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Why Corporatism?

Introduction

In the last fifteen years the concept of corporatism has made a dramatic impact on the field of political studies. It not only revitalised the topic of interest group studies, which had been in the doldrums after some energetic theory building by American scholars in the late 1950s, but also has had a significant impact on a much wider area. Scholars have used the notion of corporatism[1] to explore politics in countries as far apart geographically and politically as Brazil and Britain, the Soviet Union and the United States, Australia and Rumania.[2] Political studies are perhaps no more prone than other branches of knowledge to fads and fashions, but it is certainly true that 'corporatism', like 'pluralism', 'Marxism', 'democracy', and so on, has been used rather loosely to refer to somewhat different things.

The attention given to corporatism in the last ten years has been remarkable, and if nothing else indicates the dissatisfaction of scholars with the conceptual tools available to make sense of what they observe around them.[3] Although it may be premature it is worth beginning this essay on the theory of corporatism by asking what it was that it was seeking to replace. Is it possible to identify a dominant orthodoxy or paradigm that outlived its usefulness, so that we may speak of a theoretical shift and define exactly what it is that has shifted? I think that even at this early stage it is possible to do this, even though the conclusions must remain tentative.

Competing paradigms

Many writers on corporatism follow Schmitter's early lead in identifying pluralism as the orthodoxy or paradigm that is being challenged. As

one might expect from writing with a polemical as well as a serious analytical purpose, the lines of battle are sometimes confused, and the strength of the enemy misrepresented for the purposes of propaganda. Recent counter-attacks have accused corporatists of erecting a straw man, and of claiming as their own parts of the territory belonging to the opposition. Corporatists contend that pluralists fail to understand existing political processes; pluralists contend that corporatists fail to understand pluralism, and in particular its capacity for adjustment to comprehend new developments, without, many of them say, the need for a new theory or a new term.

Pluralism has been under attack before, from a number of directions. In the early 1960s a broadside was mounted against the pluralist idea of power as goal-directed action observable in decisions, with the claim that non-decisions and institutional routines filter out many demands before they can be acted upon, or even put. The pluralist approach celebrated the observable democratic tip of a very undemocratic iceberg. As the skirmishes proceeded, it became clear that the issues were not really fundamental disagreements about the nature of social science, such as were to surface later, but ideological disagreements between 'orthodox' and 'radical' positions. Pluralism proved its elasticity as a theoretical approach by simply absorbing the idea of non-decisions into its category of decisions: the first decision on the public agenda is what decisions should be on the agenda, and this is studied using the same methods as are applied to the study of all other decisions. One of the reasons why such an elegant and disarming solution was possible was that pluralist concepts relied exclusively on observable phenomena and this made research easier. The research output of the rival 'neo-elitist' school was tiny and largely forgettable.

A much more important battle was fought over the concepts, forms and method of political inquiry, and in particular over the relationship between politics and economics. Pluralist theory sits comfortably within the separate discipline of political science because it contends that the economic and the political are not only distinct spheres of behaviour but they also require separate theoretical treatment. Marxism, drawing its strength from its holistic and integrating approach, with allies in several disciplines, challenged not only the central conclusion of pluralism, that power in capitalist societies was dispersed, but also the basic tools used to reach this conclusion. Furthermore it contested the process by which such tools are fashioned. Its central claim was the unity of political economy under the decisive influence of the productive forces of the economy. The separation of political interests in a political sphere, to be studied by

political science, was seen as a very minor part of the mystifying process of bourgeois ideology whereby liberal democracy concealed from view the process of class exploitation.

Now this would not do by itself as a challenge to pluralism because politics was so scantily developed in Marx's attempt to unravel the mechanisms of capitalism. Before the attack could be mounted the conceptual armoury had to be crafted, and this was done by developing a theory of the state which showed how what appeared as politics, in the actions of governments, in the law, and in the public sphere generally, was determined by underlying relations of production. This work was done in the late 1960s and early 1970s, by rereading Marx to elaborate the idea of structures (economic, political and ideological) and present the view that humans acted as agents of these structures. A structural interpretation of politics built on these foundations emphasised the role of the state in organising the domination of workers by capitalists. The fact that capitalists themselves acted at arm's length from the state (celebrated by pluralists), and that labour parties could form governments and improve the material condition of workers (confirmation to pluralists of the responsiveness of the state to multiple interests), was grist to the structuralist mill. The first allowed the state the freedom to get on with the job of safeguarding the supremacy of the capitalist class as a whole free from day-to-day interference from sections of it; the second helped to deceive workers that their interests lay within capitalism rather than in its overthrow.

The weapons were fashioned, however, in theoretical terms of such laboured opaqueness that few of the protagonists were ever entirely certain that their guns were loaded and fewer still got to fire them at an enemy. Crucial terms in the argument, such as 'the last instance' (which was supposed to retain the decisive effects of the economic) and 'relative autonomy' (which was supposed to free the state to act in a pre-determined fashion) were notoriously difficult to specify, and there was always the underlying unease amongst the troops that if humans really were bearers of underlying structures, having no free will of their own, then any changes in politics, or even in the debates they were engaged in, would be simply a matter of hanging around waiting for the right 'contingencies' or 'conjunctural' conditions. It is not easy to maintain morale on that basis.

Pluralists reacted to such onslaughts with blank incomprehension. Why bother to take part in the battle when your opponents were slugging it out with each other and you could walk through the hail of bullets with no apparent ill effects? Why not smile complacently when one protagonist (Poulantzas) tells another (Miliband), who has tried to

refute pluralist theories by assembling counter-evidence consistent with Marxist ideas about the way in which the state works in the capitalists' interests, that he should not fight on ground contaminated by such poisons as empiricism?[4] Why not congratulate yourself when one of the foremost interpreters of Poulantzas in English scatters throughout his book on *The Capitalist State* a formidable list of no less than nineteen theoretical sins, from reductionism and essentialism to formalism, theoreticism and, of course empiricism,[5] and then concludes with a chapter which sets out a position which, according to another Marxist, is indistinguishable from orthodox political science (Offe, 1983), forcing one of those exercises in self criticism for which Marxists are justly famous (Jessop, 1983).

The need for a new approach

I hope to show in this book that pluralists should not take comfort from the failure of Marxism to get its act together. Critical theory, whether Marxist or not, has a tradition of introspection and self-consciousness of which pluralists would do well to take at least a small dose. If the pluralist house is in order, then how can the attractions of neo-elitism, neo-Marxism, and now neo-corporatism to a wide range of students of politics be explained? I want to argue that pluralism was once capable of understanding the diversity of political pheonomena within capitalist societies, that changes in those phenomena force a reconsideration of pluralism as an explanatory and interpretive account, and that the weight of evidence and theoretical critique point to the need for a new paradigm, not necessarily to supplant pluralism but certainly to supplement it and force the recognition of the need to reduce the scope of its applicability.

The danger of this argument is that it might fail to capture the diversity and richness of pluralism itself; that in seeking to specify what is pluralism, and by antithesis, what is corporatism, a false conception might arise. It is not an easy task to specify what pluralism is, and to separate its explanatory purposes from its political ones. Pluralist theory claims to be an accurate description of interest politics and of the workings of liberal democratic political systems. It also makes the claim (sometimes overtly, sometimes not) that pluralism is morally superior to alternative forms of political systems, such as fascism or communism. I will not deal with the second claim in any detail in what follows, but will concentrate on whether we can use pluralist versions of key political concepts to construct explanations of how political processes

work. But the book as a whole is not a critique of pluralism; rather it is an exploration of corporatism and a (perhaps) premature assessment of its potential as the basis for a reconstruction of political theory. In the rest of this introductory chapter, I shall, however, try to make explicit the different theoretical perspectives of pluralism, Marxism and corporatism. I want to illustrate how difficult this task is in practice by contrasting two quotations, the first by a writer who identifies himself as a 'pluralist'; the second by someone who accepts the label of 'Marxist'.

> The institutionalisation of the interdependence between the public authorities and the interest groups may, in certain spheres, develop to the extent of the partial and informal 'incorporation' of groups into the machinery of government. The degree of involvement by interest-group leaders in public decision-making and policy implementation, their willingness to subordinate their sectional interest to what they accept as the public interest, may be such that they cease to be genuinely independent of the state. Such an arrangement has great advantages for the state, as it does not need to create an unwieldy bureaucracy to achieve the mobilisation of support for public policies but can operate in a functionally decentralised fashion. However, only those groups that have something to offer the state are candidates for such virtual 'incorporation'. Those that are simply making demands upon it, the pure pressure groups, are persona non grata. (Hayward, 1979, p. 37)

> In an advanced industrial economy, interest organizations have the power to interfere with public policy making in highly dysfunctional ways; hence the need to 'keep them out'. At the same time, however, such representative organizations are absolutely indispensable for public policy, because they have a monopoly of information relevant for public policy and, most important, a substantial measure of control over their respective constituencies. Therefore they must be made integral components of the mechanisms through which public policy is formulated. (Offe, 1981, p. 131)

Now it seems to me that these two statements about the relationship of interest groups to the state have much more in common with each other than either does with its 'home' paradigm. And more important still, their nature is so distinctive that they fit much more easily within an emergent paradigm of corporatism.

A dualist strategy

Offe, incidentally, is more conscious of this problem than Hayward, and argues for a 'dual or combined explanation that relies exclusively neither on the social class nor on the pluralist group paradigm' (p. 139), but Hayward too completes his essay by quoting an ideal-typical description of corporatism and saying that it is premature to pass judgement on it (p. 39). In Hayward's view society is becoming decreasingly pluralistic but it is too early to jettison the pluralist paradigm because it is descriptively less distorted than the alternatives. But there is, I believe, in Offe's suggestion the possibility of an even less distorted paradigm, which is explored in the following pages. It is that by modifying Marxist theory to respecify the role of the state and the nature of interest organisation, we can explain some of the political processes concerned with production in capitalist society, and that by modifying pluralism and restricting its scope we can explain those other processes concerned with consumption. The tension between corporatist politics and pluralist politics can then be used to explain the conflicts and cleavages in contemporary capitalist systems. This 'dual politics' thesis is set out in the final chapter of the book, and its implications for democracy are discussed.

The differences explored

I will aim to bring out the differences between pluralism, Marxism and corporatism by starting out with a brief survey of the concepts, basic to any political theory, of interests, groups and organisations, power and decisions, government and the state, according to how they are seen from these perspectives. I will try to bring out the essential differences without, I hope, doing them too much injustice. It will be evident from this exercise that the corporatist perspective is something of a synthesis of those aspects of pluralist and Marxist theory which I think should be retained and elaborated. One objection to this procedure will be that it ignores the irreconcilable methodological and epistemological differences between pluralism and Marxism, and rejects a priori an incompatibility which arises from the philosophically distinct conceptions of human nature which underlie them.

I will not deal with this objection here, because if we take that as the starting point then the project is stalled at the outset and knowledge

remains in ideologically separated domains policed at the frontiers by eager thought policemen. I will also not deal directly with the concepts of structure and agency because the whole work is addressed to the relationship between the two. Agency assumes the capacity to act differently; how differently can only be explored through an understanding of structure, and in particular what I see as structural constraints. These constraints are in turn best seen as enduring residues of actions; they can be transformed by action but at a cost in terms of resources like energy and money. Only an extreme pluralist sees no constraints; only an extreme Marxist sees no agency. The heartland of the debate lies between these extremes, and mapping that terrain is a task to which this book is addressed.

Interests

One major disagreement between pluralists and Marxists concerns the attribution of interests to actors, and whether a person may not be conscious of what his or her interests are. *Pluralists* suggest that interests are the preferences expressed by people, and that the only way of finding out what a person's interest is is by asking. If a person believes a policy to be in his or her interests, then we have to take that statement as evidence of that person's interests, even though we may suspect the person to be mistaken. Some pluralists concede that wants may differ from interests, in the sense, for example that I might want a cigarette even though I know it to be against my interests (in remaining healthy), but here also the conception of interest is subjective, and the possibility that I might have an interest of which I am not aware is discounted.

The advantage of such a formula is that it is simple to apply in empirical research through the use of questionnaire surveys and interviews. Respondents may be asked whether, for example, they support a particular policy, and their positive answers are taken as standing for an interest in that policy being enacted. The more intensely people hold an interest, the more likely are they to join an association and participate in politics. Conversely, the less people participate in politics, the less interested they are judged to be in the issues involved. There are several objections to such a way of imputing interest. One is that it assumes that people determine their interests freely, with free access to information, so that they cannot be wrong. Alternative conceptions of interest have generally relied on some concept of 'objective' interest, which is discoverable through research, or argued for theoretically. It is then the difference between the alleged objective

interest, and the revealed preference, which has to be explained, often in terms of the effects of ideology leading to false consciousness. A further objection, discussed below, is that this approach assumes that statements about the interests of groups are statements about the individual preferences of group members, and refuses to accept that the interest of the group may be distinct from that of its members in the way that wholes can be said to be more than the sum of their parts.

Marxists share two basic views which contrast strongly with those of the pluralists. The first is that interests are formed in a class-divided society, and the relations of production which are the basis of class formation are also fundamental to how interests are both shaped and perceived. Class interests are considered to be much more important in politics than any other kind of interest. This view contains the important point that interests are formed through social relationships, and do not exist prior to those relationships. The pluralists, by contrast, are interested in the relationships between expressed preferences and political action. They are interested in whether participation is related to interests; whether power can be observed through the resolution of conflicts of interest and so on. They do not from the beginning suggest that particular kinds of interests give rise to groups which are always powerful, because they argue that such questions can only be determined empirically, and they believe that the weight of evidence refutes the claim that particular elites or classes are in permanent positions of power.

For Marxists this question is crucial because it opens up the possibility of transforming people's interests through class struggle. Their second basic view stems from this: the capitalist system of class exploitation is not in the objective interests of the working class. But the working class in advanced capitalist countries has shown few signs of wanting to get rid of the system. The difference between their objective interest and manifest preferences is then explained in terms of the effects of ideology, leading to a false consciousness of their real interests. The public ideology of capitalist societies is couched in terms of citizenship and formal equality which denies the existence of class divisions. Thus these exists the crucial political task of procuring a revolution in the name of the objective interests of that class, which may or may not include as part of its project the prior task of convincing the working class that its interest is in revolution, i.e. bringing subjective preferences and objective interests into line.

Corporatists study interest organisations and concentrate on the issue of how organisational interests may be conceived, and how they may differ from individual interests. Many of these organisations are class

ones, but their interests are not assumed to be captured by any concept of objective class interest, or assumed to be the aggregate of the interests of members. The contention is that the process of organisation can shape people's interests: like Marxists they emphasise social relations as formative of interests, but the key social relations in late capitalism are held to be within and between organisations, rather than at the level of relations of production and class formation. If trade unions show no revolutionary consciousness it is not because of the distorting effects of ideology (summed up in Lenin's view of 'labourism') but because of the organisational requirements involved in both defending members' interests and defining them. The focus is not on the individual, or on the class structure, but on the process of collective action.

Groups

For *pluralists* groups are extremely important in the political process. Individuals sharing an interest which is affected by governmental action, or which requires action from governments, form political groups which seek to make claims and demands upon government. In extreme versions of pluralism it is argued that all political phenomena are explainable in terms of a group process, but most pluralists subscribe to partial theories of groups which explain their activities within democratic and governmental processes. Groups make their claims by exerting influence through the marshalling of political resources, such as membership (which carries weight with politicians because of the potential votes involved), information (which governments need to make policies; the more specialised the information the more valuable it is); sanctions (non-cooperation and in the case of trade unions, the strike). An impressive range of empirical studies of groups in action has charted these processes in detail, and has demonstrated great inequalities in the power of different groups. Some are consulted at every turn, have instant access to senior bureaucrats and ministers, get their way more often than not; others are weak and dependent upon petitioning, street protests, lobbying members of parliament and so on. I will deal below with the question of how pluralist theory accounts for such differences in the power of groups; here I want briefly to discuss the nature of the group process.

Underlying most pluralist conceptions is a view of politics as a system, with government at its centre. Groups are part of the political system, but not part of the governmental system. They develop within a society with specialised political institutions for government, and those which become 'pressure groups' or 'interest groups' enter the

political system because they make demands upon government. Political parties are sometimes seen as a special form of pressure group which has an interest in forming a government; other groups make claims on government but do not want to become government.

Interest groups are now widely seen as an integral part of the democratic process within liberal democracies, and help to make elected governments more responsive to individuals in society. The strength of public interest in a particular issue can be gauged by the proliferation and impact of competing groups. If groups are 'successful' they secure favourable public policies; the more they are successful the more power is attributed to them. Because pluralists relate action to individual interests, it is assumed that the lack of activity on an issue is a reliable guide to the strength of public feeling. If people are disgruntled by the actions of government, they will form a group to protest or seek redress. Inactivity is taken as an indication of consent to government policies. Groups are useful because they can deal with single issues, and influence policy in a much more specialised way than electoral processes, which bundle issues together. Governments need groups because they reinforce democracy and extend the availability of information.

One of the effects of the seemingly intractable economic problems now facing governments has been that this benign view has given way in recent years to a pessimistic one, in which excessive demands made by groups, and extravagant bids by parties for votes, are seen to lead to 'overload' and 'ungovernability'. I do not propose to discuss this view here, but it is worth emphasising that it shares with the benign view the location of government as the target for group activity, and the process of exerting, or attempting to exert influence, as the key one. Policy implementation takes place though the law and through bureaucracies, and again groups may attempt to influence the processes of administration.

To sum up: the basis of the pluralist position is that groups form in society, some are interest groups which make demands on government and seek policies in furtherance of their members' interests, and the most powerful groups are the ones whose policy preferences regularly prevail.

Most *Marxists* do not give much attention to groups as such, or spend much time discussing exactly how class interests are organised, although many do recognise different fractions of capital and the distinct interests of diverse sections of the working class. Discrepancies in the power of organisations are explained in terms of the class interests that underlie them. The power of capital is given by the economic

structure and reinforced by the state; the weakness of working class organisations is a mirror image of the power of capital, but within a general analysis of working-class subordination, variations in power are related to the degree of class consciousness which in turn is argued to affect the strength of class organisations.

Groups as such are not significant in the analysis of power structure and political conflict because they are argued to reflect other more crucial political forces. Moreover the sheer number and variety of interest groups is argued by Marxists to act, like elections, as a smokescreen concealing class domination. The invitation to participate in politics through pressure groups is seen as a largely, if not wholly symbolic gesture, which is encouraged by the capitalist class because it diverts attention away from the real relations of power.

Trade unions are analysed in terms quite different from those used to describe pressure groups, because of the role they are argued to be capable of playing in developing a socialist consciousness, but not by themselves: they need the prodding of a socialist party to overcome their sectional outlook and inherent tendency to work within rather than against the capitalist system. But it is their class character and political role which marks out trade unions as different from other interest organisations in the Marxist approach, not any special features of their organisational form. The organisational forms of capital are rarely studied by Marxists, partly because most of their attention is devoted to the working class and the state, and partly because Marxist theory provides a structural rather than an organisational explanation of the power of capital. The relative weakness of many employers and trade associations compared to many trade unions is explained in terms of the greater dependence of labour on organisation compared to the structural advantages conferred upon capital.

The main distinctiveness of the *corporatist* approach to interest groups lies in the view that organisation is both constrained by and shapes the nature of the interests concerned. The crucial distinction is between functional interests, or work-related interests, and other kinds. According to corporatist theory groups can, and do, form around political preferences, but these processes are far less significant for politics and power relationships than groups which form around socio-economic functions within complex industrialised societies. The early history of groups which represent functionally defined interests may well be of voluntary association and competitive interaction, but as the competitive market economy gives way to oligopolistic inter-dependence, and the intervention of the state in the economy widens and deepens, such groups undergo a substantive change in their

character. They no longer merely reflect or represent interests, but are part of the process of forming them. Moreover (as will be discussed below) they take part in bargaining public policies with state agencies, and reach agreements of a binding character which involve the leadership of corporatist groups disciplining and controlling their members.

The most important groups which become 'corporatised' in this sense are class organisations of capital and labour, which perform different functions in the division of labour. Unlike Marxists, who ascribe a governing character only to organisations of capital, corporatist writers recognise that trade unions in many advanced capitalist countries have also become an important part of the process of government. Few corporatists, perhaps, would argue that trade unions have become *as* powerful as capitalist organisations, because they, like the Marxists, recognise the structural asymmetry of the two interests in the process of production, but there is no assumption in corporatist theory that trade unions are *always* junior partners. Their power varies from country to country, and from time to time in the same country, according to such factors as the state of the economy, the nature of the legal system, the characteristics of collective bargaining, and their professionalism and organisational competence.

Not all groups in capitalist societies are corporatised groups; there remains a (numerically) substantial sphere of competitive pluralist groups. But where public policies concerning economic issues are concerned, where key interests are located in the process of economic production, corporatist theory suggests that the power of pluralist groups is sharply circumscribed. Where issues involve no relevant functional constituency, for example in moral and ethical issues, corporatist arrangements which act to insulate key groups from competitive pressures are inappropriate. But the distinction between corporate and competitive groups, between corporatist and pluralist spheres of interest group politics, is not a distinction between material and non-material issues. By asking questions about the nature of collective action itself, as well as the nature of the interest involved, corporatist theory suggests that in addition to interests formed around moral issues, the economic interests of small producers, who are effectively subordinate to the market, and of individual and small consumers are not organised in corporatist groups. The observations will be developed much further in chapter 7.

Power

Pluralists argue that power can be defined as the capacity of one actor to achieve his ends against resistance by others. It is not itself a property of actors, but exists and can be observed in the relationships between actors, especially in decisions where the outcomes of power relationships are 'registered'. Pluralists argue that there is a wide variety of resources which can be used as the basis for exercising power, and that these resources are widely dispersed in capitalist democracies. The most widely dispersed of all is the vote, so that those parties and leaders who seek votes are obliged to make their policy offerings attractive to voters. Pluralists recognise that those who actually participate in decisions and exert power are few in number, but their power is restricted in two ways: by the necessity of seeking re-election, and because of the limited scope of their power. Scope is limited because of the way in which public tasks are divided into different bureaucratic organisations which compete with each other for funds from the state budget. An elite at the head of one department or agency has its power restricted by the functions of the agency, and by the interdependence between one agency and another.

Thus although there is inequality in the distribution of political resources, it does not add up to a permanent structure of inequality throughout society because groups without one kind of resource can offset their disadvantage by mobilising other kinds of resources. Thus the economically weak can use the ballot box; political power does not follow economic power but can be used to offset it. In broad terms, pluralists would argue that the working class have enjoyed the advantages of political power, through social democratic government, in that political parties have attracted their votes by pursuing policies that are in the interests of the working class. Electoral competition is seen as a crucial mechanism which operates to prevent the accumulation of political power by those who already hold economic power.

For *Marxists* political power reflects economic power, and the key to the analysis of the distribution of power in society is the pattern of the relations of production. Ownership of the means of production confers massive advantages in terms of power, because however they are elected, and whatever they promise, political elites have to make concessions to the interests of the economically dominant class. This is because capitalist societies are structurally dependent upon economic production, and those processes are controlled by capitalists. It is this fact which accounts for the ability of the capitalist class to maintain its dominant position, whatever the political complexion of the govern-

ment in power. Labour or social democratic governments may make real concessions to working class interests, but there is a clear line across which they will not move. That line comprises the control of capital over the means of production; not only private property rights in the ownership of capital but also in its disposal. The right to work is conditional on the state of the economy insofar as it does not infringe the rights of capital. Marxists argue that in practice in capitalist society the right to work is subordinated to the right to manage: where they conflict capitalist society has to concede the right to manage.

For Marxists, then, the dispersal of power in capitalist society is always contingent and restricted to issues where the essential property rights of capital are not threatened. The appearance of power might be pluralistic; the reality is otherwise, and indeed the discrepancy between appearance and reality is a powerful weapon in the hands of the capitalist class for it conceals the underlying non-negotiable basis on which the power of capital is based.

Corporatists would argue that everything in capitalist society is in principle open to negotiation, even the basis of capital itself. They argue that policies such as economic plans and investment strategies, where they are linked to incomes and social policies and negotiated in a tripartite manner between representatives of capital, labour and the state, do represent an infringement of the rights of capital, but also represent an infringement of the autonomy of labour. Whilst in some countries in certain periods they are prepared to argue that labour has achieved some kind of parity of power with capital, they do not argue that this is evidence of the dispersal of power in capitalist society.

On the contrary, corporatist theory points to inequality and hierarchy in the distribution of power as does Marxist theory, but departs from Marxism in attributing such inequality to class structure and the differential power of capital and labour. Corporatists identify organisation and the mobilisation of bias involved in organisation as the most important phenomenon of power. Organisations achieve power by a process of social closure whereby they attain the status of monopoly representative of a particular category of functional interest. It is the nature of the interest, and the monopoly position gained through closure of the political market place, which accounts for inequalities of power. Class interest is an extremely important basis for social closure, but it is not the only one. Professional groups may achieve a high degree of power through such means, although corporatists would join with pluralists in stressing the restricted scope of their power. What prevents small businessmen or consumer groups from exercising a degree of power comparable to large corporations and

producer groups is the inability to enforce closure around their interests. Small business is vulnerable to the pressure of the market; consumers are vulnerable to the power of producers.

Working class organisations deserve special attention in this argument because of the presumption within Marxism that they are always junior partners when they become involved in tripartite policy negotiations. Trade unions comprise two basic types: craft unions, where organisation is aimed at protecting the market power of particular skills; and industrial unions, where workers in a specific industry combine to protect and advance their common interests. Industrial unions have been identified by Marxists as potentially more useful to a socialist movement, because they more closely identify with a common class rather than with particular skills. Corporatist theory has gained from such insights into the nature of union organisation and the representation of class interests by positing a relationship between the ability of the trade union movement to represent broad encompassing class interests and its ability to secure and enforce bargains in negotiations with capitalist organisations. It is not that one causes the other, but that both cause each other. The more tangible the benefits obtained from corporatist negotiation, the more the organisation is able to represent its members effectively. Conversely the more effectively it is able to represent its members, the more trade union organisations are able to bargain better terms for their members. Corporatism is under certain conditions a 'virtuous circle' in which the foregoing of maximum immediate wage increases leads to higher long-term wages and conditions for workers. But so far little is certain about how such circles can turn vicious as well, with the failure of corporatist bargains undermining the organisational capacity of the partners, and hence the possibility of further bargains.

What is evident from the above is that corporatist theory does not accept the pluralist or Marxist propositions that power is a 'zero–sum' concept in which for one group to increase its power necessarily implies a reduction in the power of other groups. Both pluralism and Marxism use relational concepts of power, but with the assumption of a fixed stock of power resources. For the latter working class power can only increase if the power of capital is curbed. For pluralists power is a kind of vacuum in which the accretion of it by one group calls for the corresponding countervailing accretion of it by an opponent, and thus the limitation of the power of the first group.

The problem with these views, which occasionally surfaces in some Marxist writing, is that power is not simply relational but also creational. Power, for organisations as well as for individuals, is control

over self as much as control over others. The positive use of power, to create conditions under which control of self is enhanced, need not involve a loss of power to or by other groups. But it does seem to require certain organisational and political conditions, and these are the subject of discussion in subsequent chapters.

The state

Pluralists manage to do without a theory of the state as such because their political theory of party government and group pressure has no room for one. If 'the state' means anything at all to pluralists, it is as a synonym for 'government' or 'civil service', or it represents the public side of the distinction between public and private. If we were able to accept the pluralist theory of government without too many reservations, then we would not need a theory of the state. But it is the manifest inability of pluralist theory to account for the growth and role of public authority which justifies the development of state theory.[6]

It is, however, possible to say something about the implicit theory of the state in pluralism. The basic point is that the public and the private sphere are considered to be separate. Pluralists see groups as the legitimate expression of interests in society, but government as the guardian of the public interest, with the party system and parliament the means for giving expression to that interest. The freedom for private interests to organise is considered to be an important restraint on the power of the public sphere; the competitive political marketplace of countervailing powers is argued to act as a restraint upon the groups themselves. The role of government is to respond to legitimate claims and adjudicate between them through public policies. The key features of the state in pluralist theory is that it is neutral with respect to interests in society, and responsive to them.

Recently some pluralists have argued that groups make too many claims – the private sphere expects too much of the public sphere – and if there is indeed a crisis of public authority in contemporary democracies it is a crisis induced, in a sense, by there being too much democracy. The public sphere has expanded because of the increased demands made of it; and because group activities call up countervailing powers, the proliferation of pressure groups has led to a paralysis of government. But many pluralists recognise that governments cannot do without interest groups both as a source of information for policy making and as a litmus test of public opinion. For some, group proliferation and policy stagnation is the price that democracies must

pay; others argue that some way must be found to reduce the burden on the state by restricting the access to government and the influence of pressure groups.

Marxists have challenged the view of the neutral state at its root by claiming that the state is part of the fabric of capitalist society rather than external to it. They differ in the extent to which they see the state as an instrument of class domination or as a mechanism for ensuring the unity of the capitalist class, but what they have in common is more important; namely that the state is a capitalist state and that its role within the society is a consequence of the class nature of that society. For many Marxists the state does not have its own interests; it is to be seen as a battleground upon which the interests of rival classes are fought out and its policies register the state of class struggle. But it is not an equal struggle because for the working class the terrain is always enemy terrain: all matches have to be played away from home. For other Marxists the state exists as a system of power with its own power base distinct from class, and in chapter 3 below I discuss recent views that policy can be interpreted as a partnership between state power and class power.

State theory within neo-Marxism has also emphasised the functions which the state performs vis-à-vis economy and society, and has traced the shift from a laissez faire state which performed the minimum necessary for capitalism to work, to an interventionist state which intervenes directly in the processes of capital accumulation to compensate for failures in the market. Such views emphasise the differences between competitive and monopoly capitalism: in the latter phase market failures can be socially and politically disruptive so that state intervention is necessary to avoid a spiral into crisis and decay. The Marxist concept of contradiction has been employed to portray these functional necessities as inherently crisis-ridden: for example, in that the more the state intervenes to bolster the legitimacy of the system through measures such as social welfare provision, the more it drains the resources of the private sector and inhibits the process of capital accumulation. Such views are strikingly similar to the arguments about pluralist decay and 'overload' cited above, although they tend to explain the source of instability in the economic system rather than in the political demands of interest groups.

Whereas pluralists stress the neutrality and responsiveness of the state, Marxists point to its class character and its active interventionism. Most Marxists would argue that the state is a structure which is bound together by an essential unity, not necessarily of purpose but certainly

of function, in safeguarding capitalist interests. Only the public face of the state is neutral, but in crisis conditions the class character of its interventions is revealed.

There is, however, considerable confusion as to what 'the state' actually is. Pluralists overcome this problem by refusing to use the concept except as a simple substitute term for government. Marxist structural theory often sees it as a mechanism for perpetuating class domination, but if the state does not have power of its own, but is an arena for class struggle, then it does not make sense to speak of the state 'acting'. In chapter 3 I will discuss a view of the state as a system of power and argue that action takes place within that system, constrained both by the state system itself and by the relation of the state system to the economy and the power of organised interests.

For *corporatist* theory, the concept and the theory of the state presents a problem which has yet to be adequately resolved. Much corporatist writing uses the term as a synonym for government, as when the three parties involved in tripartite policy bargaining are identified as business, labour and the state. This usage does, however, differ substantially from pluralism in that government is not seen as simply reactive and responsive, but makes use of interest groups in formulating and implementing policy. Moreover governments deliberately restrict access to policy-making to certain groups on which a 'public status' is conferred. This 'corporatism for the strong and pluralism for the weak' is an important modern form of divide and rule. It implies also that, unlike in pluralist theory, governments cannot be neutral with respect to organised interests, although the bias in government cannot be understood simply as a class bias.

It is here that the confusions in corporatist theory are apparent. Corporatism represents a fusion of the processes of interest representation and policy implementation into a reciprocal relationship between the state and organised interests. But whilst a great deal of attention has been paid to examining the interest organisations themselves, and the conditions under which they can intermediate between the state and their memberships, very little attention has been given to the organisation of the state itself. Corporatist theory shares some of its account of state interventionism with Marxism: the transformation of the competitive capitalist economy into a monopoly form which cannot by itself reproduce the conditions of its existence. Moreover corporatism stresses the growing interpenetration of public and private spheres, which is illustrated in the difficulty of saying unambiguously whether certain kinds of institutions are public or private. This is evident not only from the proliferation of quasi-governmental bodies, but also

from the dependence of much of the private sector on state support.

Clearly the argument that policy is determined and implemented in negotiation between the state and interest organisations presupposes that state agencies exercise power in their own right, which means that the state system must be to a greater or lesser extent autonomous. If it lacks autonomy and is 'colonised' by private interests, then there is no corporatism. Conversely, if the state is completely autonomous and independent, and interest organisations in society are subordinate to state agencies in each sphere of public policy-making, then there is no corporatism. In the following chapter I discuss the concentration and development of oligopoly amongst interest organisations which is a precondition of the development of corporatism, and in chapter 3 I present some preliminary remarks concerning the nature of the state system and its distinctive power base. The existing literature on corporatism does not, however, permit more than a tentative discussion of state theory.

This is evident from the inconclusive accounts of state power and, more especially, on the ambiguity concerning the issue of whether the state system embraces distinctive interests. One possible argument would be that interests of the state comprise the aggregate of individual interests of those who work within it, i.e. the professional interests of civil servants. These civil servants form a bureaucratic caste, with definite privileges and an interest in protecting and expanding them. Another answer would be to point to the state as the only structure in society which is based on a general interest; so much so that it might better be viewed as above society, embodying some transcendental essence. The power of the state then derives from a widespread acceptance of such a view. A third argument would point to the power exercised by the state as a special kind of bureaucracy able to monopolise the legitimate use of force in a given territory; the state has a distinct power base because it is the only institution able to deploy this particular resource.

Conclusion

The arguments developed in this book are not intended to settle these issues. Indeed one question that is raised is whether a single general theory of the state is at all possible or desirable. If we are interested in comparing different societies with comparable economic systems and levels of development, then a general theory of 'the capitalist state' will obscure the important differences that we would wish to reveal. Even if

we were to accept that capitalist states were instruments of the dominant capitalist class in each country, say France and Britain, it might still tell us very little of what we want to know about the two countries. Why does the capitalist class in France apparently permit a major role for its instrument in reconstructing, rationalising and nationalising private industry, when in Britain the capitalist class appears to resent encroachment on its managerial autonomy? Capitalist false consciousness? On the other hand, if we are interested in the broad sweep of history such apparently profound differences might appear much less significant and the idea of a 'capitalist state' in contradistinction to a 'feudal state' or an 'absolutist state' might be tenable.

It largely depends on what our explanatory purpose is; in other words, what is the scope of the phenomena that we are interested in examining? A state theory which is appropriate for explaining the differences in industrial policy in present-day Britain and France might not be at all useful for comparing the different ways in which policies are made within the same country; for example, for examining the differences between health policy and industrial policy. In the latter case the way in which the state system itself is organised, and the nature of affected interests, may be crucial variables which would only be obscured by a more general theory.

What then is the frame of reference for corporatist theory? As I see it there are two main contributions that corporatism can make. The first is in comparing capitalist democracies at the level of whole systems, allowing for and exploring different patterns of relationships between state systems and organised interests. At one extreme might be a case where a strong state confronts weakly organised interests (France); at the other might be a case where a weak state confronts powerful interest organisations (Britain). In between these cases lies the heartland of what in chapter 5 I call 'macro-corporatism': where (for different historical reasons that can be illuminated by corporatist analysis) the balance of power between the state system and major encompassing interest organisations is more even, and public policies reflect the outcome of negotiations between what are often called 'social partners'. Corporatist observers might differ somewhat in the way that they rank order such cases, but all would include Austria, Sweden, the Netherlands and West Germany on their lists.

The second contribution concerns the comparative analysis of public policy-making rather than nation-states. Here corporatist theorists are interested in the relationships between state agencies and interest organisations in particular policy fields, what I call in this book 'meso-corporatism'. Even in cases of weak macro-corporatism, like

Britain, France and Canada, particular policy areas are often highly insulated from competitive group pressures and subject to joint determination and implementation. For specific and very interesting reasons, it appears that agricultural policy is almost always determined through corporatist negotiation, and in other policy areas strong professional groups appear as negotiating partners with state agencies. It seems clear that the type of policy and the nature of relevant interests to a large extent determine the incidence of meso-corporatism, but as will be evident from the discussion in chapter 6, a great deal of research needs to be done to explain how these processes work.

These two different but related research agendas demand rather different theoretical approaches, but what they have in common is a focus on organisation as the crucial social process which transforms the relationship between interests and politics. Corporatist theory makes no prior assumption that particular interests, either class, sectoral or professional, are basic, and nor does it assume that organisations are all species of the same genus. Organisation is the process which links the structural categories of interest to politics, but in doing so important biases are introduced. All interests do not have the same potential for organisation: when some interests are organised into politics others are organised out of politics. Large capitalist firms can exert power over the market; others are subordinate to the market. In the same way some interest organisations can exert power over the political market; others are subordinate to it. It is the task of corporatist theory to illuminate these processes, to explain both the appearances and the underlying constraints, and to provide a critical appraisal of their effects. In this way it can make a contribution to the enduring questions of politics: who gets what, when, how and why?