again enjoy no strict unity. Without doubt the managerial focus on organizational elites has most comfortably been absorbed into the corporatist model, with its principal locus of concern being the interrelationship between state institutions and highly organized interests. Over the past few years a number of writers have sought to link managerial approaches to Marxist notions of class power. This mixed approach is sometimes dubbed 'radical Weberian'. However, this move towards mixed approaches has not solely involved a fusion of managerial with Marxist ones. Liberal-pluralist theory has also been included, reflecting a growing recognition of the *relative* exclusiveness of any particular theoretical approach and of the need to conduct analysis at more than one 'level' or along different 'dimensions'. This new synthesis (compare Offe, 1981: 123–4; Urry, 1981; Cohen, 1983; Pierson, 1984; Alford and Friedland, 1985) does not constitute a coherent school, but it does offer the opportunity to

consider the liberal democratic state and polity as having both democratic and non-democratic dimensions to it. To quote Cawson and Saunders: 'we seek to bring together different theories to explain different aspects of the state's activities, and we see these theories as complementary rather than mutually exclusive. In particular, we do not believe that Marxist analysis is incompatible with so-called "bourgeois" theories' (Cawson and Saunders, 1983: 13–14). Quite evidently the implication of such moves is that the distinctiveness between corporatism and pluralism will vary, depending upon what aspect of the polity is under consideration.

The variety of approaches to theory adopted by corporatists has had significant consequences for the development of corporatist theory, one of which has been an absence of collective precision concerning what the theory of corporatism precisely is. As Leo Panitch has noted, 'the debate over definitions [of corporatism] is really a debate between different theoretical frameworks, in which normative and ideological preferences play their part'. He further tellingly points out that 'to avoid the sheer relativism in handling the concept' there has been considerable emphasis on 'minimalist descriptive definitions' (Panitch, 1981: 183–4). Panitch's point is fundamental: corporatism is no unified theory, and consequently discussions of the concept get pushed back to the minimum – that is on to the descriptive. One of the main concerns in the following chapters will be to discuss the concept of neo-corporatism in terms that go beyond descriptive accounts to consider the theoretical aspects of the model, while recognizing that there is no unity on this latter count. What we will find, however, is that there is a clear difference between corporatist theory and pluralist theory, although there will be a need at times to extrapolate this further.

The key points raised by this chapter are that:

- Corporatism is regarded by its major theoretical proponents as a distinctive model to that of pluralism, although the case is argued by several pluralists that corporatism is no more than a formalized variant of pluralism.
- Corporatist writers contend that corporatism is not a total system of organized interests in liberal democracies, and that in any polity, and possibly within issue arenas, there will be a mixed incidence of corporatism and pluralism.
- The methods and theoretical premises of pluralism have been open to criticism, particularly in respect of: methodological individualism and the formation of inter-

ests; confining the treatment of power to observable behaviour within the political system; and the acceptance of a neutral state.

- Corporatism is based upon an approach to the study of organized interests which gives credence to the criticisms of pluralism referred to above, and which holds that organized interests should be viewed from the organizational and societal levels, as well as the individual level.
- The difference between corporatism and pluralism as essentially descriptive models is not that significant, and it is only when the components of the model are theorized that the differences can become evident.
- There is no unanimity among corporatists concerning the theoretical perspective they bring to bear, and a number have sought to develop syntheses of different approaches in an attempt to explain different parts of the state's relations with organized interests.

4

The Corporatist Perspective on Organized Interests

This chapter discusses:

- The attributes of singularity, monopoly, non-competitiveness and compulsory membership held by interest associations under corporatism, and the implications of this for the conduct of representative functions.
- The hierarchical nature of modern, specialized and bureaucratic interest associations and the implications of this for the relationship between association leaders and members.
- The attribution to interest association by the state of publicly supplied statuses which in effect can act as a licence on the associations' activities and the increasing dependence of associations on the state which results from this.
- The relationship between corporatism and state intervention into production.
- The attention afforded by corporatist writers to the organizational and socio-economic aspects of interest associations, in addition to them as aggregations of individuals.

While the corporatist model is concerned to explore the relationship between the state and organized interests, an essential component of that exploration is the *internal arrangements* of organized interest associations and how that affects relations between them and the state. In essence the corporatist writers have pointed to particular institutional traits which they suggest results in associations being relatively closed and centralized organizations under the dominant influence of the leadership rather than responsive to membership demands. To summarize, interest associations are becoming *top-led* rather than *bottom-led* by the members, such that associations can be viewed in *bureaucratic terms* rather than *democratic* ones.

Indeed, a central tenet of corporatist theory is that interest associations are not just reflective of members' interests but *play a decisive part in determining these interests*, which takes interest associations beyond being 'aggregates or containers into which congruent individual preferences are poured'. (Cawson, 1985b: 4). In effect, the corporatist position on organized interests is to challenge the pluralist view by pointing to certain attributes that it is suggested render the pluralist view invalid. It is important to mention that there are two key questions hanging round the corporatist challenge. One is how far do these attributes pertain? The other is what significance they have for relations between the state and interest associations and association members? The first is the empirical question, the second the theoretical.

This chapter will survey the various attributes of associations that corporatist writers have pointed to and consider them in some detail. Here the definition of corporatism propounded by Schmitter in 1974 will constitute an invaluable base to the discussions, although we will be going beyond that. It should be remembered that the definition was set out as an ideal type to the polar opposite of pluralism. Therefore, the traits we will be discussing should be regarded, when considering their practical application, as *tendencies*, not absolute categories. (Those readers who wish to familiarize themselves with the full definition should turn back to page 8.)

Corporatist associations: restricting the channels of representation

The first traits attributed by Schmitter to interest associations under corporatism are those ones of '*limited number*', '*singular*', '*compulsory*' and '*non-competitive*'. These features evidently suggest that interest representation is *globally restricted* to a few associations, and that around each category of interest there is a sole association which enjoys the position of being an effective representative body for its constituency. Each association does not, therefore, face competition from a rival association within its particular sphere of influence. Each category of interest is subject to – or something approaching – *monopolistic representation*, implying that the kind of competition for members associated with a pluralist system, which thereby keeps associations alert to member interests, does not operate. It should be noted that the particular way in which Schmitter's definition is worded – he talks of 'constituent units' not 'associations' – means that this monopoly need not necessarily be held by a single association, but possibly by some cartel of

associations. The crucial aspect is that there is effectively *no alternative representative organization* open to the individuals and other groupings within the category.

The lack of this lever of influence to be wielded by members over the association's leaders is reinforced by the existence of *compulsory membership*, which prevents the members from at least registering their dissatisfaction and hitting the organization's revenue by exercising their right of 'exit' (Hirschman, 1970). 'Compulsory', in the context in which it is used here, is perhaps somewhat misleading, or at least suffers from certain overtones. Compulsion need not take the form of a straightforward legal requirement to join. Instead, it may be that the right to engage in a particular economic activity is dependent upon membership of the relevant association. Perhaps the most obvious example of this is the so-called 'closed shop' where employment in a firm is dependent upon trade union membership (though not necessarily of just one specified union) (McCarthy, 1964; Hansen, Jackson and Miller, 1982; Dunn and Gennard, 1984). While closed shops can operate in an informal and fairly flexible manner, the principle is generally that employment within the firm, and possibly throughout the industry, can be held only on condition of membership of an association. It should be added that in some countries a major trade union aspiration is the closed shop, which is intended to increase collective strength and to prevent 'free-riding' in the field of industrial relations, not political representation. Nevertheless, closed shops would have political implications as well.

We have to look beyond the more obvious element of compulsion associated with closed shops and recognize that interest associations generally can be suppliers, and under corporatism would be monopolistic suppliers, of important, if not essential, services to members. One of the arguments put forward by Mancur Olson in his criticism of conventional group theory was that individuals would not *rationally* join a representative association because they would be able to enjoy the collective benefits without the cost of joining, and consequently associations would have to supply selective benefits (for example free medical care) to encourage individuals to join (Olson, 1965). In a sense corporatist writers have explored the further possibility that selective benefits can move from simply being inducements to join to making membership imperative, or something close to it. It may be thought that free medical care, discount holidays and association newspapers hardly add up to 'an offer you can't refuse', but two points need to be borne in mind (Marsh, 1976). One, such services to some degree hold the membership in the organization for reasons which are not

directly linked to its ability to represent (Hansen, 1985: 79). It can at least be seen as some form of distortion of the representative function. Second, and far more important, these services can move from the *personal* to the *productive*. What if commercially vital information is available only through the trade association? What if the association oversees the industry's training? What if the association coordinates research and development activities? In such circumstances membership ceases to be an optional extra as the functions performed by the association become essential to the productive process. This is not to suggest that associations necessarily disperse such benefits in a biased manner against non-members. But simply being an outsider may make it more difficult to participate in training schemes through not having the understanding of the system that comes from being directly involved. Outsiders may just be in a weaker position to participate. On top of this non-members will be excluded from the processes which determine the form and content of such regulatory behaviour to the possible detriment of their interests, adding something to the cost of being a non-member. And by definition they are excluded from the selective, but possibly vital, services supplied by the association such as commercial information. (For a discussion of this in relation to training in Britain see Stringer, 1987: Ch 10.)

While there is considerable uncertainty as to why individuals and corporate bodies join associations (Marsh, 1976; Hansen, 1985), because of the difficulty of assessing motivations, there is no doubt that there are examples of associations supplying services to members which fall into the 'necessity' rather than 'luxury' category. What one should add, however, is that non-membership may be associated with potential risks, and the main motivation may be risk avoidance, as opposed to achieving concrete benefits (Hansen, 1985: 80-1), and that membership may not continuously supply benefits but that membership guarantees that they be reaped when they present themselves (Grant, 1982: 16). In other words, risk avoidance and insurance can loom large in calculations about membership, and an association may not have to offer excessive benefits to make membership on balance a strong pull.

The picture appears a clear enough one of a small range of associations enjoying a monopoly within their own arena: or is it that clear? The implications of monopoly to interest representation depend to some important degree on the basis of differentiation between associations. According to Schmitter associations are functionally differentiated. But as Nedelmann and Meier (1979: 101) note: 'the concept of functionally specific interest organisations is meaningful only in relation to an explicit definition of the criteria

of societal differentiation'. If one uses a very narrow definition of function, then the existence of a monopoly, and certainly something approaching it, is not very surprising. In other words, for fairly specialized functions, defined as using a particular productive process or manufacturing a particular product, it is unlikely that there ever was or will be more than a few associations representing the constituency. If, on the other hand, the functions are widely defined, by industrial categories say, then the existence of monopolies appears to have more important implications because such associations will be involved in wider political issues, as well as the more technically orientated ones. We should thus avoid the dangers of reading too much about corporatism into increasing functional specialization and the attendant division into a large number of limited interests for which single associations may be all that is appropriate.

We should also be wary of seeing the consequences of monopoly from a single position. To some extent discussions have fallen into the trap of viewing members of associations in a very similar way to that of consumers. But for those in a particular function, unlike consumers, a monopoly can be seen as beneficial in reducing duplication of representation and ensuring effective political muscle through unity. In addition, we have to recognize that, while two associations covering a particular category may come close to the corporatist pole, the competition between them for members could be very intense indeed. Overall, there seems to be a case for being somewhat *wary of reading too much into the immediate significance of a monopoly or near-monopoly position*.

Perhaps the most important consideration of all regarding the significance of monopoly is the opportunities open to the membership to influence leaders and therefore not be concerned to leave the organization. For example, the Trades Union Congress (TUC) in the United Kingdom is in a monopoly position as the peak association representing labour. But the TUC is in fact a very weak organization itself, its influence resting on the ability of the generally larger unions to work collectively (Winchester, 1979). But given the inevitable diversity of interests that exist in this umbrella organization this does not often happen, and much of the TUC's efforts are directed internally at resolving disagreements. The member unions (particularly the larger ones) exercise more or less total influence over TUC decision making. A similar conclusion could be drawn about its employer counterpart, the Confederation of British Industry (CBI) (Grant, 1983c), which similarly enjoys a predominant position. With these examples in mind the conclusion is, therefore, that the much more important attribute of interest

associations in Schmitter's definition is not that of monopoly, but that they are '*hierarchically ordered*'. There may well be, for instance, a number of associations for a particular function, but if all of these are hierarchically ordered – the leaders dominate the members – then leaving one organization to join another as a means to gaining more influence is not a very realistic choice open to members, unless associations start to compete on the issue of affording greater participation. We should, nonetheless, recognize the importance, at least in theory, of compulsory membership of associations. Any development whereby the membership are under pressure to join for commercial or material reasons can free the association's leadership from direct accountability for the manner in which they conduct their representative function. Moreover, it is at this point that the existence of a monopoly or its equivalent becomes highly significant, as it forecloses the opportunity for the members to obtain essential services elsewhere.

Organized interests as hierarchies

What Schmitter is referring to when he talks about the hierarchical order of interest associations is the highly specialized nature of the work carried out by modern interest associations. The permanent staff (the bureaucracy) of such associations have to have specialist knowledge, exercise particular skills and hold considerable information to be able to effectively negotiate with, and generally represent, the association to the permanent officials of the state. Wolfgang Streeck, in his study of neo-corporatism and German business associations, points to the very heavy burden for information, advice and opinions placed by the state on interest associations that makes it imperative that the permanent staff of the associations are highly specialized in their work. Furthermore, he points out that many of these demands are made at very short notice, with the clear implication that consultation of the membership would be virtually impossible. And he adds that the kind of functions performed by the associations is reflected in their internal structure:

Compared to an American lobbying firm, business associations in Germany look almost like state bureaucracies: their internal hierarchical and division structure, the career pattern of their staff and their salary scales resemble those of state agencies; the proportion of their staff that is drawn from the civil service clearly exceeds those coming from member firms; and leading officials have no difficulties comparing themselves in terms of status and prestige to corresponding ranks in the civil service. (Streeck, 1983: 281)

In other words, associations having close relations with the state bureaucracy tend to closely replicate the internal, hierarchical structure of the state machine. Given that there are examples of associations, such as the TUC, having close relations with government and state, and not fully displaying these hierarchical features, *closeness of relationship* is probably not of itself a sufficient contributory factor. What is important, nonetheless, is that a move from being a pure lobbying body to a specialist, technical intermediary (see Chapter 5) between the state and functional interests produces certain pressures on the internal structure of interest associations. Of special importance is that the agenda of the association becomes, if not exactly determined by the state, then, following Streeck's conclusions, at least 'crowded out' by items placed on it by the state bureaucracy. Streeck in his earlier study of West German trade unions highlighted the changes associated with increased involvement in corporatist policy making. Having noted the increasing centralization, professionalization, functional differentiation and rationalization which *inter alia* de-limited membership participation, he observed the following general state of affairs: 'Unions today, as compared with the time before the corporatist "push" of the late 1960s, are to a much lesser extent "voluntary organizations" and to a much greater extent "service organizations"'. He added, reflecting that the members were really customers of services supplied by the unions, that 'the members in many ways no longer appear to belong to the organization at all but rather seem to have become part of its environment' (Streeck, 1982: 72–3). Indeed, if one could pick a term that described what happens when associations enter into close and regularized relations with state bureaucracies, it is that the association's permanent bureaucracy becomes *detached* from the members.

This notion of detachment is, however, only one side of any consideration of hierarchically ordered associations. Detachment clearly implies that the members are *excluded* from direct influence over decision making affecting them, but there remains the outstanding issue of whether the members then comply with decisions taken without their direct participation. As Wyn Grant notes regarding the CBI, its machinery cannot properly consult the members but this does not prevent it operating by consensus (Grant, 1983c: 83). This is a fundamental point in respect of the model because, while the members may not participate in decision making, if their consent to certain decisions is not forthcoming then their indirect influence may remain considerable. For the hierarchy to work downwards as well as upwards, the leadership have to be able to ensure *compliance* to decisions which otherwise would not be

accepted by the members. The question here is essentially whether there are bases of authority available to the leadership to ensure compliance. What one has to be wary of here is assuming that a formal hierarchy accurately reflects the relationship of authority and influence. Modern organizational theory has increasingly been concerned to adopt a political perspective on organization behaviour which indicates that those lower down the hierarchy have power resources leading to their entering into bargaining relationships with superiors, rather than being part of a straightforward command-compliance relationship (Bacharach and Lawler, 1982). In short, the implication is that there is a need to go beyond formal institutional structures to see what resources are available to use in bargaining and how these resources are deployed in practice.

In the corporatist literature there are often references to sanctions (an early example is Crouch, 1977: 39-40) that can be wielded by the leadership, which can presumably be used to give substance to their authority or, more realistically, be used by them in bargaining relations. Schmitter talks of associations 'subordinating' and 'coercively governing members' behaviour' (Schmitter, 1982: 260). In general the corporatist position can be summarized as being that associations 'discipline' and 'control' their members (Grant, 1985b: 20-1). For Colin Crouch this is the *essential element of corporatism*. While acknowledging that there is bargaining over policy between governments and associations under both corporatism and pluralism, he goes on to point out that corporatism alone pertains

when the association offers, probably in exchange for the withdrawal of statutory regulation, a degree of self-restraint by the industry which it will itself monitor. A code of practice is probably drawn up, the terms of which may be negotiated with the government; there will probably be an inspectorate established by the association and the imposition of sanctions on offenders. (Crouch, 1983: 458)

What is not clear from Crouch's exposition, but which appears to be crucial, is the extent to which such regulation is being imposed on the members (Cawson, 1986: 40-1). If the membership generally accept the regulations as being desirable in the circumstances - particularly if self-restraint is less demanding than direct state regulation - then they may be happy to see sanctions being applied to a few 'rogue elements' who threaten to undermine the standing of the arrangement. That is, they accept the legal authority of the association in respect of these regulations. On the other hand, if the majority of members were against the regulations and the association was using its sanctions to quash dissenting actions, then the relationship of discipline would be of a different nature altogether.

One important aspect regarding the hierarchical nature of associa-

tions, therefore, is what purpose it is put to - *genuine self-regulation* or *imposed regulation*. Streeck's valuable study of West German trade unions provides an interesting insight on this point. Having indicated how, in response to corporatist policy making, German unions have become highly professionalized, 'instrumental', 'non-ideological' providers of services to members, he adds that, as measured by trade union successes in the Betriebsräte (workplace) elections, 'official union structures are still able to accommodate all politically relevant, structurally based "sectional interests"' (Streeck, 1982: 77). We should, however, be wary of assuming that the absence of overt dissent indicates that the associations are not imposing agreements on the membership. As Charles Sabel notes about 'corporatist bargaining', the system is held to serve 'the interests of the leaders, who by controlling the structure of incentives and above all the flow of information within their organizations make the system appear to be in the self-interest of their followers as well' (Sabel, 1981: 213). (Sabel does not actually support such a possibility as tenable, but he does rightly point to the corporatist acceptance of some variant of Michel's 'iron law of oligarchy' which remains a premise of managerial approaches (Sabel, 1981: 212 and 228-32).)

Terms such as 'sanctions' and 'discipline' can conjure up a picture of dissent being repressed, but it is important to recognize that their meaning can vary, depending on the assumptions which surround them. This is not to deny that there is not a significant change in the voluntarist nature of interest associations when they take over a policing role *vis-à-vis* the members that extends beyond internal affairs to public policy, but it is also important to know the extent of consent to this role. This, it is fair to say, has not been properly addressed within the discussions of interest associations under corporatism. Thus while we can go along with Schmitter's terminology of 'hierarchically ordered' as an attribute of interest associations connected in a number of empirical incidents to the rise of corporatist policy making, what exactly is the wider political significance of this, nonetheless important development, remains underdefined and has not satisfactorily been clarified by empirical studies. Indeed, there is a surprising reluctance to confront the issue of how far self-discipline is genuine and not imposed. In 1985 Schmitter himself could only come away with 'presumptions' about 'what motivates to conform to associationally negotiated pacts' (Streeck and Schmitter, 1985a: 13). What was more worrying was that such presumptions had begun to be treated as substantiated fact not requiring further investigation. Given that it is contended here that this is an issue requiring further consideration theoretically and

empirically, we will return to it for further elaboration in the following and final chapters. For the moment we must continue with outlining the corporatist profile of interest associations as put forward by Schmitter.

Interest associations and state licensing

The next part of the profile relates to the relationship interest associations have with the state. Associations under corporatism are 'recognised or licensed (if not created) by the state and granted a deliberate representational monopoly within their respective categories' (Schmitter, 1979a: 13). It has always struck me that there is something ambiguous about this part of the definition because the state, *a propos* the earlier part of the definition, is likely to be faced with a limited number of associations, if not possibly a single association. (For a similar discussion see Cohen and Pavoncello, 1987.) It is not clear whether the state merely reinforces or maintains the organizational division of labour it is confronted with, or whether it actively seeks to bring about a particular ordering, or indeed whether both can apply. Which of these is the case is again not without important implications. If the state is simply faced with a singleton association, then it has little choice but to recognize its 'status', although pluralists might propose that it could legitimately encourage competitors. But overall the monopoly would be an outcome of societal factors, not state design. If it was a product of state design, however, there appears to be cause for serious concern at such state interference in the institutional structuring of interests. Much rests in this part of the definition, obviously enough, upon what is meant by the terms employed. The problem is that the various terms used have, if imprecisely so, different implications (Williamson, 1985: 149). Being *recognized* suggests simply that the state has to take account of the conditions it is faced with and would seem, despite Schmitter's definition, to the opposite (Schmitter, 1979a: 15), an action compatible with pluralism. *Licensing*, on the other hand, indicates that the special status conferred as the sole representative is dependent upon particular norms of behaviour being observed; and presumably the status will be removed if they are not. (In fact Schmitter rules out the possibility of state recognition being 'granted by the state as a condition for association formation or continuous operation' (Schmitter, 1979a: 21). Being *created* by the state has itself different implications, although it should be acknowledged that, once created, an association could begin to take action to increase its autonomy.

In seeking to identify this trait of interest associations under

corporatism it is not clear what exactly is being sought. Yet a broad-brush approach would, as mentioned above, appear to allow for features that would readily be associated with pluralism. The confusion has been further compounded by Schmitter's employment of different terms at different times. 'Recognition', the seemingly preferred term in the 1970s, was replaced in the 1980s by more robust terminology such as the 'coercive intervention of the bureaucratic state subsidising organisational existence', 'granting monopolistic access' (Schmitter, 1981: 291) and 'defining, distorting, encouraging, regulating, licensing and/or repressing the activities of associations'. (Schmitter, 1982: 260). Just to keep the excitement of the chase alive, by 1985 Schmitter was suggesting that the special relationship between associations and the state could be 'subsumed under the concept of political status' (Streeck and Schmitter, 1985c: 20).

In reality, the hunt was over. The position Schmitter had arrived at was the one proposed by Claus Offe in 1981 where he had used *public or politics status* (the two appear to be used interchangeably in discussions) to encompass the *degree of corporatization* (Offe, 1981). While one might question whether Offe's suggestion is an adequately comprehensive measure of the development of corporatism, he has nonetheless defined the content of the 'special relationship' between state and interest associations in more precise, yet broader, terms than had perhaps previously been the case, and this has paved the way for a more fruitful exploration of organized interests under corporatism (an interesting example is King, 1983). Indeed, it is not unfair to say that Offe's suggestions on this front are now widely assimilated into Schmitter's more broad-ranging definition of corporatism and are, therefore, worthy of elaboration.

Offe presents the relationship along four dimensions of political status held by groups. He suggests that the attribution of political status to interest organizations means that the association 'ceases to be exclusively determined in its actions and accomplishments by the interests, ideologies, need-perceptions and so forth of its members' (Offe, 1981: 137). The four dimensions of public status are:

- 1 The extent to which the resources of the association are supplied by the state – *resource status*. An example of this would be direct subsidies/tax exemptions given to the association for carrying out particular tasks.
- 2 The extent to which the range of representation of an association is defined by political decision – *representation status*. Examples of this would be the public definition of the range of substantive areas in which an organization may operate and/or its potential membership.

- 3 The extent to which the internal relations between the rank-and-file members of the association and the executive are regulated – *organization status*. A case of this would be where the constitution of associations had to meet certain publicly defined criteria.
- 4 The extent to which the association is recognized, licensed and invited to assume, together with a specified set of other participants, a role in legislation, the judicial system, policy planning, and implementation, or even granted the right of self-regulation – *procedural status*. It is not uncommon for associations to be designated the right to participate in consultation over, and decision making about, policy and legislative proposals. (Offe, 1981: 136–7)

The significance of the attribution of such status is that '[p]ositive political status allows an organisation to enjoy a partial immunity from its members as well as from other organisations' (Offe, 1981: 137–8). Offe adds that the attribution can assume a *negative* as well as *positive* status, by which is meant that the state can gain leverage by restricting as well as expanding the status; for example it could redefine in a restrictive, as opposed to expansive sense, the areas in which the organization may operate (Offe, 1981: 138). We should, however, be wary of accepting that actions in either direction constitute at face value increasing corporatization. As with Schmitter's position discussed above, the crucial question should be the *material affect on the relationship* between the organization and its members, rather than simply the accord with some formalized definition.

The importance of Offe's presentation, to repeat the point, is that it does indicate the kind of 'privileges' that public authorities can delegate to interest associations. And in so delegating, the organization becomes more dependent upon the state – or put another way less independent from it. In consequence the organization becomes, at least potentially, less dependent upon the membership it is supposed to represent. It should be noted that many analysts have moved away from Offe's position that the status should be based in public law to one that recognizes that it may come about by 'voluntary agreement'. Roger King used Offe's notion of public status in his study of Chambers of Commerce, where the Leeds Chamber was the principal focus. He pointed out how these once-presumed bastions of local business were extensively drawing their status from the public authorities. Perhaps most significantly he noted that around only one-third of Chambers' incomes came from membership subscriptions, while sources such as fees for supplying exporters with certificates of origin, for which Chambers have a monopoly from the Department of Trade and Industry, and public

funds for participation in the Youth Training Scheme (YTS) accounted for more. Without such sources of income it is assumed that many Chambers would cease to exist. The Chambers also enjoyed representational status and procedural status, but surprisingly maintained a high degree of autonomy in running their own internal affairs and displayed no ability to control their members on their own or anybody else's behalf (King, 1985). He also noted that the members of the Leeds Chamber were opposed to compulsory membership as this would increase the power of the association's permanent officials.

There is little doubt that ostensibly private associations have in recent years become to some degree enmeshed within state structures. In particular associations have been increasingly incorporated into the formal processes of authoritative decision making, sometimes to the point where they are afforded a veto over public policy proposals (see, for example, Streeck, 1983: 279–80). As well as their being drawn in, the state has pushed out certain functions to associations for which they usually receive some remuneration or access to resources. Moreover, the view tends to be that such 'realignment of the public-private boundaries' tends to occur in a pragmatic, piecemeal fashion, not as a result of some wider initiative of political design (Schmitter, 1985: 35–43). Further, such evidence as there is tends to indicate that those who become involved in these arrangements, even on a pragmatic basis, are not overwhelmed by enthusiasm for them. What is not clear is how widespread such developments are. Part of the problem is that in making any assessment of this, present evidence indicates that there is significant variation in its extent not only across national boundaries and sectors within these boundaries, but also within sectors depending on the issue involved (Streeck, 1983). Clearly further empirical research is required, although some studies have provided some details.

What is also presently uncertain is the overall significance of such developments when and where they do actually occur. Schmitter's suggestion on this count is important and, in many respects, holds a pivotal position in his definition. He states that associations are granted the privilege of representational monopoly 'in exchange for observing certain control on their selection of leaders and articulation of demands and supports'. It is fair to say that this part of the definition would now be extended to include those privileges or dimensions of status put forward by Offe. In effect the argument is simple, yet of major import. It is that the state grants privileges to interest associations in exchange for their reducing the scale of demands they make upon the state, and for selecting leaders who

are generally acceptable to the state authorities. There is some degree of assimilation of associational interests with those held by the state. Such assimilation could be the result of twin pressures. On the one hand the state would have a sanction to wield, namely withdrawal of privileges, in the face of non-conformity. But additionally the leadership of the associations would be somewhat insulated from the demands of members and have some increased identification with the interests of the state.

It must be added that the assimilation of associational interests with those of the state, whether by direct or indirect means, is not inevitable; the dependence of the association is only potential and has to be exploited or realized in practice. But as the example of Chambers of Commerce studied by King indicates, the potential influence the state gains, by affording interest associations political status, is not necessarily realized in practice in that the associations continued to enjoy considerable autonomy in their internal affairs. Having said that, a number of points need to be made. First, we have to recognize that the state may grant privileges for reasons other than gaining influence. Instead, the state could grant status to associations in return for providing a service. The relationship would be essentially economic, not political. Second, there is some evidence that in other spheres the state does translate potential into actual influence to purposively restrict the behaviour of the associations and its members (Streeck and Schmitter, 1985a). It should be stressed that, with certain exceptions, this is where corporatist investigation has failed to probe far enough, and has relied on the assumption that *potential influence is actual influence*.

A third, and related, point to note is that, while the state may not currently use its influence, this does not mean that it will not 'cash in' at some later stage. In other words, if one accepts a *developmental* perspective, there may be reached a stage or threshold at which point the association has become so dependent upon the state that the state can begin to overtly direct the association's activities even if this was not the original intention of affording political status to the association. What may presently appear a benign situation may not continue to be so if a particular conflict arises which brings the question of available resources to the fore. It is important to recognize that such a change in the relationship is likely to be gradual. Fourth, such dependence upon the state resulting from the acquisition of political status need not necessarily result in overt incidents of influence by the state. For example, if the leadership of the association are aware that a considerable slice of the association's income comes from the state, or that the association's position as the dominant voice for their sector is due to the

privileged access they have to the relevant department, then it is not unlikely that they will tone down their criticisms of state agencies and governments without directly being asked to do so. This *anticipatory* power (Connolly, 1983) will, of course, be very difficult to identify and then measure, but its importance would be immense for all that. Streeck, for example, notes that the corporatisation of West German unions limits the scope of actions they can contemplate because they are detached from the members (Streeck, 1982: 76).

To summarize, and to draw together the above discussion: Schmitter's definition of corporatism presents a number of attributes held by organized interests under corporatism. At the centre of the definition is the idea of the state *licensing* organized interests, which affords some measure of influence over their behaviour, in return for publicly sanctioned monopoly. The licence, using the term in a rather informal and loose sense, will be constituted by a number of publicly supplied attributes and resources. The representation of members' interests is therefore constrained or distorted as a result of this and, because of the internal structuring of interest associations, the members are unable within the association to remove these constraints upon the representation of their interests.

Corporatist interest associations: where does the power lie?

What should be clear from the above discussion is that for there to be a distortion there has to be a dynamic interrelationship between the various factors or traits contained in Schmitter's formal definition, *and* that the interrelationship has to be of a certain form. For example, an association enjoying a monopoly of representation and compulsory membership can act as a constraint upon the membership to register dissent about the leaders' activities. But equally monopoly and compulsory membership can place that interest in a strong position to make demands on the state authorities. As Nedelmann and Meier point out: 'Neither fluidity nor stability in the structure of associational representation and pressure has an immediate and predictable implication for the power base necessary to determine the actions of the state' (Nedelmann and Meier, 1979: 97).

The crucial issue in any consideration of the traits and their significance in where power lies (Cohen and Pavancello, 1987) within the association; that is, is the association both formally and *informally* hierarchical? Schmitter's definition, and variations upon it, are really rather like a child's drawing book which supplies all the dots, but which have to be joined together to provide a picture. The problem is that the definition by itself does not really supply

any indication of what should be joined to what to allow for the picture to be drawn. On top of this, certain components appear to be of greater significance than others, so that certain lines are essential while others are possibly of only residual significance. In short, the Schmitter definition presents a series of static institutional traits, but does not capture the dynamic processes of power and influence that are held to be associated with such structures (Nedelmann and Meier, 1979: 93–105). Schmitter's definition, being an ideal type, supplies us with a series of variables which can be mixed in various combinations of corporatism, but which could be compatible with a range of quite distinctive triangular power relationships between association members, their leaders and the state. This uncertainty is made all the more acute because the terms employed are underdefined. We do not, to take one example, know the extent to which the state 'controls the articulation of interests'.

While the discussion may be taken to suggest a critical perspective on Schmitter's definition, the essential point is that his definition raises many important questions without necessarily elaborating any definite answers. To be fair, such a claim to provide answers was never made, but this has not prevented corporatist institutional traits being associated with a variety of relationships between associations, their members and the state which has contributed to serious confusion concerning where the conceptual heart of corporatism actually lies. In particular, there has been a tendency on the part of many writers either to assume that one or more corporatist institutional traits are of intrinsic interest in themselves, or that these traits are inevitably associated with a particular form of relationship when further analysis is needed to support such claims. Thus corporatist discussions of interest association have fallen between the two stools of empirical institutional developments and propositions regarding the nature of associations without the two satisfactorily meeting in the middle. Instead, it would have been better if the empirical and theoretical aspects of the investigation had been kept more precisely separated. As I have pointed out elsewhere, it is open to doubt how far institutional features of themselves provide an adequate basis for a model of corporatism without some clear reference to the power relationship involved (Williamson, 1985: 148–51). We will consider in the final two chapters where this leaves corporatism, and how we may be able to proceed to develop and tighten up the model. For one thing, this cannot be properly contemplated until we have examined in more detail the state, which forms one of the three pillars of the corporatist edifice along with interest associations and members.

The limits of corporatism: corporatist associations and the politics of production

While the development of corporatism conceptually and theoretically has been closely linked with the institutional structure of interest associations, attention has also been given to examining the differences between interest associations. Alan Cawson, along with Peter Saunders, has made a major contribution to the study of what they term *corporate groups* and other interest associations, or *competitive groups*. 'Corporate groups are defined by their location in the social and economic division of labour; their identity is given by the function that their members perform in society and the economy' (Cawson, 1982: 38). Competitive groups, on the other hand, are based on the aggregate of individual preferences. Cawson is therefore arguing that the mode of representation is dependent upon the type (producer, allocator) and target of intervention (function, individual). He adds that where the targets of intervention are 'interests constituted on the basis of their socio-economic function', as occurs with economic and welfare policies, 'the intervention has to be purposive-rational, that is, justified in terms of effective results rather than legitimate procedures' (Cawson, 1983: 179). This has important consequences for the power of corporate groups,

for the functional group the membership takes its interests from the function, and the power of the functional group in part derives from what are the objectives of state policy. Interventionist policies require the cooperation, if not collaboration, of functional groups, and this fact alone helps to explain some of their power. (Cawson, 1983: 181)

Corporate groups, therefore, pose a potential threat to the realization of the state's objectives.

The other important aspect of corporate groups is that, being made up of producers, they represent *class interests*. Representing class is not, however, the only basis upon which corporate groups form. *Social closure*, to give interest organizations a representative monopoly which will afford that organization power to wield in return for cooperating with state policy, can also take place round *skills* (Cawson, 1986: 37–8). In other words, having a monopoly over access to skills, say as exercised by a profession, which restricts their supply, can be used as a source of power just like withdrawals of labour or capital to influence state policy (see Chapter 8).

This distinction drawn by Cawson between corporate groups and other interest associations leads to the conclusion that corporatism as a mode of representation is essentially restricted to those associations representing producers (Cawson, 1983: 182). It also points to the important source of power these groups have, which

emanates from their crucial role in the achievement of the objectives of state policy. This in itself helps to focus on the central issue of whether there exist important conflicts between the interests of corporate groups and the interests encompassed in the state, given that the state is not in a position to override producers as it could with consumers. Instead, the state has to negotiate with producer associations to ensure their members' cooperation with interventionist policies and their objectives. The need to negotiate suggests why the state authorities may seek to restructure the relationship between itself and associations and their members. As Offe has very neatly argued, organized interests under the more open pluralism of the 1950s increasingly made political and economic demands upon the public authorities which, while not contradictory, stood in conflict with *systemic requirements*. Given that organized interests could not be excluded from the policy making process without the state completely abandoning certain policy objectives, the system of representation had to be redesigned so that interest associations cooperated with systemic requirements and avoided the pursuit of 'selfish', particularistic demands (Offe, 1981: 128-33).

Interest associations: organizational and socio-economic aspects

Two other aspects of interest associations not normally associated with pluralist analysis have also commanded attention in corporatist deliberations, namely the organizational and socio-economic levels of analysis, in addition to that of the individual level (Offe, 1981: 123-4). Indeed, the exclusion of such levels of analysis leaves the institutional basis of the corporatist model rather threadbare. Approaching interest associations at the organizational level of analysis has led many corporatist writers to consider how far the interests pursued by associations are determined by the individual members, and how far the organization, through its leaders, actually determines the interests espoused. This relates back to our discussion of the non-competitive nature of associations under corporatism. Under such circumstances the individual is faced with a limited channel of structures through which he/she can pursue his/her interests and, crucially, is not in a position with others to readily re-shape the organizational landscape. In other words, there are significant limits to the extent to which individuals can *redefine* their interests. Instead, the process of identification of interests has been taken out of their hands and placed with or assumed by state-sponsored associations such that they are to some extent 'given'

interests as opposed to espousing them. As Berger puts it: 'the state moulds interests by attributing public resources and powers to particular groups' (Berger, 1981b: 15).

The argument here is not to suggest that individuals are pushed into organizations with which they have no interest in common. Rather, it implies that the general interest held by the individual is redefined on her/his behalf in a particular form; certain aspects of the interest are excluded through a filtering process. Indeed, the process may possibly go a crucial stage further. Given the importance of the organization in espousing the interests of a particular section of society, the association can come to be influential in the determination of the members' interests rather than the other way round: Groups 'no longer merely reflect or represent interests, but are part of the process of forming them' (Cawson, 1986: 12). This is in fact a central aspect of the corporatists' treatment which emphasizes the importance of organizational factors in interest formation:

Contrary to their dominant image as 'voluntary organizations', they [interest associations] are much more than passive recipients of preferences put forward by their constituents and clients. Empirical observations of neo-corporatist practice, as well as theoretical reasoning, show that organized group interests are not given but emerge as a result of a multi-faceted interaction between social and organizational structure – whereby the substance of the collective interest depends at least as much on how it is organized, as does the structure of the organization on the interest it is to represent. This interactive relationship is only partly described as one of organizational goal formation; at the same time, it is one of collective identity formation shaped and constrained by established licensed, oligopolistic (or even monopolistic) organizational structures. Oligarchic staff interests are undoubtedly one of the factors that affect the outcome, but more important seem to be the properties of the association as such – its domain, structure, resources – which determine the institutional context within which group interests and identities are defined and continuously revised. (Streck and Schmitter, 1985b: 19)

This switch of attention from the *aggregation of individuals* to the *organization* as the crucial locus of interest formation is a central conceptual idea in corporatist theory. Yet it remains an idea that has sadly not been fully explored. The reason for this lies in the enormously difficult task of investigating the differences between 'subjective interests' or espoused preferences and 'objective interests' of associational members. In particular, what requires further consideration is the extent to which interest organizations promote interests that accord with those of the state (see Chapter 6), or whether they pursue their own organizational interests for resources, prestige, stability and so on, at 'the expense of' the

members. Nevertheless, theoretically it is an important line of enquiry which draws upon ideas that were central to the community power debate (Lukes, 1979) of an earlier era, and which may hopefully in the future provide insights into how far the process of forming and articulating individual interests is constrained by the existence of modern bureaucratic and state-licensed interest associations which are supposed to represent effectively the aggregate interests of the members.

The other level for studying interest groups which corporatists have drawn upon has been that of the socio-economic system. Many corporatist writers have clearly been influenced by the ideas of Marxist analysis, but few adhere to anything approaching a view that all political interests are reducible to class interests as determined by relations to production. However, many corporatists do concur with Marxists to the extent that they agree that there is a structurally based asymmetry between capital and labour in the process of production which is reflected in an unequal distribution of political power (Cawson, 1986: 8–12). The clearest and strongest statement regarding the importance of the social relations of class has come from Claus Offe. He argues that while corporatism affords capital and labour the same status, the two 'are inhibited to a greatly differing extent in their freedom to pursue their respective interests' and such institutionalization is 'specifically designed so as to impose much more far-reaching restrictions on labor than on capital' (Offe, 1981: 146). Corporatism gives a semblance of political parity to organizations of labour and capital, but because labour and capital organize according to different logics of collective action, where organization is vastly more important to the former than the latter, constraints on associational activity have a far greater impact on labour (Offe, 1981: 147–50; see also Offe and Wiesenthal, 1980). So corporatist arrangements have a 'class bias' (Offe, 1981: 153).

Offe's position certainly does not command universal support among contemporary corporatist theorists, in that they would not view it as inevitable that trade unions are *always the junior partner to organizations of capital*, even if they accept this is usually the case (Grant, 1985b: 24). This reflects the general corporatist premise that, while they see social relations as being formative of interests, the processes and organization of collective action do not operate exclusively on a class basis, even within the confines of production politics. First, in many instances *sectoral* divisions may be an important basis of action. To many there are serious theoretical difficulties in reducing the interests of class-based functional interest associations to class interests (Cawson, 1982: 53; Vickerstaff, 1985: 50) because class interests are divided vertically on a sectoral basis.

Capital (or management in the public sector) and labour 'may find a common sectoral interest more compelling as a motive for co-operation than their class differences are a reason for conflict' (Cawson, 1988b: 20–1; also Cawson, 1988a). This, in turn, may raise the issue of the extent to which corporatist arrangements organize production politics in such a way as to constrain class conflicts by making the sector or industry the locus of organization and hence power (Offe, 1984: 250). Certainly in corporatist ideology the view was that 'professional loyalties' should supersede class loyalties (Williamson, 1985: 34–8).

A second factor is that, in the area of welfare production, producers are in many instances composed of professionals who fit more readily into Weberian notions of status, than Marxist ones of class. More generally, many corporatist arrangements do not, in any case, always take a tripartite form – capital, labour and the state (Cawson, 1985b: 11). In the area of industrial policies, for example, the main participants to corporatist arrangements are often just organizations of capital and/or employers to the exclusion of those of labour. It is therefore difficult to relate these to class conflict, although this is not to say that class analysis cannot or has not been introduced into the study of such arrangements. A final problem hanging over a purely class-based approach to the study of organized interests has been the point that corporatism is widely acknowledged as creating a division or *dualism* between those interests granted privileged access and those excluded. This important division cuts across conventional class lines because parts of both capital and labour are excluded as well as included (Goldthorpe, 1984b: 329–35; Coates, 1984: 134; Crouch, 1982: 175; Offe, 1984: 159 and 291; and Schmitter, 1983: 43–4).

While class interests and class power have not been discounted as unimportant in corporatist analysis, because of the existence of other bases for interests to be organized upon, class interests hold a somewhat variable position of importance. Other organizational divisions of interests, as mentioned above, are regarded as having a similarly significant importance on the behaviour of organized interests at particular times and in particular spheres of corporatist politics. In general terms, given the more strongly Weberian leanings of the majority of corporatist writers, socio-economic class has been only one aspect considered as relevant to explaining the form and nature of the corporatist order. Nonetheless, compared to traditional pluralist analyses the view among corporatists is that organizations of labour have to be viewed as to some degree different in nature and overall influence to those of capital (Cawson, 1986: 13–15).

The key points raised by this chapter are that:

- The monopoly or near-monopoly position of interest associations is one of the most common traits associated with corporatism. But the existence of monopoly should not necessarily be taken to imply that the absence of competition results in the membership being placed in a relatively weaker position and that there is a reduction in the effectiveness with which their interests are articulated.
- The significance of monopoly associations has to be placed in the context of the basis of differentiation and the extent to which different interests within the association prevail.
- The supply of particular services and the performance of particular functions by interest associations may make membership for an individual or a corporate body a necessity. And that what is effectively compulsory membership can have major implications for the representation of members' interests by freeing associations from the pressure of losing members which can result from inadequately representing them.
- The formal hierarchical and specialized nature of the bureaucracies of modern interest associations, and the detachment of the membership from the association that this can produce.
- The need to look beyond the formal hierarchical nature of interest associations to determine other bases of power and to consider the basis of authority upon which associations apply sanctions to their members.
- The significance of the state supplying public status to interest associations, which effectively means that these associations are licensed by the state, which results in associations being less dependent on the membership and increasingly dependent upon the state.
- The necessity of distinguishing between the potential and actual influence afforded to the state by the increasing dependence upon it of interest associations.
- The present lack of knowledge as to the scale and extent to which interest associations receive publicly supplied status.
- The need for the state, when intervening into production,

to gain through negotiation the cooperation of producers, and the importance for the state of 'restructuring the negotiating relationship' so that it is not impeded in pursuing its principal objectives. This indicates that corporatist arrangements are more appropriate to the politics of production.

- The corporatist concerns with the organizational dimension of interest associations which can have important implications for the formation of interests.
- The corporatist concern that socio-economic factors create differences in the power basis of the organizations of capital and of labour.

The key points raised by this chapter are that:

- A key concern of the corporatist model is that interest associations take on a regulatory function on behalf of the public authorities.
- There is some uncertainty as to the differences between corporatism and pluralism in respect of the role associations can play in getting their members to comply with interventionist policies.
- There do not seem to be substantial grounds for completely excluding from the pluralist model some role for interest associations seeking to get compliance for intervention from their members, including the application of sanctions.
- The suggested basis of differentiating this regulatory role under pluralism and corporatism is that: under the former, sanctions can only be applied with the specific consent of the membership for each intervention; while, under the latter, the members consent more generally to the right of the association to apply sanctions even where there is no general support for particular interventions.
- This acceptance of the authority of the association under corporatism, even where there is no general support for interventions, is based on the recognition that regulation by the association is preferable to direct regulation by the state.
- Delegated regulation is preferred by the state because there are general limits to the efficacy of direct regulation, it protects its legitimacy and it precludes the need for imposition by the state with the resultant challenge to democratic norms.
- The acceptance by interest associations of delegated enforcement seems to lie in large measure with the perceived threat posed by direct state intervention. Thus a 'weak' state is unlikely to produce such arrangements.
- To act as delegated regulators, interest associations need to have universal jurisdiction, or something approaching it, and effective sanctions to ensure compliance, and these will almost inevitably need some form of state backing.
- Delegated regulatory powers are most evident in the regulation of marketing goods and services while, in the regulation of production, implementation is more likely to be shared among a variety of private and public agencies.

6

State Theory and Corporatism

This chapter discusses:

- The importance of the state as a central component of the corporatist model.
- The movement in corporatist theory away from the adoption of orthodox Marxist theories of the state.
- The significance attributed in corporatist theory to the state as a powerful entity in its own right, separate from democratic or class power.
- The movement within corporatist theory away from a theory of the state towards having theories of different parts of the state which can be more directly linked to empirical analysis.
- The dual-state thesis and the differences for the state of the politics of production and the politics of consumption.
- Theories of the state under corporatism which consider the institutional imperatives of the state.
- The extent to which present theorizing of the state under corporatism provides an adequate link between theoretical concerns and the requirements of empirical analysis.
- The argument that theories of the state under corporatism should seek to explain the fundamental conflict of interests that exist between the state's role in maintaining a particular social order and the economic – as opposed to political – behaviour of producers.

In the previous chapter, on intermediation, we noted the important point raised by Alan Cawson that, in effect, intermediation had to be considered by reference to the state. This is, indeed, true of the corporatist model in general. Since 1974 corporatism has been developed by direct reference to the role of the state. The state has been to the forefront as the main actor in the establishment and

sustenance of corporatist arrangements, but equally importantly as a participant in corporatist negotiations over policy. While there are many who would contest that the treatment of the state under corporatism has been guilty of reification – attributing motives and interests to a thing rather than to individuals – and presenting it as a monolithic entity with a single purpose (Cox, 1981), there is no doubt that there is a central and fundamental question concerning what part the state plays in corporatist arrangements and what forces lie behind this. Yet despite the importance attached to the concept of the state in corporatism, it is generally admitted that to date there has been a failure to develop a satisfactory theory of the state under corporatism, even though the state has occupied a central position in corporatist theory (Grant, 1982: 12–13; Cawson, 1985b: 6; Schmitter, 1985: 323; Williamson, 1985: 170–7; Williamson, 1987). In essence what ‘failure’ means in this context has been the absence of a *satisfactory link between a macro-theory of the nature of the state and state power, and theoretical propositions regarding state behaviour that can be employed and tested in empirical analysis*. Instead, by reference to a macro-theory of the state, corporatist writers have assumed or imputed a role for the state in the context of the specific analysis. With the increasing move of corporatist analysis towards studying concrete policy areas and interest associations, this position has come to be regarded as increasingly unsatisfactory.

It would be wrong to convey the impression that there has been no attempt to develop a theory of the state under corporatism. Shortly we will be discussing some important moves in this direction when we look at the works of Cawson, Schmitter and Offe. For one thing, any mention of ‘failings’ has to be placed against the backdrop of the severe difficulties involved in developing a middle-range theory of the state, which probably constitutes one of the major challenges in contemporary social science. We saw in Chapter 1 that corporatist theory is undergoing a process of development. To expect complete answers at this stage would be premature. That said, however, there is no getting away from the feeling that in overall terms the effort put into this challenge by corporatist writers has not been all that it might have been (Birnbaum, 1982: 481–4). In particular, the number of corporatist theorists who have seriously addressed the state has been disappointingly small. While it would be wrong to accept that without a theory the whole validity of the corporatist model is open to doubt, it remains legitimate to warn that this ‘missing link’ does present serious problems in making any overall assessment of the significance of corporatism, whether in general or in specific cases.

Certainly there can be no grounds for complacency, and any tendency to behave as if raising the problem of state theory was on a par with resolving it (Grant, 1985b: 19–20) can only be regarded as inadequate. Students of corporatism can rightly expect more than either an invitation to use their imagination or to share the writer’s assumptions on this important component of the model.

Corporatism and the state

We saw in Chapter 3 that corporatists have focused on the *state*, as opposed to *government*, as the key public actor in interest group politics. (There is a certain irony in such a focus given that the move towards intermediation entails the state of sharing its formally exclusive powers (Schmitter, 1985: 33).) By implication this means that they hold the view that the wider state institutions such as the bureaucracy, public enterprises and law enforcement agencies, are not guided solely, if effectively at all, by the decisions of democratically elected governments. This stands in contrast to the position of pluralists. As we saw in Chapter 3 pluralists have excluded consideration of the state *qua* state and preferred to analyse government and other state institutions separately. Such a disposition to ignore the state has since been subject to challenge. The challenge came from two quarters, namely the Marxist and managerial perspectives, which contested the essentially abstentionist view taken by the pluralists over the state, and which sought to explain state power in other, non-democratic, terms. Interest in these perspectives has particularly grown since the early 1970s when there emerged a renewed interest in the concept of the state in political analysis. This was, of course, when corporatism itself was taking off. So not only have these perspectives played their part in the development of corporatist treatments of the state, corporatism has also informed these wider debates on the state.

There is little doubt that the Marxist perspective, fuelled by the extensive debate over the state passionately pursued by Marxists in the 1970s (particularly between instrumentalist approaches (Miliband, 1969) and structuralist ones (Poulantzas, 1969; also Laclau, 1975)) had the most explicitly immediate impact on corporatist attempts to tackle the state. But as the Marxist debate began to run into the sands, most notably because of its failure to link abstract theory to concrete empirical examples (Crouch, 1979; Offe, 1983), its appeal within corporatist writings notably declined. Thus the works of Leo Panitch (1979 and 1981) and John Westergaard (1977) soon evoked serious criticism for what was termed their ‘reductionist’ and ‘reified’ representations of the state (Cox, 1981:

92; Birnbaum, 1982: 483–4). In essence, such approaches imputed an interest to all state actions which, as an unchallengeable premise, was impossible to put to the test. In contrast a more sophisticated theoretical treatment of the state by Bob Jessop (Jessop, 1978, 1979; Cox, 1981: 93–5) was not so summarily dismissed, but the economic determinism of Marxist approaches remained a problem (Offe, 1983; Birnbaum, 1982: 486–8; Cawson, 1985b: 3). For corporatist theory with its empirical concerns there was particular difficulty in encompassing the notion that, whatever the sophistication of the theory, there was no state power or interests independent of class such that all political forces had to be reduced to class ones. Corporatists wished to be able to account for the democratic and bureaucratic aspects of the state, and not have them effectively subsumed under class power.

The result was not that corporatism shifted back to a pluralist position. Most corporatists, if to varying degrees, accepted that class power within the state, as outside it, was uneven. But corporatists also contended that the democratic aspects of the state, like the election of governments and the representation functions carried out by organized interests, should not be dismissed out of hand as mere façade or mystification. Moreover, corporatists were increasingly confronting the fact that the politics of organized interests did not consistently divide along class lines, but reflected other significant divisions within society. (This, it is worth noting, was a view increasingly shared within the strand of Marxism – Pierson, 1984.) Likewise, corporatist writers, under the influence of general work in this area, wished to account for what they saw as the bureaucratic power of the state that was independent of any societal interests (Bell, 1973; Nordingler, 1981; Skocpol, 1979, 1985).

Thus attempts to develop a theory of the state under corporatism fairly quickly dismissed attempts to wed orthodox Marxist macro-theories of the state on to the corporatist model. There was, nonetheless, an important legacy left by Marxist debates of the 1970s. While there was no wish to adhere to the view of *state power as class power*, the Marxist explanations of a non-neutral state were an important source of ideas. The structuralist perspective of Poulantzas (1982 – Orig. pub. 1969; 1980; see also Carnoy, 1984; Jessop, 1982; Laclau, 1975) pointed to the state having an *internal logic* shaped by political forces that were not neutral, but were a reflection of the balance of these political forces. The state was therefore, an arena where political conflicts were resolved. To simplify a clearly complex theoretical presentation, Poulantzas argued that these conflicts were not manifested on the surface but were embedded in the logic of non-directly observable structures

through which individual actions were pursued and constrained, and hence guided. The constitutional and organizational arrangements of the state act as a filter on the interests of state personnel towards those of the long-run interests of capitalism. This happens whatever the background and initial allegiances of state personnel. The state is not an *instrument of power*, but a *manifestation of power*; and state power was maintained by the ideological domination of the state over society (Poulantzas, 1982: parts iii and iv; also Carnoy, 1984: 98–104; Jessop, 1982: 181–91).

Likewise, other Marxist writers pointed to external constraints, as opposed to ‘internal’ structural ones, which operated upon the behaviour of state personnel that, again in a non-directly observable manner, limited their scope for choice; they were drawn towards choices which favoured certain interests. The external structural constraints upon the state that Marxists like Miliband (1977: 71–3; 1983: 30–4), O’Connor (1973) and others (Therborn, 1978) pointed to were those that were imposed upon state actions, through it having to ‘manage’ the capitalist economy to ensure adequate resources ‘for its own material needs’ while maintaining the legitimacy of the social order.

The contribution of Marxist theories to corporatism, instead of being a total theoretical answer, is nowadays the provision of a number of channels for investigation along with those from other sources. In any case, as mentioned above, corporatist treatments of the state have also sought, drawing upon managerial perspectives on the state, to encompass the bureaucratic power of the state. This view assigns major importance to the increasing institutional size and complexity of the modern liberal state, such that it is argued that it has become an organizationally powerful entity able to free itself of popular preferences or class power, and thereby pursue its own autonomous institutional interests as determined by state elites. Such a view differs from pluralist assessments of specific state institutions or agencies successfully pursuing their individual interests in competition with each other, because it focuses on the level of the state, not that of its constituent parts. Such ideas have without doubt had considerable appeal in corporatist theorizing, as they emphasize the state as an organizational level of analysis in its own right and place its institutional contingencies at the centre of explanations of the establishment and form of corporatist arrangements. Moreover, the perspective of *state autonomy* can be incorporated with the dual necessities for (neo-)corporatism that the state is neither too strong – not necessary because state can *impose* its interests – nor too weak – not feasible as the state has *no power* through which to pursue its ‘interests’ – (Birnbaum, 1982: 490–501)

through recourse to the notion that the autonomy is *relative* (Schmitter, 1985: 34). Indeed, the idea of the state being relatively autonomous fits in very neatly with the underlying logic of Schmitter's early, and influential, institutional model of corporatism. There he laid the variations in the nature and role of interest associations across Western European polities with similar economic and social structures at the door of the state's autonomy from socio-economic forces. So, variations were explained by reference to the independent organizational capacity of state agencies (Schmitter, 1979b: 90-3).

Informed by these various perspectives corporatist theorists – or at least some of them – have sought to develop a theory of the state under corporatism. It is important to emphasize that, while macro-theories of the state act as a source of propositions and hypotheses, there is no longer a searching for an *all-encompassing theory of the state* (Cawson, 1982: Ch. 4). Corporatism is now explicitly presented as a 'middle-range theory' and corporatist treatments of the state seek to explain particular aspects of the state by reference to more generalized theoretical concerns about the state and democracy. In this respect the scope of the agenda has been narrowed, and when we examine the various contributions below we should very firmly place them in the context of being *a part of state theory*, not *a theory of the state*. We shall now turn to one important approach to theorizing the state under corporatism: the dual-state (or dual politics) thesis developed by Alan Cawson and Peter Saunders. The thesis, while drawing upon the ideas of Marxist writers, most notably Miliband (1977), and having its origins in Marxist writings (O'Connor, 1973; Offe, 1975) is best regarded as representing a *radical Weberian perspective*.

The dual-state thesis

The central tenet of the dual-state thesis, to repeat an earlier argument, is that not all relations between the state and organized interests are inherently the same. The thesis suggests that the mode of representation is dependent upon the type (producer, allocator, etc.) and hence target (function and individual) of state intervention. Where the targets of intervention are 'interests constituted on the basis of their socio-economic function', as occurs in the sphere of economic management and welfare management, 'the intervention has to be purposive-rational, that is justified in terms of effective results rather than legitimate procedures' (Cawson, 1983: 179). Therefore, it follows that 'for the functional group the membership takes its interests from the function, and the power of

the functional group in part derives from what are the objectives of state policy. Interventionist policies require the cooperation, if not the collaboration, of functional groups, and this fact alone helps to explain some of their power' (Cawson, 1983: 181). In the case of intervention to influence production, therefore, the state is not in a position to impose its decisions with any degree of success, so it is necessary for it to enter into negotiations with producer groups and make concessions to them as a means to achieving an effective and 'implementable' form of intervention. In such instances the corporatist mode is appropriate.

To the pluralist such negotiations would be regarded as evidence of 'healthy checks' being placed upon any tendency to *pre-dominance* by the state or government. But for Cawson and Saunders the picture is different because producer organizations can be class-based and there is an in-built inequality in power between capital and labour. Corporatist decisions, therefore:

reflect the outcome of a bargaining process between corporate interests, which implies that each party is able to exercise some form of sanction. Power is thus neither pluralistically dispersed, nor concentrated, but polycentric within an overall hierarchy. The private economy cannot operate independently of the state, but the state cannot control private capital. The state intervenes to safeguard and protect capital accumulation, but it must legitimate its intervention to both capital and labour. (Cawson and Saunders, 1983: 16)

Therefore, it is in respect of corporatist bargaining relating to matters of production, which address wider value issues of private property and profitability, that Marxist class-inspired analysis has a part to play (Saunders, 1985: 150). It is important to note that class as a relationship to the means of production 'does not constitute the only structural basis upon which corporate groups form'. From a Weberian perspective 'social closure can take place around skills as well as property ownership so long as the control over validation is enforceable' (Cawson, 1986: 37-8 and 108-9; see also Parkin, 1979).

The dual-state thesis has the benefit of focusing corporatist analysis on *production politics*, and hence on those parts of the state involved in such intervention, including areas where welfare services are produced (Cawson, 1982; Harrison, 1984a) (see Chapter 8). (An interesting, and rather controversial, conclusion that Cawson and Saunders have drawn from this is that representation not concerned directly with production could well conform to something approximating to a theory of 'imperfect pluralism' (Cawson and Saunders, 1983: 26).) The thesis has, however, come in for criticism on a number of fronts, although much of this is not primarily to do with corporatist theory, but with the thesis as a

framework for studying local government. In particular, there have been doubts expressed regarding the extent to which different functions are allocated to different parts of the state apparatus as suggested by Cawson and Saunders, with the central state being involved in production/corporatist politics and the local state being the arena of consumption/pluralist politics (Sharpe, 1984; Paris, 1983). Such criticisms, whatever their validity, do, however, relate to the application of the thesis rather than to its underlying principles which may remain of value (Saunders, 1985: 150).

It is, however, worth outlining and exploring a number of the other points raised by these criticisms as they relate to the framework of analysis. The first of these is definitional. It is argued that areas of interventionist policies do not divide neatly into *production* and *consumption* ones. In short, the duality upon which the thesis is based does not accord with policy areas. For example, public health services involve the state not only in producing health care, but also in functions of allocating it for *consumption* and *legitimizing* the state to society (Rhodes, 1986: 14–15; Dunleavy, 1984: 71). There is no doubt that in instances of welfare provision, as opposed to economic policies, there is an absence of clear divisions of function, so that the thesis is not as straightforward as it might at first appear. But the criticisms ultimately ignore the central tenet of the thesis, namely that there is a qualitative difference in the dependency of state agencies upon producers to ensure some sort of effective intervention. Such differences in dependency are well acknowledged in studies of decision making in the UK's National Health Service, and indeed the institutionalization of this in decision making structures (Hunter, 1984; Klein, 1983).

A second and more telling challenge argues that the thesis ignores the role of ideas in shaping policy, particularly those espoused nationally by professions. The influence of these ideas in fact distorts what the thesis contends is the open nature of local politics resulting from the preponderance of consumption politics at this level (Dunleavy, 1981; Dunleavy, 1984: 76–8; Williamson and Stringer, 1982). This, however, is essentially a doubt surrounding the pluralist side of the duality, not the corporatist. There is nonetheless an important suggestion that in many areas *consumption politics could well take place within a framework laid down by production politics* (Cawson, 1986: 141–2). There is, as with the first point of criticism, an important need to address the interrelationships between production politics and consumption political processes. It is probably the case that corporatism does not always stand so clearly separated from other forms of organized interest politics.

A final area of doubt has been expressed by Rod Rhodes, namely that the thesis is a 'functionalist theory: that is, policy making is "explained" in terms of a set of predetermined functions of the state in capitalist society' (Rhodes, 1986: 16; also Dunleavy and O'Leary, 1987: 251–2). Although the dual-state thesis is not a theory as I understand it, Rhodes has pinpointed a key issue regarding the testability of any propositions developed from it. Likewise, Dunleavy challenges the theory in terms of its flow of causation starting with the imperatives or pressures on the state. Instead, he argues that the patterns of functional allocation are related to a 'broad-ranging social dualism' which creates two different ways in which people mobilize into politics which in turn generates institutional separation of functions (Dunleavy, 1984: 71–2). In other words, Dunleavy is arguing that the duality originates within society, not the state. This is as may be, although one would suspect that by now causation is more likely to be circular and reinforcing, but there is no indication from Dunleavy as to why this is relevant to analysis, because he does not elucidate whether this invalidates the notion of *differences in dependency* around which the thesis is built.

While the criticisms of Rhodes and Dunleavy regarding the theory may themselves be open to contention, they do highlight a serious problem with the thesis – its lack of hard propositions about *the conflict of interests embedded in production politics* that requires the state to negotiate cooperation with producers over the form of intervention. We have already seen that corporatist arrangements distort the representation of interests. The questions that inevitably follow from this are: what overall target or interests is the state aiming to pursue through such structures which it plays a principal role in establishing and maintaining?; and, given that there are negotiations over interventionist policies, how is the state able to overcome the conflicting interests it is faced with? In simple terms, what are the interests and power the state realized through corporatist structures which would not otherwise be achieved?

Cawson and Saunders have put forward a number of ideas as to the kind of constraints and opportunities which form the interests of the state. They suggest that in the area of production politics class politics plays a central part, and it is in this domain that the state will be subject most predominantly to the power of classes and their 'non-symmetrical effects'. Drawing on Miliband, they argue that 'the interests of capital can generally prevail in the sphere of the politics of production' because of 'the class backgrounds of state personnel, the power exerted by capitalist interests and the recognition by the state that capital accumulation must be safeguarded as a first priority' (Cawson and Saunders, 1983: 26). They could well

have added another factor that Miliband has more recently re-emphasized, the power of ideas over state personnel (Miliband, 1977: 70–2). Certainly such interests can conflict with the real or objective interests of labour, and also those of particular capitalist enterprises and sectors whose shorter-term interests may not be fully compatible with the wider health of the capitalist economy; for example, firms who seek to avoid the costs of training to the detriment of the economy's potential for growth.

But such a position falls short on two counts. One, it remains a general statement that does not translate readily into *specific propositions* about what the conflict between the state and producers might be in particular instances of an intervention into a sector or over a particular issue. Two, conflicts between particular interests of specific producers and the state (or government) as guardian of the general welfare are quite compatible with pluralist analysis. After all, even if one assumes that all governments wish a healthy economy because it secures their re-election, there are bound to be conflicts between its broad economic strategy and what individual producers want. This reflects Rhodes's functionalist criticisms. From the general statement that the state performs certain functions it is not possible to determine what in any circumstances this means for how state personnel behave, nor on the other hand to distinguish how state personnel carry out the performance of some other function attached to the state (maintaining its own legitimacy) or government (getting itself re-elected). Furthermore, the failure to identify in any particular instance the objective conflict of interests brought to the corporatist bargaining table, means that it is not possible to assess the play of power through such structures.

More recently Alan Cawson has addressed some of these outstanding issues posed by the place of the state in production politics. What he is fundamentally arguing is that the state and government should be conceptually distinguished. Governments seek to pursue their own policies and priorities, but government is only *part* of the wider *state system*. It is only *part* of the state system 'because within the structure there are actors and forms of organisation with distinct interests, amongst which are the preservation of the established patterns of hierarchy and control' (Cawson, 1986: 56). The state represents a particular form of power relations sanctioned by legitimacy. And the wider state system as a power relationship – rather than an instrument to be guided at will – acts as a constraint on governments. Government is constrained by the wider system of which it is a part. Drawing freely on Weber, Cawson presents the state as a system of bureaucratic organization where power rests not in the hands of politicians, business leaders, trade unionists or

whoever, but in the organization itself 'which has developed symbiotically – cause and effect – with the spread of capitalist rationality' (Cawson, 1986: 58). Power is exercised, to quote Weber, 'through the routines of administration' (quoted in Cawson, 1985a: 58).

To summarize the position: the state is an organization whose internal procedures, through which power is exercised, have been shaped by, and which maintain, the essentially capitalist and certainly hierarchical society in which the state historically has developed. How far forward this elaboration by Cawson takes us is hard to judge, but the separating out of government as part of the state system which has a unified interest is a valuable point of clarification. Before jumping to any conclusions, however, it is necessary to examine other views on the state into which Cawson's work is beginning to dovetail.

The institutional imperatives of the state: Schmitter and Offe

The dual-state thesis provides an invitation to examine the power relations between state and producers and to explore how corporatist structures mediate power (Cawson, 1985c: 224) such that the state can overcome the *problems of dependency upon producers*. Other corporatist writers have had a different focus. Instead, their attention is placed on the state establishing corporatist structures as a means of reconciling its own 'institutional requirements' or organizational interests (see below) with the behaviour of societal groupings. The emphasis is consequently more on the state as the *creator* of corporatist arrangements rather than a *participant* in them. This point will become clearer as we proceed. In general, such a treatment gives the impression that the state enjoys considerable autonomy from societal influences regarding its internal relations or arrangements, in that it has freedom to pursue particular strategies in line with its own institutional interests, while at the same time facing major constraints externally; the state appears as a unified organization facing severe pressures from its environment, made up largely of other organizations. The key question for theory is in what way the state responds to constraints placed upon its institutional role by outside organizations, and what problems this in turn generates. Two variations on this theme are provided by Philippe Schmitter and Claus Offe, who view the institutional imperatives of the state somewhat differently. We shall examine each in turn.

The state as an autonomous organization: the perspective of Philippe Schmitter

Schmitter's position very clearly emphasizes the *autonomous* nature of the state. In 1974 he did indeed argue in quasi-Marxist terms that 'the decay of pluralism and its gradual displacement by societal corporatism can be traced to the imperative of a stable, bourgeois-dominant regime' (Schmitter, 1979a: 24). But by 1977 he was adding the all-important rejoinder that, while 'economism-societalism may be appropriate'¹ for understanding the initiation of corporatist arrangements:

once the new collective actors begin to acquire resources and organizational properties of their own, and once the state has expanded the scope and volume of its policy interventions, the mode of interest intermediation may be moulded 'from within' . . . in relative independence from the conditions of civil society. (Schmitter, 1979b: 91)

Corporatist arrangements and the state itself can therefore be seen in isolation from wider social forces:

From this perspective, such arrangements cannot be seen as a deliberate act of state control over the expression of class or group interests – whether the state is interpreted as acting out of its institutional self-interest or as enforcing the general class interest of the bourgeoisie. Rather, this sort of compromise is possible only where some degree of balance exists in the organised expression of class forces, and where the organised expression of other interest cleavages in society . . . can be disregarded or set momentarily aside.

This does not necessitate a parity between capital and labour, but does require that the relevant 'interlocutors' are

in a situation of mutual deterrence, each sufficiently capable of organised collective action to prevent the other from realising its interests directly through social control and/or economic exploitation, and each sufficiently incapable of unilateral manipulation of public authority to impose its interests indirectly through the state (Schmitter, 1985: 36).

The state is not, therefore, confronted by overseeing class conflicts, or those derived from any other social cleavages, but by a balance of power among societal groupings which, if not reconciled to produce workable intervention, will produce inertia by cancelling each other out. It is faced with a form of *self-defeating pluralism* in the sense that mechanisms of self-regulation have broken down or are unworkable. Politics, and corporatist politics in particular, is about the regulation of interorganizational behaviour where organizational contingencies, rather than wider political and social issues, are the key variables:

Like their 'brethren' in state agencies, the motives of organisation leaders and administrators should be largely determined by the needs of the organisational context within which they operate and from which they draw most of their resources. At the centre of these are desires for organisational development, administrative stability and strategic autonomy. (Schmitter, 1985: 57)

Turning back specifically to the state the central concern becomes how the state responds to such self-defeating group behaviour and what motivates this response. From what has been said already, it is generally agreed by corporatists that the state is not in a position to directly *impose a solution on societal organizations*. But nor is it so weak that it cannot pursue an autonomous strategy (Cawson, 1985c: 225). The presentation of the state's position is, therefore, one of *relative autonomy*. Addressing the matter of relative autonomy Schmitter rightly points out that the underlying issue is 'whether the state has "interests" of its own' and the resources to make them prevail. This point, however, is perfunctorily re-interpreted to one of whether the state can design its own 'policy instrument' whereby it can choose the form of its 'interactions with social groups and can impose upon these groups the conception of its interests and mode of collective action it prefers'. This is where corporatism steps in as one form of structuring state-society relations (Schmitter, 1985: 35). In short, the state cannot *impose a solution* upon societal conflicts, but it can *introduce arrangements for their solution*.

The state, therefore, is presented as acting with some degree of autonomy in the establishment and operation of corporatist arrangements: 'State agents acquire the capacity to make an independent and significant contribution towards the negotiation of a more stable and institutionalised interest compromise and, at the same time, are empowered to extract some "public-regarding" concessions from the bargaining associations' (Schmitter, 1985: 36). Such relative autonomy is not behavioural, functional or tactical but is 'structural and grounded in the institutional arrangements of the state' (Schmitter, 1985: 36–7). Two fundamental questions raise themselves: what are the structural interests of the state?; and *how relative* is the 'relative' autonomy of the state?

In respect of the first Schmitter notes that '[s]tate interests are obviously difficult to distinguish from those of its principal agents – government and civil servants'; nevertheless he implies that both categories are aware of limits proposed on their actions by the interests of the state. These interests are – echoing other 'managerialist' perspectives (Skocpol, 1979, 1985; Evans, Rueschemeyer and Skocpol, 1985a) – external and internal order: 'gaining advantage within a highly competitive world system' or 'defending

its territorial integrity and international status' and maintaining its legitimate authority (Schmitter, 1985: 41–3).

Thus the state seeks to ensure that interest associations regulate themselves in a 'public regarding' manner which accords with its interests, in that it maintains its legitimacy by supporting its claim to *universality*. There are, however, two difficulties surrounding the position. First, the state is held to be an organization that has attributes which are somehow seen as significant, but which are also held by its organizational parts (that is, governments and civil servants are usually seriously concerned about their own legitimacy and can have their interests undermined by international forces), thus making it problematic to distinguish between state interests as something apart from the aggregation of the interests held by its constituent parts.

Second, it is difficult to understand the legitimacy of the state separated from democratic and socio-economic considerations. Corporatist arrangements can allow for effective intervention (that is intervention that is not self-defeating), but this of itself is not sufficient to ensure an adequate level of legitimacy if the public do not like the form of the intervention. The intervention has to accord with some notion of the public interest, but it is not clear from Schmitter's deliberations how this is identified and by whom. Does it reflect some democratic consensus, the interests of the most powerful economic interests or some other interests which the state encompasses? In other words, legitimacy, like power and influence, is not an end in itself, but a base for achieving a particular social order. Without any comprehension of what that social order comprises, it is impossible to assess what interests the state seeks to realize through corporatist arrangements and, therefore, what analytic questions corporatism raises. To be fair Schmitter's position is really that such matters can, in terms of understanding corporatism, be set aside. But the implications of such a position need to be elaborated before that can be fully accepted.

Schmitter's discussion of the state really focuses on a rather narrow aspect. The state enters into corporatist arrangements because it has an interest in securing effective intervention for fairly obvious if multifarious reasons, but it is difficult to believe that the self-defeating behaviour of organized interests is entirely the result of interorganizational inertia devoid of any socio-economic and politico-democratic causes. It is, therefore, hard to be convinced that corporatist arrangements do not confront, and exist to resolve, socio-economic and politico-democratic conflicts. Yet this is the enduring picture Schmitter and others who share his position leave.

The institutional contradictions of the state: the perspective of Claus Offe

Reference to such conflicts, particularly the former, is explicitly addressed in the treatment of the state by Claus Offe. Contrary to Schmitter, he argues that organized interests need to be studied along three dimensions; namely those of (a) individual societal actors; (b) the organization itself; and (c) the global social system (Offe, 1981: 123–4). From his perspective Offe comes to consider the fundamental characteristics of corporatist arrangements. He argues that while corporatism affords capital and labour the same status, the two 'are inhibited to a greatly differing extent in their freedom to pursue their respective interests' and such institutionalization is 'specifically designed so as to impose much more far-reaching restrictions on labour than on capital' (Offe, 1981: 146). Corporatism gives a semblance of political parity to organizations of labour and capital, but because labour and capital organize according to different logics of collective action, where organization is vastly more important to the former than the latter, constraints on associational activity have a far greater impact on labour (Offe, 1981: 147–50; also Offe and Wiesenthal, 1980). So corporatist arrangements have a 'class bias' (Offe, 1981: 153). While Offe places corporatism back in its social and political context, the actual role of the state remains somewhat ambiguously abstract. What he does propose is that the state establishes corporatist arrangements to secure the necessary 'effective' control over societal variables (Offe, 1981: 140–6). According to Offe the state intervenes through these arrangements for control to secure capital accumulation through '*commodification*'. Commodification, however, stands in contradiction with the state's function of legitimation which necessitates creating social relations increasingly in *non-commodified* forms such as the provision of welfare services² (Offe, 1984 and 1985).

It is these contradictory demands or functions that are the focus of Offe's treatment of the state, and indeed his sociology more generally. But it is open to debate as to how far such macro-considerations can be translated beyond a rather mechanistic view of the state as a system which functions to reconcile the demands of accumulation and legitimacy to overcome the institutional contradictions it consequently faces. Offe's presentation of the state's functions, in short, remains at the level of broad sociological analysis, and his principal concern is to explain the pressures or imperatives which lead the state to establish corporatist arrangements in general, not its part in the operation of specific instances of corporatism. This reflects Offe's underlying stance: the problem facing the capitalist state

does not concern the specific policies to be pursued in solving the difficulties thrown up by the process of accumulation but actually resides in

the prior creation and institutionalisation of general forms of policy-making and implementation that can reconcile its internal mode of operation with the successful performance of its functions on behalf of capital. (Jessop, 1982: 111–12; also Offe, 1974)

To some extent this may appear a legitimate, if restricted, view to take of the state under corporatism. Yet it does not appear realistic to discuss the existence and persistence of any set of structures completely detached from their operation in practice. Even on Offe's own terms of analysis such a narrow focus is somewhat limiting. He argues that tensions within corporatist systems could generate processes that will 'overcome' the 'inherent bias of corporatism' (Offe, 1981: 153–5). To follow through such a possibility, that is the transformation of corporatism, one would need to analyse the internal workings of such arrangements to understand what sort of responses these tensions produce.

State theory and corporatism: the missing link

The above discussion on state theory under corporatism cannot be commended for its positive outlook. With the best will in the world it has not been possible to avoid coming up against a number of prominent difficulties. The question to ask now is whether too much was expected of the theory, so that it was inevitable that it would not pass with flying colours. In other words, what is it reasonable to expect of state theory under corporatism? The answer to this, I suggest, is essentially two-fold. One side must be that theory must be able to provide an explanation of why the state establishes, enters into and sustains corporatist arrangements. Closely connected to this will be explanations as to why the state does not enter into, or withdraws from, corporatist arrangements. In general terms there is agreement among corporatist writers that the state engages in corporatist arrangements to gain a measure of 'control' over economic and social actors that it would otherwise not enjoy, by means of gaining 'control' over these actors' representative associations. The consequence of this 'control' is that interventionist policies reflect to a greater extent the interests encompassed by the state than they would without corporatist intermediation. But we need to advance beyond this and consider the other side: control for what?

In looking at the three principal attempts to theorize the state's position we have encountered three different perspectives on the state's 'interests', that is those constraints and opportunities grounded in the state's structures and environment that inform and guide the behaviour of state personnel. These were the maintenance

of the hierarchical social order (Cawson and Saunders); the maintenance of the state's legitimacy (Schmitter); and the reconciling of the contradictory institutional demands upon the state (Offe). In the case of Schmitter's presentation we questioned whether such interests were not equally applicable to its parts, making the state as the focus of analysis problematic. In the other two examples it was possible to see a wider state interest which effectively placed constraints upon what governments could do. All three perspectives – at least by implication – hold that there are limits to the fundamental democratic nature of the state, in that there is an absence of popular interests being introduced into interventionist policies by elected governments. Where elected officials are involved in corporatist arrangements, they are not willing or able to pursue popular interests. It is not necessarily argued that popular interests and democratic norms are absent from the state *per se*, and, therefore, all that the state does is undemocratic and that elections are totally without influence. In effect, while the discussion may be about the state as a totality, what is really of concern is those parts of the state that are involved in intervention into production. (This is made quite explicit in the dual-state thesis, and seems implicit in the other two presentations.)

The state, therefore, is not a unified structure, but a fragmented system consisting of differentiated structures performing different functions and operating under different imperatives or pressures. This differentiation produces conflicts and contradictions within the state system. The question, as a result, becomes not whether there is a 'state interest' but whether there is a 'state interest in the area of production' which is central to corporatist arrangements (Cawson, 1985c: 226). All three presentations provide a general proposition on this point. These general propositions bring us on to the central core of the second side of theorizing the state under corporatism.

From the general proposition it is necessary to move forward and be able to explain how in particular instances corporatist arrangements allow the state interests³ peculiar to production to prevail in the face of latent or potential or actual conflict with the objective interests of producers. This is necessary for one of two possible reasons. If it is an integral part of any definition of corporatist arrangements that the state is afforded control or influence that allows it to overcome the otherwise prevailing balance of influence around intervention, then it is necessary to demonstrate that the balance actually is overturned. If it is not so demonstrated then, *by definition*, it remains open to question whether what appears a corporatist arrangement is one. In the light of the doubts about the difference between corporatism and pluralism, providing such

evidence is of fundamental importance, otherwise any close bargaining relationship between associations and the state could be labelled 'corporatist'. It should be added that even where there is evidence of the state 'licensing' associations to make them, and consequently their members, more dependent upon the state, this cannot of itself be taken to be conclusive proof. The reason for this is as we saw in Chapter 4, that licensing only affords *potential* influence. We need to see that influence prevail.

There is a second, related, reason for finding specific evidence of the state prevailing in the manner suggested. If it does not, we then have to assume that all corporatist arrangements are equally effective for the state's purposes. Such an assumption is obviously unrealistic. Indeed, corporatists argue that the arrangements do not display such stability. In fact, the result would be that corporatist analysis would be restricted to a rather static examination of the existence of these arrangements to the exclusion of any consideration of the dynamic conflicts and contradictions within such arrangements. As Schmitter himself has noted, such 'dynamic' considerations are central to corporatist concerns (Schmitter, 1985: 62).

To summarize the above discussion: it has been argued that to address the theoretical questions corporatism has set for itself, and to give corporatism a distinctive conceptual meaning, it is necessary for state theory under corporatism to advance beyond the general – and essentially functionalist – propositions on the state and production politics to propositions that in any given situation of corporatist arrangements can explain the nature of the relationships involved. This is not a point that corporatist theory has caught up with yet. State theory remains a crucial *missing link* in empirical analysis guided by corporatism. In defence of the present inability of the corporatist model to explain the behaviour of the state in specific areas of production politics it is, of course, correct to argue that theory cannot simply be developed out of deductions from general propositions, but has to draw upon actual observation of behaviour. Such evidence is only now coming on stream in sufficient quantity. This is a valid enough defence, so long as present empirical observations are directed by the general propositions and do not entail some simple accumulation of data. Before proceeding to address how far this is happening (see Chapter 9), it is necessary to outline briefly what will be entailed in this development of the theory.

The development of state theory under corporatism

What corporatist theory has to consider against the background of general propositions on the state in production politics is the role of

the state in determining interventionist policies – a position fully recognized by corporatist writers (Cawson, 1985c: 223; Grant, 1985b: 12–14; Streeck and Schmitter, 1985c: viii). It hardly needs repeating that the role of the state is not an exclusive one, and that responsibility for policy formulation is shared with producers' associations because of the influence their members can wield over the efficacy of intervention. Beyond this, however, is the corporatist view that, despite their potential influence, under corporatism the associations are not exclusively representative in their behaviour. Instead, they make concessions, consciously or not, to the demands of a wider system, and that this involves them in not utilizing, or not being able to utilize, their immediate capacity to make demands upon the state. Evidently the state, through its agents, has a role in defining and meeting the needs of the wider system under its own imperatives.

It should, however, be emphasized that the system should not be viewed as the corporatist arrangements themselves. This has been, nonetheless, the stance adopted more recently by Schmitter along with Streeck. They argue that 'actors may avoid the temptation to exploit momentary advantage to the maximum' because the complexity of interdependencies makes such a strategy too precarious as other associations will begin to drop self-restraint. As unrestrained competition takes over the resultant breakdown will affect all, including those who initially sought to gain advantage (Streeck and Schmitter, 1985c: 17). Such a view leaves some important issues outstanding. In the first place, notions of associations having a vested interest in maintaining negotiating structures or following procedural norms that check their influence over the outcomes of bargains are already developed in the pluralist literature (Heisler with Kvavik, 1974: 54–8; Jordan and Richardson, 1981). Pluralism has consistently emphasized ideas of socialization and adherence to certain norms – the integrative functions of political institutions – as a means of reconciling tensions between potentially unlimited preferences and the limited capacity of the systems to deliver (Easton, 1965). Pluralism is not presented as, nor argues the case for, the rampant pursuit of particularistic demands over all else. Secondly, such behaviour by associations does not accord with a distortion of representation, but reflects a strategy that avoids 'contestation' for the sake of longer-term benefits over any short-term gains. The role of the state – and one could just as easily talk about government and bureaucracy in this context – is to ensure that everyone takes a longer-term perspective, *for their own good*. The state's role becomes no more than that of acting as a coordinator to facilitate bringing the behaviour of organized interests into line with their long-term interests.

If the talk of corporatists is of 'distorting representation' and 'state

control', there has to be a more fundamental role for the state that sees it overcoming a fundamental challenge to its interests from certain quarters; it has to be more than some chaperon getting everyone to be sensible. More appealing on these grounds is the position adopted by Cawson and Saunders and Offe, that the behaviour of producers will conflict with the state's function in maintaining healthy capital accumulation (in neo-Marxist terms) or a particular social stratification (in neo-Weberian terms). Following this line of argument it can be said that the state in the area of production has an institutional logic (Alford and Friedland, 1985: 428) made up of legal rules, explicit norms and implicit premises, supportive of the process of capital accumulation or continued domination of an elite. In both cases, and it is possible to consider some sort of synthesis (Miliband, 1969), the behaviour of producers can present a fundamental challenge to such structural interests embodied in the logic. This challenge does not result from any direct attempt to change or even overthrow the existing social order; quite the reverse. Corporatism can only effectively exist where there is no overt conflict over social organization, that is where labour has accepted or been assimilated into the politics of class compromise (Przeworski and Wallerstein, 1982; Przeworski, 1985). Indeed, many corporatist writers argue that corporatist arrangements may help to sustain, at least for the time being, such a state of affairs by affording organized labour better material conditions than are currently obtainable under more overtly conflictual strategies (Crouch, 1985a; Cameron, 1984). Even within the confines of class compromise there are, nonetheless, a variety of conflicts over production politics that threaten intervention compatible with an economy which will sustain the existing social order.

In short, the role of the state under corporatism can most fruitfully be seen as one which seeks to reconcile the tensions and contradictions between the production sector of the economy and the interests embodied in the logic of those parts of the state responsible for intervention. Liberal democratic states are continuously engaged in attempts to re-structure their economies in a different form to that which producers, left to themselves, would create. The state, therefore, is involved in trying to change the behaviour of producers. And this statement applies equally to states under so-called neo-liberal governments like the Thatcher administration in Britain (Bonnett, 1985; Stringer and Williamson, 1987) where considerable intervention, admittedly of a quasi-market nature, has been pursued at the sectoral level and that of the firm. Whatever the form of intervention, however, the underlying feature of it is that, in seeking to change the behaviour of

producers, the state can bring itself into conflict with producers, and this threatens the general thrust of its economic intentions. Failure to pursue its overall economic strategy, because of conflicts generated with producers, threatens the continued successful operation of the economy, and with it the legitimacy of the existing social order.

It is worth listing the kinds of conflicts which the state can become embroiled in. Some of these conflicts will emerge directly as a result of attempts to intervene; others will emerge from the free play of producers creating or threatening situations which draw the state to intervention. First, there may be material conflicts between capital and labour; for example rationalization plans under industrial policies that result in redundancies is a case where the state often gets sucked in. Second, there may be instances where the economic strategy the state authorities are pursuing impinges upon the material interests of specific categories of labour who are in a position to take effective defensive action. An instance of this would be workers who are in a strong market position while an income policy that is generally accepted by the workforce is in force. In such situations employers may want to exceed the norms of the policy for reasons of industrial peace, improved productivity and recruitment. In other words the conflict is not directly between capital and labour, but between the state and labour, generated out of the logic of state intervention. Third, such intervention, while following a logic supportive of capital, will conflict with the interests of individual enterprises and sectors in that, for reasons of individual profitability, they will tend to seek to maximize the benefits and minimize the costs of intervention to themselves, whatever the requirements of the national economy. Fourth, intervention by a state that has democratic and bureaucratic aspects may tend to make private capital wary of it, and therefore capital may strive for autonomy from the state even when intervention follows a capitalist logic. (This, as Wyn Grant points out, is especially the case in Britain.) Finally, corporatist structures will also have to resolve conflicts internal to the state. State institutions do not constitute a unity, but perform different functions and operate according to different logics. These different parts will not entirely be insulated from each other. Most notably those parts of the state involved in intervention into production will potentially be open to the conflicting demands from the democratic aspects of the state for the state to intervene according to democratic and popular norms. One would expect, and there is much evidence for this, that attempts will be made to insulate corporatist structures from such democratic pressures.

It is suggested that such conflicts should form the basis of analysis of the state under corporatism. Behind such an approach of focusing on conflict between the state and producers must be a proposition that such conflict extends beyond the needs of democratically elected governments to have a healthy economy for reasons of their legitimacy and re-election, to conflicts of a more fundamental nature. The conflicts relate to the maintenance of a social order against socio-economic – as opposed to political – pressures inimical to it.

Conclusion

In this chapter we have confronted the most problematic and unsatisfactory aspect of corporatist theory. Yet despite all the difficulties the state has to be an essential component of the corporatist model; and this component has to entail more than a preference to use the term 'state' instead of 'government'. The nature of the state, and the way it is theorized, has to provide different propositions to the imperatives under which the state intervenes from those implied in pluralist theory. In other words, the state has to be seen in non-democratic terms, a position that distinguishes it from pluralist treatments. It should be added that such a perspective does not assume that the state in all its various parts is non-democratic; the corporatist concern is only with those parts that intervene into production. Nor is this an esoteric line of development forced upon corporatism; it is one that can draw on a long tradition of elitist/managerial and Marxist analyses of the liberal democratic state. A number of corporatists, as we have seen, have drawn of these traditions and suggested that the nature of the state is different, but none have yet sought to take this forward to a position of having propositions that can be effectively employed and tested in concrete corporatist analysis. This is, to repeat a point, not an easy task. The whole issue is highly complex and demanding. What has been suggested is that the most fruitful line to pursue is to focus on the *fundamental* conflicts that exist between the state and producers, and how corporatist structures resolve these conflicts. The state has to be placed in a strategic position determined by its own internal structural logic and the constraints which impinge upon it. Without such a strategic perspective, not just the place of the state, but the corporatist model *in toto*, becomes uncertain. Whatever the tentative quality of initial attempts to place the state in such a strategic position, it will provide a central question or *explanandum* (fact to be explained) to corporatist analysis which is usually absent.

We have not finished with the state. For one thing the issues

raised here require to be considered in the final two chapters, both to integrate the state with the other elements of the corporatist model and because the presentation here raises some broader questions about corporatism and democracy. Given that we have faced a serious absence of consensus and certainty surrounding the fundamentals, as opposed to the details, of this aspect of the model, we have had to pursue a more independent line on the state. This also merits some further elaboration – some might say justification – as well. Moreover, in Chapter 8 we will consider corporatism and the production of welfare, which inevitably will bring us back to the nature and role of the state. In the next chapter, however, we turn attention to the different 'levels' at which corporatism can exist at. Even here we will not escape the question of the state for, as Alan Cawson notes, '[c]ontradictions in the welfare state . . . have led to a fragmentation in the system of state power, and increasingly a shift from macro- to meso- and micro-levels in the determination of economic and social policies' (Cawson, 1986: 66–7).

The key points raised by this chapter are that:

- The state forms a central component of the corporatist model, but its theoretical position remains underdeveloped.
- Corporatist theories of the state are informed by some of the ideas of Marxist and managerial perspectives on the state. In particular, the theory has drawn upon the ideas of the state having an internal structural logic, being constrained by dominant social forces and being an autonomous organizational entity in its own right.
- Through the dual-thesis corporatist theories of the state have focused upon politics of production as being the area where corporatist modes of representation and intervention exist.
- Corporatist theorists seek to move away from macro-theories of the state to a position which can explain different parts of the state system, especially the part concerned with intervention into production.
- Corporatist writers, while adopting a position that questions the democratic nature of the state in relation to corporatism, do not contend that other parts of the state are necessarily

undemocratic or that democratic and electoral politics are irrelevant.

- Governments are regarded as being constrained in their intentions and actions by the constraints imposed upon them by the broader state system.
- The interests of the state central to corporatism are held to be based upon its role in maintaining the existing social order and in defending its own legitimacy, although the two, with exception of Schmitter, are regarded as interdependent.
- Corporatist theories of the state have not yet been able to move beyond general notions of 'state interests' or imperatives under which it operates to propositions about the specific interests it brings to bear to actual instances of intervention. It is, therefore, difficult to make links between general theoretical views of the state and concrete empirical cases.
- (Related to the above point) corporatist theory provides a clearer explanation of why the state enters into corporatist arrangements – to gain a measure of influence over the behaviour of economic actors through their interest associations – than to how the state behaves under corporatism – to what ends it used such influence. Such failure to explain this opens up problems in identifying corporatism as distinction from any other system of close bargaining relationships between the state and organized interests.
- The further development of corporatist theory will require, assisted by empirical data, to formulate propositions about the fundamental economic conflicts between the state's interests and producers, and how corporatist arrangements mediate such conflict.

Notes

1. I understand 'economism–societalism' to mean – in this context at least – simply *socio-economic variables*.
2. 'Commodification' refers to the process whereby social relations are created in the commodity form. That is, it is the process that allows for capital to realize surplus labour value through exchanging its goods in the market. Without the creation and sustenance of the commodity form there cannot be capital accumulation. To Offe, the process of commodification which is necessary for accumulation stands

in contradiction to welfare and other market-compensating interventions which are necessary for legitimizing capitalist society because they take a non-commodity form, thereby reducing the scope for capital accumulation. Capitalism needs both, but they stand in contradiction (in the Marxist sense) to each other, leading to crises.

3. It is not strictly correct to say that, as an abstraction, 'the state has interests'. For the same reason, neither is it correct to say 'the state acts'. It is *state actors* who hold interests and who act. For reasons of brevity of presentation I have at times been guilty of reification. Hopefully, it will be evident from the wider discussion the more precise meaning entailed in the convenient shorthand resorted to at various points.