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Author(s): Daniel Chirot

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## THE CORPORATIST MODEL AND SOCIALISM

### Notes on Romanian Development

DANIEL CHIROT

The evident stability and durability of communist regimes have raised this question: what theoretical model, what political ideal guides the way in which they conduct their political lives? Constant revolutionary upheaval no longer exists in the European communist states, or even in some of the older non-European variants, so that theories based on class warfare no longer serve to explain what is happening. Nor does the literature on mass terror and totalitarianism seem as suitable as it did thirty or forty years ago. On the other hand, communist efforts at explaining the political model they follow hardly appear more adequate since they systematically avoid any but the most superficial analysis of their own political process.<sup>1</sup>

The question is important for two reasons. To understand more about the politics of communist societies as they evolve is interesting for its own sake. Moreover, the “socialist” model of development is popular in much of the third world today, and in at least some instances, the communist path of rapid industrialization is likely to be followed. It is very well to talk about the emergence of a “classless” society at some future time, but when that future arrives, what will there be? What will replace the old-fashioned capitalist class structures that largely determine the political process in advanced non-communist states of the West and Japan?

Recent debates, particularly among British sociologists, have attempted to discover the emerging class structure of European communist states. Is the intelligentsia preparing to become a class in opposition, the forerunner of eventual democratization, or could it be that the working class is emerging to take such a role? David Lane summarizes the debate and finds such views inappropriate. The intelligentsia is a fragmented group whose key members are in the Party and part of the ruling elite. The working class has exhibited

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*Department of Sociology, University of Washington, Seattle*

few anti-regime tendencies except sporadically, and it has almost no possibility of organizing itself as a distinct class “for itself”.<sup>2</sup>

I would like to propose that a fairly obvious and familiar political model exists which may not only explain some of the direction in which internal communist politics are moving, but which also tells us something about the future evolution of whatever “socialist” states happen to come into being. This is “corporatism”. In order to show this I shall rely primarily on a discussion of one case, Romania under communist rule. Not only is Romania a good example because it is a small state (it is more difficult to generalize from the giant cases, the USSR and China, since one can never be certain that it is not their big power status which distorts this or that political and economic process), but Romania has also undergone very rapid development. In thirty years of communist rule it has changed from a largely agrarian to an industrial society. It has also had one of the clearest, most original, and most stimulating corporatist thinkers in the 1920s and 1930s, Mihail Manoilescu.<sup>3</sup> Though his writings have little ostensible influence in Romania today (insofar as they do, no Romanian would admit it), many developments there coincide with his prescriptions for an ideal corporatist society to a remarkable extent.

That Manoilescu’s political theories were produced by an intellectual in a formerly peripheral, but striving society that was trying to modernize is no accident, and many of Manoilescu’s ideas were standard fare in similar sorts of situations. They remain so to this day. By discussing a particularly clear example, therefore, I am suggesting that Manoilescu was a representative of the strong corporatist thread that runs through development theories, of the left and of the right, popular throughout the advanced peripheral and semi-peripheral parts of the modern world.<sup>4</sup>

### **Corporatism as a Working Model**

Manoilescu defined a corporation as:

... a collective and public organization composed of all persons (physical and juridical) who together fill the same function in the nation. Its purpose is to assure the exercise of this function, in the supreme interest of the nation, by means of rules and rights imposed on its members.<sup>5</sup>

Corporations, in Manoilescu’s ideal future society, would be based partly on economic specialties, that is, various branches of the economy would form corporations. But they would not be based exclusively on economics, since, “. . . any other national function, such as those pertaining to religion, educa-

tion, cultural, etc. functions” would also define distinct corporations. Corporations would not be selfish pressure groups like trade unions. Rather, they would be public institutions primarily serving the national interest. They were also supposed to be unitary; that is, single corporations would include all those fulfilling a particular function throughout the nation. Manoilescu wrote that corporations would be “totalitarian,” which meant, “. . . the network of corporations covers the whole nation and leaves not one single individual national activity untouched, that is not organized into a corporation.”<sup>6</sup>

“Totalitarian” did not mean dictatorial. Corporate bodies were to be semi-independent organizations passing voluntary agreements (“concordats”) with each other and the state to insure mutual harmony. Corporations would select their own representatives who would combine at the top in a national corporatist parliament. Each corporation’s numerical weight in this assembly would be based on the importance of its national functions.<sup>7</sup>

Manoilescu explicitly cited Durkheim’s “Preface to the Second Edition” of *The Division of Labor in Society*,<sup>8</sup> but his concept of corporatism had a rather different thrust. Whereas Durkheim wanted to integrate individuals into occupational and functional groups in order to reduce anomie, class conflict, and the irregularities of the market, thus remedying the great flaw of modern capitalist society, Manoilescu wished to galvanize backward societies into coordinated action for the purpose of development. Durkheim had no objection to democracy, or to the articulation of class interests as long as these were kept within reasonable, non-disruptive limits. Manoilescu was less concerned with the relief which individuals might gain from being more securely integrated within corporations than with the possibility of eliminating internal disputes at a time of national danger. This explains Manoilescu’s dislike of trade unions which placed the demands of their members over those of the nation as a whole. It also explains his call for a “totalitarian” structure; to exclude certain groups or individuals would diminish the nation’s ability to mobilize its full strength.

Manoilescu’s brand of corporatism followed Mussolini’s. In explaining the need for fascism, Mussolini had claimed that Italy had to become an “integral unity including all classes and categories of persons” because, “Italy was, in fact, a proletarian nation. The entire nation, faced by impostures and imperialisms of ‘bourgeois’ or ‘plutocratic’ nations, found itself denied sustenance and place.”<sup>9</sup>

In his work on economic development which preceded his work on the theory of corporatism, Manoilescu had written that poor, agrarian nations,

like Romania, Italy, Spain, or Portugal in the 1920s were condemned to permanent poverty unless they closed themselves off from the world capitalist market. They had to rely on forced, autarkic industrial development, and keep at bay the interests of the major “capitalist” powers.<sup>10</sup> From this Manoilescu concluded that class-based divisions had to be overcome by national solidarity in order to permit poor nations to undergo the difficulties of economic closure and forced investment.<sup>11</sup> Nationalism and corporatism were thus ideally suited and progressive. He predicted that eventually even the old industrial centers of western Europe would abandon individualistic, anarchic capitalism and its attendant divisions and alienations. Western Europe had lived by “the exploitation of the rest of the world,” but it would no longer be able to do this. Consequently, “liberty has become an obsolete virtue” and would have to be replaced by “organization.”<sup>12</sup> Pressure from the outside, from exploited economies closing themselves off from the old dominators would force the European elite nations to abandon their nineteenth century ways.

There are several theoretically distinct variants of corporatism. The late medieval notion of corporations, estates, and guilds, while it may have inspired modern theoreticians, has entirely lost its meaning in the modern nation-state that derives its legitimacy from popular will and a notion of cultural unity within society.<sup>13</sup> Durkheim’s benign prescriptions for analogous organizations in advanced capitalist societies was rooted in liberal notions about the value of secondary, or intermediate bodies. In this respect, Durkheim was a follower of de Tocqueville.<sup>14</sup> But Mussolini and Manoilescu were neither medievalist dreamers nor nineteenth century liberals. By insisting on the “totalitarian” aspect of modern corporatism, and combining it with intense nationalism, they produced the thoroughly modern ideology of fascism.

Anti-individualism, rejection of capitalist market forces, and the wish to end internal class divisions combined with fervid nationalism, a program of autarkic industrial development, and corporatist organizations were the hallmarks of the more dynamic fascist regimes in the 1930s.<sup>15</sup> It is not surprising that such an ideological combination should appeal to semi-developed countries advanced enough to suffer from modern class divisions and aspire to higher standards of living, but also in a situation which seemed to deprive them of the opportunity to advance and catch up to the richer countries. These were the kinds of societies Immanuel Wallerstein now calls “semi-peripheral”.<sup>16</sup> Their primary aim is to catch up to the industrial core, but they understand that in order to do this, they must adopt different ways of organizing themselves, and repel the influence and economic market power of the core. In the 1930s the eastern and southern parts of Europe, as well as the more advanced

Latin American countries and Japan were in this category, and that was where fascism appealed most strongly to local elites and intellectuals. Even Germany, which should have considered itself part of the industrial core, was sufficiently beset by economic problems, intense class conflict, and a feeling of international inferiority imposed by its losses after World War I, so that a kind of “semi-peripheral” ideology triumphed there, too.

What Manoilescu failed to perceive (though some other fascist ideologues, like Codreanu, the head of the Romanian Iron Guard, understood it perfectly well) was that the whole scheme for the establishment of a corporatist society was fraudulent without a thorough, violent political and economic revolution. Old elites had to be destroyed and new societies created.

In Italy, for example, “the corporative system did not limit the power of the capitalists, whereas it sanctioned the power of the trade unions; the representatives of the workers were in fact officials of the regime. The corporative institutions had been utilized by the main groups to strengthen their hold on the economy and to stabilize the collusive equilibrium achieved in the oligopolistic market.”<sup>17</sup> Class-based or horizontal organizations were destroyed at the bottom, but not at the top. Corporatist or vertical integration by functional category remained a myth covering up tightened oligarchic rule by old elites.

The principle of vertical organization is that within any particular functional group subordinates and superiors combine to express their joint interests. Horizontal organization sets subordinates against superiors; that is, it promotes class conflict. But the supposed justification of vertical organizations is that they fairly represent the entire group. This means that the superiors do not act to preserve their power or privilege over their subordinates. In the highly and unequally stratified semi-peripheral countries of eastern and southern Europe in the 1930s, the old elites were bound to resist the utopian revolutionary implications of fascism, and to try to use fascist movements to their own selfish ends. As in Italy, the fascists sold out their corporatist dreams to cement a cynical alliance with established elites. They gained power but lost their corporatism, and threw the term “fascism” into a disrepute from which it has never recovered.

In Spain, as in Italy, the revolutionary wing of fascism was used and discarded. Franco, in fact, eliminated the unruly utopian Falangists even before the end of the Civil War. The supposedly corporatist regime that followed repressed working class discontent for a long time, but it created neither a functioning corporatist structure, nor even the rudimentary beginnings of a “classless” society.<sup>18</sup>

Even German Nazism, once it destroyed its radical wing in 1934, failed to use its command of an effective police force and mass terror to carry out corporatist reforms very far. Instead, it dissipated its energies on the extermination of Jews, on war, and on trying to enslave the Slavs.<sup>19</sup>

These examples could be extended to show that Salazar's Portugal, Peronist Argentina, Antonescu's Romania, and so on, did not carry out real corporatist transformations. Some, like Antonescu, were not ideologically fascist at all, but like Franco, simple old fashioned conservative authoritarians. Others, like Mussolini, were corrupted by power. The military defeat of Germany and Japan in 1945 completed the process of discrediting corporatist theories.

Nevertheless, such theories remained, under different names. The conditions which propelled semi-peripheral societies toward combined nationalism and corporatism did not disappear in 1945. When faced by the problems of organizing such societies, and industrializing them, leaders of both the left and the right have reached for solutions surprisingly similar to those advocated by Manoilescu.

### **The Corporatist Organization of Communist Romania**

Neither in its original marxist form nor in its contemporary elaboration does communist ideology sound particularly corporatist. In an official Soviet manual, G. Shahnazarov lists various institutions that link the Communist Party and Soviet society: "Soviets and their executive representing the general interests of all sections of the society and specific interests based on territorial factors. Then, trade unions, various economic ministries, the youth and various women's organizations, the U.S.S.R. collective farm council, and others." All these groups' interests are harmonized by the Party, which also deals with potential conflicts of interest between "strata" (a vague term which includes horizontal, class-based distinctions, as well as professional and functional ones). But the Party itself is specifically *not* supposed to be composed of formal representatives of this or that interest group. "Party membership is based not on the group principle but on the individual principle, and the Party is not the official representative of different social groups but of people who subscribe to Marxist-Leninist doctrine. . . ." Thus, a corporatist assembly on Manoilescu's lines is ruled out in favor of a more direct, unitary coordinating body whose members are picked " . . . through a kind of natural selection . . . role in social production, level of political awareness, political activity, etc."<sup>20</sup>

In contemporary Romania, as in the USSR, the state is guided by the Com-

munist Party in the name of all the people, and supposedly the “chief role is held by the working class.”<sup>21</sup> There are, as in the USSR, various organizations (collective farmers, youths, writers, etc.) but the program for the future is an increasing homogenization of the social structure. This means, “. . . the liquidation of important differences between classes and social groups, between physical and intellectual work, between industry and agriculture, between village and city, the liquidation of antagonisms and inequalities, the realization of a community of economic, political and ideological interests of all working people.”<sup>22</sup>

It is not necessary to go beyond such glosses, or back to the Marxist classics, to find that they share, with corporatist theories, a dislike for class divisions, but for different reasons. Whereas the communist ideal is to eliminate horizontally based stratification (class differences) entirely, corporatists propose to integrate classes into functional, vertical organizations. This accounts for the communist emphasis on a more unitary party, as opposed to the corporatist assembly and the series of “concordats” between corporations conceived by Manoilescu. But in practice, how does a communist society like Romania organize itself? It is at this level that the resemblance to Manoilescu’s ideal is more evident.

The starting point for any examination of Romania’s social and political organization is to recognize that the primary goal of the government and the Party is economic development and rapid industrialization. The perception of international economic forces has led to conclusions almost identical to those reached by Manoilescu. Closure, autarky, and forced investment into industry in order to catch up to the more advanced economies have been the Romanian Party’s program since the start of the 1950s.<sup>23</sup> Today, they remain goals under the heading of “multi-lateral development”. Basically this means developing as many sectors as possible rather than relying on specialization which might subordinate Romania to interests of powerful trading partners.<sup>24</sup> It was this perceived need to advance on all economic fronts, but particularly heavy industry, which caused the original dispute between the USSR and Romania in the early and mid-1960s. While the USSR had long pursued “multilateral development” for itself, in the early ’60s it had tried to get Romania to specialize in certain areas in order to integrate it more thoroughly with COMECON.<sup>25</sup> Had Romania followed such a program, its leaders feared, it would have been consigned to permanent inferiority, just as earlier, the more agrarian countries around the rim of western Europe had been turned into poor primary exporters by the stronger capitalist core.

The danger from big powers with their own, selfish economic interests, justi-



fies, for the Romanian Communist Party, its emphasis on national solidarity. It would be dangerous to allow internal divisions to develop even if the Party recognized the persisting existence of classes and class conflicts. The point is that, in this respect, marxist ideology is not relevant. Development here means national unity against outside economic and political forces, be they “capitalist” or “socialist,” and this necessarily implies the control of internal tensions.

Not only has Romania adopted an economic stance that would have been favored by Manoilescu, it has also returned to a form of extreme nationalism. Old racial-historical myths about the “Daco-Roman nation” have been revived, and many of the leading literary fascist ideologues of the 1920s and 1930s, such as Octavian Goga, have been returned to their pedestals. High birth rates have been encouraged so that the “Nation” might hold its own against the barbarian hordes from the east.<sup>26</sup> This seemingly odd but actually logical transformation of international proletarian consciousness into ethnocentric xenophobia has been a common enough event in communist societies so that it should no longer be surprising. It is consistent with the goal of national development at any cost, and tries to unite potentially hostile interest groups under the flag of nationalism. Manoilescu recognized the powerful appeal of nationalism, and its ability to legitimate an otherwise unpopular regime making difficult decisions for the sake of future progress. The Romanian Communist Party, which has never been domestically popular, and whose economic policies have kept the country’s standard of living artificially low in order to produce an elusive future benefit, has resorted to endless flag waving and periodic international assertions of Romanian independence to still hostility to its rule.

This does not yet answer questions about Romania’s internal organization. Adopting the nationalistic rhetoric of fascism is hardly the same thing as a corporatist restructuring of society, as proved by the fascist regimes of the 1930s themselves. We can begin to examine Romania’s emergent corporatist institutions by looking at various specific sectors of society, starting with agriculture, which still employs about 40% of the labor force.

In its early days the Communist regime imposed a series of agrarian reforms from above, more or less on the basis of dictates by a small political elite which was consciously trying to imitate the Soviet experience. This led to certain “shortcomings” and production problems, but ultimately, by the early 1960s, agriculture was almost fully socialized. 95% of all lands were in collective or state farms.<sup>27</sup> Since then, the Party has tried to rationalize agricultural production and organize it more flexibly in order to overcome

many of the problems caused by collectivization.

There have been many changes, but what is of the greatest interest here is that in the 1970s a system has finally emerged that treats peasants and collective farm leaders as members of a legitimate, operating corporate group. Michael Cernea, one of Romania's foremost rural sociologists, has written:

But, only a short time after the completion of collectivization (in 1962) the need was felt to strengthen this functional integration with an organizational integration. In other words, to gather together local village cooperative organizations into a cooperatist union on a territorial national scale, so that there would be created suitable conditions for the integration of cooperatist agriculture into the entire national economic planning and development process.<sup>28</sup>

A whole series of councils and assemblies from the village up were created with this in mind. Though the power of these institutions remains limited, they have been used in the 1970s to try to sound out opinions and provide suggestions relevant for the formal decision making process at the top.<sup>29</sup>

Nothing could be more natural. The unitary, Party directed state recognizes that unilateral decisions from the top in complex situations often result in serious mistakes. There must be a way to provide information and opinions from the bottom. So transmitting institutions have to be created. In the kind of political system which exists in Romania, such transmission belts can only be of two types. One type is a functionally based group of corporate bodies; for example, agricultural cooperatives linked in successively higher steps, with regional bodies, and topped by a national organization. The other institutional belt is the Party, which serves this function throughout the society. But the Party itself has become an identifiable, superordinate corporation, with its own regional branches, functional divisions, bureaucracy, membership, and self-interests. In agriculture, as in other branches of the economy, the Party's direction is formally recognized, but this has not stopped the growth of institutional links between cooperatives and the construction of an increasingly effective alternate corporation.<sup>30</sup>

As it is in agriculture, so it is in other domains. Industry, for example, is organized on three different levels. First is the specific enterprise. Enterprises are then grouped in one of two ways, depending on the branch of the economy. Regional aggregations exist, but so do purely functional ones (enterprises engaged in the same type of work over the entire country). The third level unites groups of enterprises into specific ministries; for example, petro-

leum, food processing, etc.<sup>31</sup> In wrestling with organizational problems in industry, the Romanian Communist Party has had to treat, in a very concrete way, all the theoretical problems raised by Manoilescu and other corporatist theorists. What are the most efficient and suitable ways of combining functional sub-groups? How can flexibility and functional independence be maintained against the need for overall integration?

These kinds of problems, common to all communist economies and societies, have produced a variety of solutions. Romania, as it happens, has an unusual degree of centralization of industry, even for a communist state. Local enterprises have little power; rather, intermediate bodies, groups of enterprises acting as “superenterprises” share power with the center.<sup>32</sup> The grouping of “superenterprises” into specialized industrial ministries permits the expression of their interests at the very top.

Other branches of Romanian life are equally organized in a corporatist way. With smaller, specialized groups such as research scientists, artists, writers, and university professors this is more visibly the case than with such large groups as “agriculturalists” or those involved in industry. Smaller groups have their own links with the Party that naturally oversees their activities, but they also have a certain degree of independence. Occasionally, as with the writers’ union, they come into open conflict with the Party over policy matters.<sup>33</sup>

At all levels, corporate groups are solidified by having their own social institution. Particular enterprises, or groups such as the writers’ union, the union of plastic artists, or university professors, operate their own restaurants, vacation rest homes, medical services, and recreational opportunities. All corporate groups do not have equal facilities. The special stores, restaurants, schools, beach and mountain facilities, and medical facilities of the Party elite are the best. But at all levels, even the lowest, it is difficult, often impossible, for individuals to obtain specialized services of any kind except through their corporate body. Also, every body offers a range of services, even if their quality is lower for less important groups.

But is the Party just another corporation, or does its superordinate position make it something quite different? The same issue was raised by Manoilescu at a theoretical level when he discussed the state, which was to act as the final arbiter of the corporate structure. If this was its role, how could a “corporatist parliament” work? Either there would be free conflict, and the frequent failure of consensus, or the state would become dictatorial. One outcome would produce the confusion and “waste” of democracy, while the other

would ultimately reduce corporations to subordinate, unfree organizations. No highly planned and centralized utopian construction can avoid or solve the dilemma. Toleration of decentralized sources of authority, even if only at the level of corporations, implies a philosophical acceptance of the messy nature of democracy. Anyone who supposes there is a single most rational and most scientific answer to every political dispute cannot accept such toleration.

Manoilescu recognized the empirical problem, even as he hoped it might ultimately vanish. He called the so-called corporatist regimes of his day examples of “state corporatism”. Corporations were subordinated to state interests, and the state impinged on their domains. This was because corporatism had not emerged spontaneously; it had been imposed from the top.<sup>34</sup>

Communist Romania never set out to create a corporatist structure; it has only evolved one rather imperfectly, over time, because this was the only way of solving organizational problems. Even in the USSR, the process of corporatization is far from complete and the Communist Party resists strengthening potentially troublesome alternate centers of power. The same is true in Romania. Originally, the Party was to be the source of all power, and the only meaningful organization, at least insofar as decisions were concerned. “Totalitarian” in Manoilescu’s sense also meant “dictatorial” since only one corporation was allowed free reign. Even those Party members who believed in internal democracy within the single operating corporation could be managed, and crushed in periodic purges, because it is much easier to maintain tight control over a single, semi-closed corporate body than over a solidly established multitude of corporations.

The gradual creation of corporatist structures in Romania was in response to immediate economic and political problems. But even if it was not intended to establish centers of potential opposition, it has created a political system different from the unified ideal of the Party. As long as the Party, and to some extent, its enforcing arm, the security police, are superordinate corporate bodies, lower level bodies cannot emerge as powerful participants in politics. But the very existence of corporate groups that are legitimized and necessary parts of the social structure, and the continuing solidification of such bodies over time means that eventually they may exercise a more important role. The only way to prevent this is to engage in periodic purges that disorganize emergent corporate challengers of the Party, and while this prevents a slide into less centralized, more democratic politics, it also disorganizes production and sets back ambitious economic plans.

It is this very process — gradual corporatization followed by the Party’s re-assertion of absolute control — which marks the key political events and purges common throughout the communist world. Typically it takes the form of a struggle between “technocrats” and Party functionaries. In Romania, the first major case broke into the open in 1957, when the Party ousted Miron Constantinescu, the representative of the group urging more rational economic planning.<sup>35</sup> In the 1960s, however, the technically competent intelligentsia were ascendant because of the pressing need for economic progress. Then, starting in 1971, a reversal began.

In the late 1960s “bright young men” (and women) had been sent in to replace Party hacks at various critical levels of the economy. The older, generally less competent Party functionaries were loyal to the Party as a corporate group, whereas the technically competent younger personnel tended to identify with the needs of the particular sector of the economy in which they worked. Therefore, even though both groups were in the Party, their orientation to the emerging functional corporate structure was quite different from each other’s. This was extremely threatening to the old elite, not only on ideological grounds, but because their very jobs and privileges risked being eliminated.

The conflict eventually began to threaten the top man, Nicolae Ceausescu, who had briefly backed the reformers in 1965–1969 for the sake of efficiency. His power had always rested, however, on his control of and loyalty from the Party organization. Many of his best educated technocrats, in fact, considered him to be an old-fashioned boor. In 1971, Ceausescu visited North Korea and evidently took inspiration from his “beloved friend” (his own words) Kim Il-sung.<sup>36</sup> He returned to initiate a “little cultural revolution” that reversed the trend of the late ’60s. Party control over “economic managers and planners, technical experts, academic personnel, and literary intelligentsia” was reaffirmed. A number of key young technicians were demoted.<sup>37</sup> Since then a slow-motion purge has occurred, and continues to work itself out. There are constant calls for “ideological mobilization” and emphasis on “ideological appeals rather than material incentives.”<sup>38</sup> Not at all coincidentally, the Romanian economy in the 1970s has not performed as well as it was supposed to, and the general popular hope for continuing improvement that was manifest at the end of the ’60s has turned into surly disillusion. Major illegal strikes by miners in 1977 highlighted this discontent.<sup>39</sup>

Gilberg has pointed out that the partial return to ideological purity threatens economic growth because it attacks the very cadres who must manage an in-

creasingly complex, advanced economy.<sup>40</sup> Growth further enlarges the size of and functional role of the intelligentsia, and it becomes more difficult to sweep away discontent, especially since it can now be expressed (guardedly) through the corporatist, vertically organized groups into which the society is divided.

This brings up questions about the “New Class” debate.<sup>41</sup> Originally, when Djilas defined this class, he meant the Party elite. But now that elite behaves as an established, or “old New Class” set against the better educated, technically minded group that Jowitt calls the “new New Class.”<sup>42</sup> Is it in fact a class? David Lane suggests that it is wrong to call the technocratic intelligentsia a potential new class that might provide opposition in communist polities. The technocratic elite is in the Party, and hardly alienated from the system.<sup>43</sup> Yet, it is undeniable that conflict between the intelligentsia and the Party has taken place, not only in Romania, but in other countries of eastern Europe, in the USSR, and even in China.<sup>44</sup> Lane is correct in suggesting that the conflict is not an incipient class conflict in the normal sense, because the technocrats act as leaders of whole functionally specific sectors of the economy. That is, they are not a potential new middle class that might revolt against an established old elite. Instead, they are that part of the elite trying to increase economic rationality.

There is no theoretical reason which prevents the intelligentsia from forming an active class in opposition to the old elite; there is, however, a very practical political reality which rules out this possibility. In order to act as a horizontally based class, the intelligentsia would have to create its own party, or take over a section of an existing party (as Gouldner suggests the American New Class has done within the Democratic Party) and unite itself across functional lines. That is permissible in capitalist democracies, but anathema in communist polities. The only possible action is to raise complaints as legitimate, recognized technical leaders within their own sectors of the economy. The complaints may not be heeded, but whatever conflicts occur on these grounds retain a degree of legitimacy that an association of technocrats, banded together across industries and occupations, as a kind of “Romanians for Democratic Action,” could hardly expect.

When members of the intelligentsia such as writers have raised protests in Romania, they have done so through the writers’ union, not through organizations that might in any way be class-based. Because corporate bodies are such an important part of Romania’s organization, opposition expressed in this way has been treated more gently than cases of clear, old-fashioned horizontal organization such as strikes by workers.

In other words, the political structure of communist societies channel both putative opposition as well as rationalizing efforts within the economy and society in a corporatist direction.

This is not very surprising. Corporatist types of organizations also exist in the non-communist industrialized world. In fact, any large enterprise, a General Motors or a Mitsubishi, organizes itself internally in a similar, functional, and vertical way. Large capitalist enterprises typically, and increasingly, provide many social and economic services for their members, as do Romania's corporate groups. The difference is that horizontal, class-based organizations continue to exist in democratic capitalist societies, and only some parts of the society are organized as corporate sub-societies. In Romania, as in most other communist societies, everyone is integrated into a corporate structure, and horizontal competing groups are not allowed.

### **Toward Democratic Corporatism?**

In discussing "state corporatism," and its defective, unfree aspects, Manoilescu never explained how the transformation would occur toward natural corporatism. Why should the state cease to dictate to the corporations and allow them greater power within each of their domains?<sup>45</sup> (One can hardly blame Manoilescu for leaving out this practical detail; Marx never explained how the socialist state would wither away.)

But the possibility exists that an evolution toward greater corporate responsibility and independence from the Communist Party of Romania will occur. This would allow the corporate bodies to gain more power and begin more effectively to assert their interests against the Party. To some extent, this is exactly what has happened in Yugoslavia. The "self-management" scheme has not given the workers much power. But it has decentralized the economy and given individual enterprises considerable power. These, in turn, are more open to local pressures, and also more likely to band with other, similar enterprises, in order to put pressure on the central government. The Yugoslav Communist Party (or League) has remained the most important, powerful corporate group, but it no longer holds a monopoly of power, and open political conflict occurs between various functional, regional, and ethnic vertically organized bodies.<sup>46</sup>

In a communist context, in effect, this is what "liberalization" means, whether in Poland, Hungary, or even in the USSR and Romania. There will be no gradual move toward a parliamentary, party-based democracy on the Western model, but rather toward decentralization of the corporate structure toward a more

poly-centric corporatism. The Party will become relatively weaker and elites in various key functionally defined sectors of the society and economy will gain.<sup>47</sup>

There is nothing certain about this trend, but it is a possibility. Communist elites have the choice — growing problems with inefficiency, or a gradual move toward the kind of corporatism first envisioned by Manoilescu.

### The Romanian Example and the Third World

In 1945, when the USSR imposed a communist regime on Romania, it was still a weakly developed, largely agrarian society. A comparison of the proportion of the labor force in various sectors of the economy since 1950 shows how Romania has changed:<sup>48</sup>

#### *Percentage of the Labor Force by Sector*

|      | <i>Agriculture</i> | <i>Industry</i> | <i>Services</i> |
|------|--------------------|-----------------|-----------------|
| 1950 | 74.3%              | 16.5%           | 9.2%            |
| 1960 | 65.6               | 22.8            | 11.6            |
| 1970 | 49.3               | 35.1            | 15.6            |
| 1974 | 40.0               | 42.3            | 17.7            |

Many other indicators show the same rapid change, from a relatively backward to a relatively industrialized society. In 1948, only 21% of the population was urban; by 1974, 42.7% were urban. Infant mortality (in the first year) in 1938 was 179 per 1000 live births per year. By 1974 it had fallen to 35 per 1000.<sup>49</sup> In the 1930s and 1940s Romania was hardly better off than many of today's semi-developed third world countries.

When there is talk of “socialist” revolution in the third world, what is implied? In terms of ideological pronouncements, what is normally meant is a combination of nationalism, anticapitalism, and a pro-development, industrializing policy. But if one were obliged to point to a society that has actually developed along these lines, it would be difficult to find a clearer case than Communist Romania or several other communist states. It is therefore useful to look at a case such as Romania in order to judge the possibilities for that kind of development in the third world.

The fact that Romania has come to resemble a corporatist society (though the transition is hardly completed, and its final outcome is not entirely predictable) is important, because it suggests that this will happen in other,



newer socialist revolutionary states. The essential characteristics which lead to this are:

- 1) destruction of the old class structure, particularly old elites;
- 2) determined, forced industrialization;
- 3) a need to maintain national unity while also developing flexible structures capable of transmitting information about the economy and society upward, and orders downward.

The difference between “revolutionary” and “non-revolutionary” types of development in the third world is that in the latter, even among cases that claim some kinship to the corporatist model, old class structures and elites are not destroyed. This limits the possibilities for the growth of a rationalized system of functionally determined, vertically based organizations. Schmitter’s description of Brazil, Malloy’s account of the corporatist experiment in Peru, and Linz’s analysis of Francoist Spain all point to the same phenomenon: half-hearted corporatist structures, organizational confusion, and the simultaneous survival of, and conflict between, old and new interest groups, structures, and classes.<sup>50</sup> Romania in the 1930s was very similar to this, at a time when corporatist theories were in vogue, and an authoritarian but weak and ineffective monarchy tried to impose a reformed system of organization on the society.<sup>51</sup> Romania in the 1970s, or any society that has made a decisive, revolutionary break with old class structures, is very different. For that very reason, it can move toward genuine corporatism that much more easily than a country like Brazil.

The irony, of course, is that revolutionary states are unlikely to claim, or even admit, corporatist ideology as their own.<sup>52</sup> Similarly, societies which do admit links with the largely discredited corporatist past, like Brazil, or better, Portugal and Spain until recently, do so only insofar as they are searching for ideological justifications of their conservatism. This has led to the paradox that students of “revolutionary” and “socialist” development patterns have largely overlooked the one established model of political and social organization that would help them understand and predict the direction in which radical third world societies are likely to move in the future. It has also caused considerable confusion about the real nature of established communist societies.

Manoilescu was correct. The twentieth century is the century of corporatism. But he was wrong to think that the weak and fraudulent steps taken by fascism in the 1920s and 1930s were significant. It is only now, outside the old capitalist centers, that societies which proudly proclaim themselves marxist are building genuine corporatism.

## NOTES

1. For a typical Soviet example available in English see G. Shahnazarov, *Socialist Democracy: Aspects of Theory* (Moscow: Progress Publishers, 1974).
2. David Lane, *The Socialist Industrial State: Towards a Political Sociology of State Socialism* (Boulder, Col.: Westview Press, 1976), pp. 92–101; Anthony Giddens, *The Class Structure of Advanced Societies* (New York: Harper Torchbooks, 1975), pp. 250–251.
3. Philippe C. Schmitter, “Still the Century of Corporatism?” in Frederik B. Pike and Thomas Stritch, eds., *The New Corporatism: Social-Political Structures in the Iberian World* (South Bend, Ind.: Notre Dame University Press, 1974). See also Schmitter, “Reflections on Mihail Manoilescu and the Political Consequences of Delayed-Dependent Development on the Periphery of Western Europe,” in Kenneth Jowitt, ed., *Social Change in Romania, 1860–1940: A Debate on Development in a European Nation* (Berkeley: Institute of International Studies of the University of California, 1978).
4. Daniel Chirot, “A Romanian Prelude to Contemporary Debates about Development,” *Review*, II, 1 (Summer 1978), pp. 115–123.
5. Mihail Manoilescu, *Le siècle du corporatisme: doctrine du corporatisme intégral et pur* (Paris: Felix Alcan, 1934), p. 176.
6. *Ibid.*, pp. 176–177, 182.
7. *Ibid.*, pp. 219–220, 337.
8. Emile Durkheim, *The Division of Labor in Society* (New York: The Free Press, 1964), pp. 1–31. (Original second edition, 1902.)
9. A. James Gregor, *The Fascist Persuasion in Radical Politics* (Princeton: Princeton University Press, 1974), p. 176.
10. Mihail Manoilescu, *The Theory of Protectionism and of International Trade* (London: King and Son, 1931).
11. Manoilescu’s viewpoint has been taken up in more recent years by economists of the left. See Dudley Seers, “The Stages of Economic Growth of a Primary Producer of the Twentieth Century,” in Robert I. Rhodes, ed., *Imperialism and Underdevelopment* (New York: Monthly Review Press, 1970).
12. Manoilescu, *Le siècle*, p. 46.
13. Reinhard Bendix, *Kings or People* (Berkeley and Los Angeles: University of California Press, 1978), p. 248.
14. Alexis de Tocqueville, *Democracy in America*, Vol. I (New York: Vintage, 1954), pp. 198–205. It is, of course, de Tocqueville’s appreciation of intermediary institutions between the state and the individual to which I refer. I believe that it was exactly this purpose that Durkheim hoped his “corporations” would perform, a rather different intent than that of later fascist theorists.
15. S. J. Woolf, “Did a Fascist Economic System Exist?” in S. J. Woolf, ed., *The Nature of Fascism* (New York: Vintage Books, 1969), pp. 119–151.
16. Immanuel Wallerstein, “Semi-Peripheral Countries and the Contemporary World Crisis,” *Theory and Society*, 3/4 (Winter 1976), pp. 462–466.
17. Woolf, *Op. cit.*, p. 161.
18. Juan J. Linz, “From Falange to Movimiento-Organizacion: The Spanish Single Party and the Franco Regime, 1936–1938,” in Samuel P. Huntington and Clement H. Moore, eds., *Authoritarian Politics in Modern Societies: The Dynamics of Established One-Party Systems* (New York: Basic Books, 1970), pp. 140–142, 175–185.
19. Carl J. Friedrich, “The Failure of a One-Party System: Hitler Germany,” in Huntington and Moore, *Op. cit.*, p. 246; T. W. Mason, “The Primacy of Politics – Politics and Economics in National Socialist Germany,” in Woolf, *Op. cit.*, pp. 191–193; Hans Mommsen, “National Socialism – Continuity and Change,” in

- Walter Laquer, ed., *Fascism: A Reader's Guide* (Berkeley and Los Angeles: University of California Press, 1976), p. 192.
20. Shahnazarov, *Op. cit.*, pp. 45, 56–59.
  21. Ioan Ceterchi, "Statul socialist român — trei decenii de existență," *Viitorul Social*, VI, 4 (Oct.-Dec. 1977), p. 613.
  22. Al. Floares, "Procesul de omogenizare socială în România," *Revista Economică*, 6 (10 February 1978), p. 17.
  23. John M. Montias, *Economic Development in Communist Rumania* (Cambridge: M.I.T. Press, 1967), pp. 195–196.
  24. Communist Party of Romania, *Directivele Congresului al X-lea al P.C. Român cu privire la Planul de Dezvoltare Economico-Socială a României pe anii 1971–1975* (Bucharest: Editure Politică, 1969).
  25. Montias, *Op. cit.*, pp. 194–213.
  26. George Schopflin, "Rumanian Nationalism," *Survey*, 4 (Autumn 1974), pp. 77–104.
  27. Mihail Cernea, *Sociologia cooperativei agricole* (Bucharest: Editura Academiei Republicii Socialiste România, 1974), pp. 91–109.
  28. *Ibid.*, p. 271.
  29. *Ibid.*, p. 272.
  30. *Ibid.*, pp. 154–158.
  31. Traian Herseni, *Psihosociologia organizarii interprinderilor industriale* (Bucharest: Editura Academiei Republicii Socialiste România, 1969), pp. 142–147.
  32. Frederic L. Pryor, "Industrial Organization," in Carmelo Mesa-Lago and Carl Beck, eds, *Comparative Socialist Systems: Essays on Politics and Economics* (Pittsburgh: University of Pittsburgh Center for International Studies, 1975), pp. 358–361.
  33. Anneli Maier, "The National Conference of Romanian Writers," *Radio Free Europe Background Report 118* (22 June 1977).
  34. Manoilescu, *Le siècle*, p. 92.
  35. Kenneth Jowitt, *Revolutionary Breakthroughs and National Development: The Case of Romania, 1944–1965* (Berkeley and Los Angeles: University of California Press, 1971), pp. 172–173. See also Daniel Chirot, "Social Change in Communist Romania," *Social Forces*, LVII, 2 (December 1978), pp. 457–499.
  36. Kenneth Jowitt, "Political Innovation in Rumania," *Survey*, 4 (Autumn 1974), pp. 133–135.
  37. Trond Gilberg, *Modernization in Romania since World War II* (New York: Praeger, 1975), pp. 76–80.
  38. Robert K. King, "Ideological Mobilization in Romania," *Radio Free Europe Background Report 40* (21 February 1977).
  39. Eric Bourne, "Romania takes a hard look at itself," *Christian Science Monitor*, Thursday, Dec. 8, 1977, p. 38; Michael Dobbs, "Romanian Miner's Revolt Put Down," *The Washington Post*, reprinted in the weekly *Manchester Guardian*, Dec. 4, 1977, p. 15.
  40. Gilberg, *Op. cit.*, pp. 245–246.
  41. *The Future of Intellectuals and the Rise of the New Class* (Seabury, 1979).
  42. Jowitt, *Revolutionary Breakthroughs*, pp. 184–187.
  43. Lane, *Op. cit.*, pp. 92–93.
  44. James R. Townsend, "Intraparty Conflict in China: Disintegration in an Established One-Party System," in Huntington and Moore, *Op. cit.*, pp. 303–304.
  45. Manoilescu, *Le siècle*, p. 101.
  46. Marius J. Broekmeyer, "Self-Management in Yugoslavia," *The Annals*, 431 (May 1977), pp. 133–140; Bogdan Denitch, *The Legitimation of a Revolution: The Yugoslav Case* (New Haven: Yale University Press, 1976).
  47. See Andrzej Korbonski, "The Pattern and Method of Liberalization," in Mesa-Lago and Beck, *Op. cit.*, pp. 197–198. Zygmunt Bauman has stressed the futility of

- analyzing liberalizing trends in eastern Europe as movements toward Western style political structures, and in so doing stressed some of the same points I am emphasizing. See his "The Second Generation Socialism," in Leonard Shapiro, ed., *Political Opposition in One-Party States* (New York: John Wiley, 1975).
48. *Anuarul Statistic al Republicii Socialiste România 1975* (Bucharest), p. 67.
  49. *Ibid.*, pp. 9, 22–23.
  50. Philippe C. Schmitter, *Interest, Conflict, and Political Change in Brazil* (Stanford: Stanford University Press, 1971); James M. Malloy, "Authoritarianism, Corporatism and Mobilization in Peru," in Pike and Stritch, *Op. cit.*; Linz, "From Falange . . .," in Huntington and Moore, *Op. cit.*
  51. Eugen Weber, "Romania," in Hans Rogger and Eugen Weber, eds., *The European Right* (Berkeley and Los Angeles: University of California Press, 1966).
  52. Both the Soviet and the Romanian delegations were outraged by this paper at the Uppsala International Sociological Association Meetings in 1978.