# 5

# Corporatism and Comparative Politics

## INTRODUCTION

From time to time, entire disciplines and fields of study are challenged—turned topsy-turvy, forced to rethink and reexamine all their earlier assumptions and ways of approaching their subject matter—by the impact of a single concept or a new approach. We call such approaches *conceptual models* or *paradigms;* when a fundamental change occurs in how we understand or conceptualize a particular subject matter or approach to the discipline, we call that a *paradigm shift.*[1] In this chapter, the disciplines and fields of study we are talking about where this shift has occurred are political science, political sociology, and political economy, particularly the subfields within these disciplines of comparative politics (Latin America, Western Europe), comparative development, and comparative public policy studies. The concept or paradigm that has forced this rethinking, this reconceptualization, this paradigm shift, is corporatism.

Since the late 1960s, corporatism, or the corporative approach, has emerged as one of the leading approaches in these fields. Corporatism has taken its place alongside liberal-pluralism and Marxism (both explained in chapter 1) as one of the three main approaches in these several fields. For this reason, we call corporatism "the other great 'ism'" because it now stands next to these other two as the third great paradigm—though far less known than the other two—in the social sciences. The emergence of this new approach has sparked great controversy as well as a vast outpouring of case studies and new theoretical writing designed to test and explain the corporatist paradigm.

Make no mistake about it, corporatism is a controversial subject, and a lot of misunderstanding surrounds it. Many identify corporatism with fascism from an earlier era; others confuse it with the modern business corporation; still others try to dismiss corporatism or wish it away, preferring to hang on to the earlier approaches even though they may no longer represent accurate or complete pictures of social and political reality. But the corporatism phenomenon cannot be so easily dismissed, and certainly the societies and political institutions organized on a corporatist basis or exhibiting corporatist characteristics are not about to disappear simply because some writers wish they would. Corporatism is here to stay!

It is important to acknowledge up front, especially to an American audience, the political sensitivity associated with drawing attention to corporatism and elevating it to the status of a viable political alternative. The topic is sensitive because the individualistic and liberal-pluralist ethos and ideology are so strongly ingrained in the American political consciousness. Americans are often reluctant to admit the power of certain groups in our society to control the economic and political system. But powerful interest groups tied into a strong state are precisely what corporatism is all about. Moreover, that seems to be the direction—despite recent talk about privatization, downsizing, and the like—in which we and other modern as well as developing nations are heading. This chapter helps get the corporatism phenomenon out of the closet and onto the table for examination and discussion.

At the same time, there remains great confusion about corporatism: Is it an ideology like Marxism or liberalism? Is it a form of social and political organization found in various countries? Is it a new and important social science approach? Or is it, somehow, all of these? This discussion seeks to sort through the controversies and confusion surrounding corporatism in order to arrive at some careful, balanced conclusions about this new (but also very old) concept.

Let us here define corporatism provisionally as a system of social and political organization in which major societal groups or interests (labor, business, farmers, military, ethnic, clan or patronage groups, religious bodies) are integrated into the governmental system, often on a monopolistic basis or under state guidance, tutelage, and control, to achieve coordinated national development. Even using this preliminary definition, we can see that a country or regime based on corporatism is going to be quite different from one based on liberal-pluralism (where interest groups are free and independent from the state) and from Marxism as well, because corporatism likes to claim that it is based on group and class harmony rather than on the Marxist concept of class conflict.

But corporatism can also take many different forms: quasi-medieval, as in some parts of Latin America; ethnic- or clan-communal, as in many ar-

eas of Africa or the Middle East; Confucian-communal, as in Asia; or the modern, participatory, social-welfare forms, as in Western Europe. Corporatism may take statist or authoritarian forms, or it may take more liberal and democratic forms; it can be present in one form in developing nations and another form in developed ones. Corporatism is thus present in many types of societies and regimes, and it may well be growing (*creeping corporatism*) in the United States. But if corporatism exists in so many forms and in so many different societies, what is its usefulness as an explanatory device for the social sciences? This chapter provides answers to these questions by examining the complex, multifaceted dimensions of corporatism worldwide and its impact on and gradual acceptance in the fields of comparative politics, Latin American studies, European studies, political sociology, and the developing nations.

## LIBERALISM, MARXISM, AND CORPORATISM: THE THREE GREAT "ISMS" OF THE MODERN WORLD

During the past fifty years—ever since World War II—there have been two great, rival, alternative approaches in the field of comparative politics and in development studies and the social sciences more generally. These two approaches, or paradigms, are: (1) liberal-pluralism and (2) Marxism. Liberal-pluralism was largely found in the Western, democratic nations (the United States and Western Europe), and in the approaches scholars in these countries used to study comparative politics; while Marxism, otherwise known as *scientific socialism*, although not entirely absent in the Western tradition, remained a distinctly minority strain there and was concentrated more in the Soviet Union, the Eastern bloc countries, and a number of developing nations—for example, China, Cuba, Vietnam, and North Korea. It is obvious even from these opening comments that not only did liberal-pluralism and Marxism serve as the two major competing approaches in the social sciences for many decades, but also that these two *intellectual paradigms* were products of, bound up with, and a part of the Cold War, superpower rivalry of the last half-century.

To these two major, more familiar approaches has now been added a third major approach: corporatism. The recent resurgence of corporatist approaches to studying comparative politics; the politics of developing nations; public policy making in advanced industrial societies; and a variety of issues relating to social change, labor relations, social welfare policies, and other topics had their origins in the 1960s and 1970s when a number of pioneering scholars suggested that neither the liberal-pluralist nor the Marxian approaches were fully adequate to treat the new phenomena they were observing in their studies. These new phenomena

included the incorporation of interest groups into the decision-making machinery of the modern state; social pacts to guarantee labor peace, involving unions, management, and government regulators; industrial policies undertaken by various governments that involved obligatory participation by business and labor; and public policy in the areas of social security, welfare reform, education, and social and economic change more generally in which the state, or government, specified which groups had to be brought in and consulted both in the making of the policy and its implementation. In none of these issues and policy areas did the traditional liberal-pluralist approach, or the Marxian one, prove adequate or provide the intellectual framework to fully comprehend the processes involved. Either these approaches were silent on the topics or they furnished inadequate categories for coming to grips with and understanding them. It is in this context that the corporatist approach arose, because it did seem to offer the intellectual framework that was either lacking or incomplete in the other main approaches.

Here, then, is the contribution and the attraction that the corporatist approach provided: it offered us a handle, a method, an approach for understanding some new social, economic, and political phenomena (the role of the state, the formal incorporation of interest groups into government decision making, new areas of public policy making, and so on) that the other approaches failed to provide. The corporatist approach was and is primarily an honest attempt by scholars to understand some new phenomena in modern societies (for example, the increasing rationalization and bureaucratization of society, the changing structure of labor and industrial relations, the involvement of interest groups in actual policy making and implementation), to respond to new socioeconomic and political phenomena that the liberal-pluralist and Marxist models were not especially helpful in providing. In this sense, the corporatist approach should be seen as going beyond the earlier approaches and providing students of comparative politics (as well as policy makers) with a set of conceptual tools for understanding modern politics.

But at the same time, the corporatist approach should be seen, in my view, not as entirely supplanting these other earlier approaches but as complementing them in various ways and helping to provide answers to questions for which the other paradigms proved inadequate. Meanwhile (and this is the fun and often controversial part), the study of corporatism and even the term itself became caught up in many of the ideological, political, and intellectual battles that surrounded and came to characterize the liberal-pluralism and Marxism approaches, often confusing or complicating the issues and causing great controversy.

Liberal-pluralism, Marxism, and corporatism have for a long time offered competing perspectives on society, governance, and state-society

relations. But they have also, at different times in history, presented competing ideological visions as well. Here we try only to explain the basic structural or institutional differences among liberal-pluralism, Marxism, and corporatism. In all three concepts the focus is on the relations between society as represented by interest groups and the state or government, and hence on the dynamics of what are called state-society relations.

In liberal-pluralism, which is often considered to be the dominant reality as well as the main political ideology and approach to studying politics in the United States and Western Europe, interest groups are free, unfettered, and completely independent from the state. Interest groups can organize on any issue; in the modern liberal state there are few if any restrictions on interest-group activities. As a result, there are thousands of interest groups in the United States, at the local, state, and national levels, all competing in the political arena. Such free and vigorous interest-group activity and the overlapping webs of associations to which most Americans belong (churches and synagogues, unions and business associations, PTAs and grassroots associations, lodges and clubs) have long been considered among the glories of American democracy. Moreover, it is out of the competing interest-group struggle, a long and rich literature in the liberal-pluralist tradition approach suggests, that good and effective public policy emerges. For the plethora of competing groups serves not only to advance a great variety of policy positions but also forces everyone to compromise, to accommodate and reach a democratic solution. And in this intense competition among interest groups, according to liberal-pluralist theory, the state (executive, legislative, judicial branches) plays a relatively minor role. It umpires and referees the group struggle but does not try to control it; the state, in this theory, serves as a transmission belt and filter for interest-group activities, but it does not dominate the process or seek to impose its own purposes on it. In liberal-pluralism the interest groups and their activities are the main focus of the political system.

Under Marxism and especially in its Leninist form, the opposite characteristics apply: the state is powerful ("the *dictatorship* of the proletariat," as Marx put it), while interest groups are subordinated. Of course, we all understand that there are also democratic and parliamentary versions of socialism or social democracy (such as in Scandinavia and other Western European countries) in which interest groups are also free, but here we are talking about the totalitarian version of Marxism as it was long practiced in the Soviet Union, Eastern Europe, and other Marxist-Leninist states. The word "totalitarian" itself implies total control: no groups or associations are allowed to exist freely or apart from the state. Under totalitarian Marxism (fascism, too, as practiced in Nazi Germany) the state may create its own, *official* interest groups, but such groups have no independence

or autonomy apart from the totalitarian behemoth. Quite unlike liberal-pluralism, under totalitarianism it is the state that makes all the important decisions, while the "interest groups" serve as window dressing to the regime in power, at times also helping to implement the state's policies. It is one of the hallmarks of such totalitarianism that there is no grassroots participation from below in decision making (through public opinion, elections, interest groups, or in any other way), only top-down authority (from the state or all-powerful government).

Corporatism occupies an intermediary position between liberal-pluralism and Marxian-totalitarianism or fascism. Corporatism's advocates like to say that they represent "the third way," an alternative route to modernization that avoids the disadvantages of the other two. On the one hand, corporatism advocates a strong, guiding, directing state but not one that is totalitarian. On the other, corporatism is usually characterized by state-structured and regulated interest groups, but not by total control as in Marxism-Leninism nor the completely unfettered interest-group struggle (which corporatists argue produces chaos and often paralysis) of liberal-pluralism. At the same time, corporatism advocates class and interest-group harmony over conflict and seeks to accomplish this by incorporating interest groups representing all sectors of society into the decision-making structure of the state. So under corporatism we have (1) a strong but not totalitarian state, (2) structured (neither totally controlled nor fully free) interest groups that are usually limited in number and functions, and (3) interest groups that are part of the state—as distinct from completely independent, as found under liberal-pluralism. Whenever we see government control, structuring, or licensing of interest groups, we are likely to see corporatism.

Hence, in picturing the differences between liberal-pluralism, Marxian or fascist totalitarianism, and corporatism, we need to think of a spectrum rather than either-or choices (see figure 5.1). At one end of the spectrum (liberal-pluralism) we have a weak state and, usually, strong interest groups. At the other, Marxist-Leninist or fascist, end of the spectrum we have a totalitarian state and weak, totally controlled interest groups. In

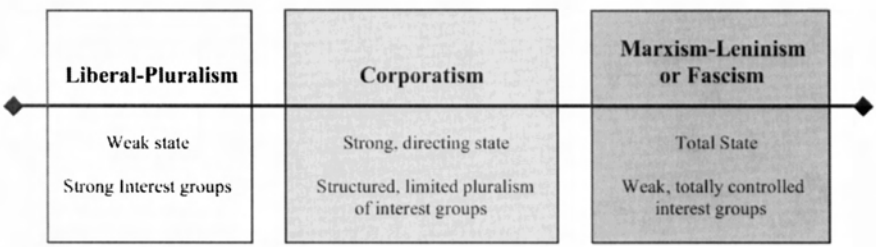


**Figure 5.1. A Spectrum of Regimes**

between, where corporatism lies, we have a strong (but not total) state and structured interest groups (partly free, partly controlled) that are limited in number. Different regimes may be strung out at various points on this spectrum, including some that may involve varying degrees or combinations of these features.

A considerable variation in types of regimes may be found within the corporatism category. Some corporatist systems (such as those in Scandinavia) allow relatively free interest groups, permit widespread public participation, and have a limited state; this is usually referred to as "societal corporatism," "open corporatism," "democratic corporatism," or "corporatism of free associability." This version of corporatism is often based on a constitution or contract or series of contracts negotiated between the state and its component corporate units (business, labor, agriculture, religious groups, military, etc.) that spell out the rights and responsibilities of all parties—giving corporatism a legal, constitutional, and democratic character. Other corporatist systems (such as Franco's Spain or Salazar's Portugal) had a strong state and strict controls over interest-group activity; these regimes can verge on dictatorship, authoritarianism, even fascism. We must remember, therefore, that there are "hard" as well as "soft" versions of corporatism, secular as well as religiously based corporatism, open as well as closed systems of corporatism, participatory versus exclusionary corporatism, and democratic versus authoritarian versions of corporatism.

While considerable variation exists among corporatist regimes, the distinguishing characteristics seem to be (1) a strong, directing state—stronger than most Americans with our freewheeling pluralism and freedom would be willing to allow, (2) restrictions on interest-group freedom and activity, and (3) incorporation of interest groups into and as part of the state system, responsible both for representing their members' interests in and to the state *and* for helping the state to administer and carry out public policies. In other words, under corporatism, interest groups often become part of the state, incorporated into it; they are agencies that are no longer just private but that have taken on *public* responsibilities. We need to keep these criteria in mind as we consider the growth of corporatism in the United States.

Furthermore, some corporatist systems have mixes of, for example, corporately represented bodies whose members are chosen by functions (military, religion, agriculture, commerce, industry, etc.) and democratically elected chambers whose members are chosen on the basis of one person, one vote. So, just as corporatism in its "open" or "societal" varieties can verge toward liberal-pluralism on one end of our spectrum of regimes and toward dictatorship and totalitarianism (Mussolini's Italy) on the other, there can also be liberal-pluralism systems that begin verging

toward corporatism (the United States at present) as well as Marxian-socialist regimes (the People's Republic of China, for example) that may have various corporatist features. The discovery, or rediscovery, of corporatism shows that, if nothing else, we need to open our minds to a wide range of regime possibilities and variations that go considerably beyond earlier methods of classifying regimes (dictatorship versus democracy, for example, or liberalism versus fascism).

Overall, what bears emphasis is:

1. Corporatism's emergence as a social science and regime-type alternative to liberal-pluralism and totalitarian Marxism-Leninism or fascism.
2. The distinctions in terms of interest groups' freedom versus control and the role of the state in these three types.
3. The considerable variety of regimes that can fall under the corporatist category.

## THE CORPORATISM PHENOMENON: HOW WIDESPREAD?

Corporatism may be said to be present when the following conditions apply:

1. Society is organized, in whole or in part, not on an individualistic basis (as in the case, historically, of the United States), but in terms of the functional, societal, or "corporate" units (family, clan, region, ethnic group, military organization, religious body, labor or business unit, interest groups, etc.) that make up the nation.
2. The state seeks to structure, limit, organize, or license these groups as a way of controlling them (limited pluralism).
3. The state tries to incorporate these groups into the state system, converting them into what are often called "private-sector governments"; while the groups themselves seek both to take advantage in terms of programs and benefits for their members from such incorporation, and at the same time preserve some autonomy or independence from the state, usually contractually defined (as in a constitution or basic law).

The countries and regions where these conditions apply, we are now discovering, are far more widespread than anyone had earlier imagined. Moreover, there is little evidence—again, contrary to earlier theorizing—that these countries and regions characterized in whole or in part as corporatist are moving inevitably or universally toward individualism and

liberal-pluralism on the U.S. model. Corporatism is not only widespread but also ubiquitous and present not only in a great variety of regimes but also expanding even in countries like the United States or Western Europe, previously thought to be strongly in the liberal-pluralist mode.

A partial listing of these regimes will serve not only to show how widespread corporatism is and its considerable varieties but also to give a clearer picture of what is meant by and encompassed in the term "corporatism":

- In the communalist, organic, Confucian, group-oriented, nonindividualist, clan, family, tribal, and local community-oriented societies of East and Southeast Asia, one can find the germs of corporatist society—the forerunners of the modern corporatism of Japan and other countries.*
- Latin America is primarily Western in its culture, religion, politics, and society; but it is also a colonial offshoot of sixteenth-century Spanish and Portuguese Europe and organized historically on a group, communal, clan, family, and organic basis.
- Africa is also organized in part on a clan, ethnic, or tribal basis ("precorporatism"), which many scholars are now seeing as more important than the often artificial national boundaries imposed by the colonial powers.
- In the cultural and social traditions of India and South Asia, there are similar organic, communal, group-oriented social organizations—such as the caste associations—that can also be seen as providing a "natural corporatist" or "precorporatist" basis to society.
- Similarly, Islamic society contains roots that are strongly clan, tribe, and community-oriented—not all that different from the other corporate or community-based societies listed here.
- Western Europe practices an advanced or social-welfare form of corporatism, where major societal interests are often formally represented inside the state and help carry out social and economic programs on a sectorial (often called "neo-corporatist") basis.
- The United States has long been considered a predominantly liberal and individualistic country, but this is now changing as the United States, too, moves toward a more sectorally and functionally based society.

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*The author's earliest writings on corporatism were concentrated on Latin America and Southern Europe. But—and this is one of the pleasures of writing in a public forum—as a result of these writings, the author received numerous communications from Asia and other areas saying, "Oh, your model applies in my country [India, Thailand, South Africa, South Korea, Saudi Arabia, Egypt, Tanzania, Japan, the Philippines] as well."

- Russia, the Commonwealth of Independent States, and Eastern Europe (the former Soviet Union and its empire) evidence considerable corporatist influence from their past histories; even under communism there was a sectoral (workers, peasants, military, intelligentsia) organization of society. Now in the wake of the Cold War and the breakup of communism, some of these historic communalist traits are being resurrected or reorganized; but in many of the former communist states there is still great confusion as to which form of society (liberal-pluralist, corporatist, authoritarian, revived communism, various mixed forms) will prevail.

This brief survey illustrates two major theses: (1) how widespread corporatism is in different regions and countries of the world and (2) the different forms that corporatism may take, ranging from "natural" or "historical-cultural" corporatism in its tribal, ethnic, regional, or social group-oriented forms, to the modern welfare-state forms of postindustrial European and North American society.

## THE CORPORATISM PHENOMENON: WHY SO CONTROVERSIAL?

Not only has corporatism had a profound effect on the social sciences, offering a third and alternative social science model to liberal-pluralism and Marxism, but also it is widespread, characteristic of a wide variety of regimes and movements in both the Third World of developing nations and the First World of modern industrial states. For a long time (about forty years) corporatism was largely neglected by social scientists and students of comparative politics who saw it as a throwback to the 1930s and World War II. But in recent years corporatism has reemerged—although not without great controversy. As we go through the following list of reasons as to why corporatism is so controversial, we will see that this concept, like many concepts in the social sciences, is loaded with political, ideological, and emotional baggage. But this is even more so in the case of corporatism.

In this section we merely introduce the reasons for the controversy surrounding corporatism.

1. In the popular mind, corporatism is, or was, often associated with fascism and, therefore, carries highly emotional connotations. That is because in the 1920s and 1930s such fascists and semifascists as Mussolini in Italy, Hitler in Germany, Franco in Spain, and Salazar in Portugal used, in part, a corporatist system of organizing their

economies and political systems. But, in fact, corporatism can take many forms, left and center as well as right, Christian as well as secular, socialist as well as fascist.**

2. A second, related reason for the controversy is that corporatism is often assumed by historians to be a product of the period between World Wars I and II, a thing of the past now superseded. But, in fact, not only is corporatism now reemerging in various regimes and forms, but we are also discovering that many supposedly liberal and pluralist regimes have been practicing a disguised form of corporatism for many years.
3. In the past, corporatism was often denounced by its opponents as a "smokescreen" for authoritarianism or as a "confidence trick" played on workers. In some regimes and in some circumstances, corporatism may have been or done those things. But corporatism has also had many other and often more positive usages: as a way of organizing diverse and fragmented societies; as a means of filling a void in a nation's associational or organizational life; as a way of centralizing and concentrating political power; as a system of organizing and implementing social programs; as a way of integrating both business and working-class elements into political society or, alternatively, of controlling and regulating their participation; and as an alternative model of society that seeks to preserve unity, class harmony, and a sense of community as modern mass society begins to emerge.
4. A connection has been discovered between corporatism and capitalism and between corporatism and big bureaucratic states. Indeed some analysts have gone so far as to argue that some form of corporatism is virtually inevitable in all large, advanced, industrial societies where there are strong currents of national economic planning and modern social-welfare programs, and hence the need to rationalize and organize societal interest groups to provide input into and to help implement these programs. Could it be, in other words, that all big, advanced, bureaucratic societies evolve toward a system of corporatist organization?
5. Corporatism is often accused of being a right-wing, conservative, and elite-directed way of dealing with the great pressures brought on by industrialization and modernization, and indeed corporatism has often provided a basis for conservative and/or authoritarian

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**The association of corporatism with fascism was brought vividly home to the author when he lectured on corporatism in the Netherlands. An elderly member of the audience came up afterward and told the author that he had fought against corporatism, the German occupation, and fascism during World War II while trying to liberate his country from the Germans and, therefore, that it was difficult for him to accept either the resurgence of corporatism or that it could be used as a neutral, social science term.

politics. But we know now that corporatism can also take liberal, pluralist, populist, social-democratic, socialist, and even communist directions; after all, Joseph Stalin, the communist dictator of the USSR, once accused his one-time partner and later foe Leon Trotsky of being a corporatist.

6. In the study of corporatism, some intense personal, scholarly, national, and regional rivalries and jealousies are involved. Corporatism began as a European phenomenon, then was revived in the area of Latin American studies, from whence it spread back to Europe once again. But the Europeanists seldom acknowledge the Latin Americanists' contributions to the literature; Latin Americanists are seldom aware of what the Europeanists are researching; and meanwhile other areas (Africa, Asia) have come up with their own versions of corporatism that are seldom known to the other two.
7. Corporatism, in some of its manifestations, has not been very acceptable to reformers. For corporatism is not just a set of political, economic, and social institutions; in some societies the corporate, organic, group-oriented way of thinking and acting is so deeply embedded in the society that it has become part of the political culture. If corporatism is so entrenched, then it will likely require two or three generations to change, not just some revision in the legislation. And that kind of cultural continuity as well as the long time span are often unacceptable to those who wish a more rapid reform.
8. Recently, corporatism has begun to be popular again as an ideology, in ways that have not been the case since the 1930s. Because of the lingering connotations of fascism, it is seldom explicitly called corporatism; instead, the terms used are communalism, solidarism, cooperatism, or even ethnic pride. All of these terms refer to the renewed longing for a sense of community, togetherness, and belonging that seem to have been eroded under the pressures of modern, impersonal, bureaucratic, mass society. But it was precisely the attempts to maintain or recapture the communalist community ties and values that helped give rise to corporatism in the first place.
9. Finally, and most importantly for the purposes of this book, corporatism is controversial because it serves as an alternative social science/comparative politics approach to the other great "isms" of the modern world: Marxism and liberal-pluralism. Particularly in its more religious and Christian-democratic manifestations, corporatism has long been strongly opposed to Marxism and Marxism-Leninism; and now with the collapse of the Soviet Union and the disintegration and discrediting of Marxist-Leninist regimes virtually everywhere, the Marxist approach is in strong disrepute. But corporatism often also stands in contrast to the dominant liberal-pluralist

approach of American and European social sciences and presents an alternative approach and model. This has sometimes earned corporatism the antipathy of those who are committed to liberal-pluralism; more than that, the corporatist approach has challenged the currently dominant liberal-pluralist orientation of American foreign policy to refashion governments abroad—especially in the Third World, where many of them are founded on corporatist principles—in the American liberal-individualist mold as wrong-headed, ethnocentric, and destructive of local institutions and ways of doing things. So the debate over corporatism not only has important comparative politics and social science implications but also is crucial in thinking about American foreign policy as well.

Over the past three decades, these issues and themes have stimulated an enormous amount of interest in the corporatism phenomenon. Moreover, these are important and very controversial themes. They get at the heart of many of the key issues of national and cross-national social and political development and public policy, and they importantly affect the way we perceive, grapple with, and seek to understand not just foreign societies (where corporatism has long and often been strong) but also that of the United States (where corporatism is growing). At the same time, corporatism and its attendant implications touch some raw political and ideological nerves. The corporatism issue has received so much attention precisely because it relates to and impacts the most important issues of our day.

## THE FOUR FORMS OF CORPORATISM

Corporatism tends to emerge in societies that emphasize group or community interests over individual interests. The strong individualism of the United States, for example, helps explain why, until recently, corporatism seldom found a receptive breeding ground in America. Earlier, we had provided some preliminary guideposts to help us identify where and when corporatism was present: (1) a strong but not a totalitarian state; (2) interest groups that are usually limited in number; and (3) interest groups that are part of the state, usually existing in some form of contractually defined relation to the state, rather than complete independence from it as in liberal-pluralism. Whenever we see government control, structuring, or licensing of interest groups, we said, we are likely to find corporatism present.

Corporatism exists in a number of forms, cultures, and time periods, which makes it difficult to offer a single definition that covers all its forms. For now, let us keep in mind our "guideposts" rather than try to formulate a final definition, because in many respects corporatism represents a

mood, a way of thinking (functionalist, statist, communalist), an approach that defies hard-and-fast rules. Here we try to explain what corporatism is, to try to understand it.

In this chapter we identify four forms of corporatism. These four forms have existed in different time periods, but there is often a progression or evolution from one form to the next. Moreover, as would naturally occur during an evolution, there can be various mixed forms, thus accounting for the considerable diversity of corporatisms that we find. In addition, because there is a progression from one form to the next, we posit that there are dynamic factors—explainable using the corporatist model—that help account for the changes. The four forms of corporatism are: (1) historical or "natural" corporatism; (2) ideological corporatism; (3) manifest corporatism; and (4) modern neo-corporatism. In addition, we also offer at the end of this discussion some preliminary considerations concerning a general model of corporatism.

## 1. Historical or "Natural" Corporatism

Historical or "natural" corporatism can be found in a great variety of premodern societies, especially those founded on traditions that emphasize solidarity, group identity, and community. Such societies tend to value group solidarity over individualism, which is what makes it hard for many U.S. foreign assistance programs—based naturally on the American tradition of individual initiative—to operate successfully in these societies, a theme to which we shall return later. By historical or natural corporatism we have in mind the ethnic, clan, and tribal basis of much of African politics; the emphasis on group and community that ties together many of the Confucian-based societies of East Asia; the similarly group-, clan-, and caste-based societies of South Asia; and the solidarist conceptions that tie together ruler and ruled into mutually supportive roles in those societies based in part on the Koran. Even in the West, by which we mean Western Europe (before the onslaught of the Renaissance, the Enlightenment, and the Industrial Revolution), there were many natural-corporatist institutions: the extended family, the neighborhood, the community, the parish, regional and ethnic loyalties (now often being reasserted), military orders, guilds, the Roman Catholic Church and its orders, and the aristocracy or nobility. These are all *historic* corporatist institutions; they tend to have been there almost from time immemorial, to have grown *naturally* in the society.

Historical or natural corporatism is often the glue, the cement, that holds together societies in their early premodern stages. It emphasizes the seemingly natural, timeless, and basic institutions of society. It often predates the formation of the modern nation-state. It is frequently a part of the historical political culture of the society; hence, the emphasis in the

analyses of some writers on the connections between culture and corporatism. Rulers of the emerging or new states may try to use these historic and natural corporatist institutions as a basis for their own power, as a way of holding society together during the early, difficult stages of modernization and nationhood, or as a way to emphasize local or nativist values and institutions to keep out intruding foreign ones. At the same time, the historic corporate groups may try to keep the ruler or the emerging nation-state at arm's length as a way of retaining their own identity. Usually in the first stages of modernization a tug-of-war goes on between the central state trying to establish, consolidate, or augment its power versus the corporate groups that want to keep autonomy and a contractually defined independence from the central state. Where the central state completely snuffs out these autonomous corporate units, tyranny, absolute despotism, and dictatorship usually result; but where the corporate bodies continue to exist in some mutually satisfactory and legally defined relationship to the central state, that is usually called "constitutionalism," even "democracy," in the emerging nations. But note how different that is from American-style constitutionalism.

Very often these historic, "natural," and precorporatist groups continue to exist after the formation of the nation-state and in some, often uneasy, relations with it. Witness the continuing importance of ethnic institutions in Africa, caste associations in India, tribal rights in states based on the Koran, and the Roman Catholic Church and the armed forces (heirs to the tradition of autonomous military orders) in Latin America. In Asia, too, it is clear that group, community, and solidarist features persist into the modern age, standing in marked contrast to American-style individualism, often making it difficult for Westerners to understand these countries where Confucianism still holds considerable sway. The central government must then negotiate with these groups or snuff them out, which is becoming less acceptable; the result is a type of corporatism that often looks considerably different from the Western or European type.

## 2. Ideological Corporatism

The emphasis on the individual and on individual rights accelerated in the West during the eighteenth-century Enlightenment; in the course of the French Revolution beginning in 1789, and subsequently throughout most of the rest of Europe, group rights (of the Roman Catholic Church, the guilds, and other groups) were extinguished. Thereafter, at least in the West, the atomistic individual ruled supreme, while the older system of historic or natural corporatism was snuffed out.

But many, especially Catholics and conservatives, rejected what they saw as an excessive emphasis on the individual and longed for the solidarity,

organized society, and group rights of the *ancien régime*. At first their message was entirely reactionary, an attempt to turn the clock back to a bygone *status quo ante*. However, beginning in the mid-nineteenth century, a number of writers, intellectuals, and religious figures began to formulate a more positive response to the alienation and anomie of the modern, industrial age. They called their new ideology *corporatism*, and throughout the remainder of the nineteenth century and the early decades of the twentieth their philosophy and recommendations gained many adherents. Corporatism became the "other great ism," alongside liberalism and Marxism, of the twentieth century.

Under corporatism, society was to be organized not on an individualistic or liberal basis but in terms of society's component groups: the family, the parish, the neighborhood, organized labor, fishermen, peasants, business, industry, religion, armed forces, university students, professional associations. These groups would help decide economic and social policy; they, along with the state, would regulate their own members. Rather than on an individual, one-person, one-vote basis, representation in government bodies under corporatism would be on a group basis: seven seats for the military, eight for business, and so on. A number of "corporations," representing both labor and management, would be created to help regulate wages, prices, and production in specific industries. In this way, group interests and solidarity would become stronger than the individual ones as represented in liberalism; similarly, the class-conflict model of Marxism would be replaced by the presumedly class harmony model of corporatism.

The corporatist ideology proved to be very attractive early in the twentieth century in societies where liberalism and individualism seemed to be producing near-anarchism (Spain, Portugal), where class conflict was feared to be getting out-of-hand or producing conditions for a Bolshevik-like revolution (Germany, Italy), and/or where the state or government needed to get a handle on the national economy in the face of depression or completely unbridled capitalism and its accompanying social ills (virtually all countries). In fact, throughout Europe as well as Latin America, corporatism was extremely popular as an ideology during the 1920s, 1930s, and early 1940s (before the end of World War II). Hundreds and even thousands of books, articles, and news stories were written about it. Corporatism was becoming so popular that a Romanian political philosopher wrote a book in French that became a best seller throughout Europe in which he proclaimed that the twentieth century would be the century of corporatism just as the nineteenth had been the century of liberalism.[2]

It should be noted that there were several different forms of corporatism at this time. Some were authoritarian; some, more democratic. Some were religiously based, grounded, for example, on the Catholic encyclicals *Quadregessimo Anno* and *Rerum Novarum*, while others were sec-

ular in orientation. Some provided only for group representation, while others combined this with geographic or individualistic representation. The unifying feature in all these regimes, however, was the emphasis on group rights and representation over that of individualism. In the heyday of corporatism between World Wars I and II, Austria, Belgium, France, Germany, Greece, Holland, Hungary, Italy, Norway, Poland, Romania, Portugal, Spain, Sweden, and Switzerland all were attracted to or experimented with various forms of corporatism.

It was only in the West (Europe and, by extension, Latin America) that historical or natural forms of corporatism turned eventually into a full-fledged ideology of corporatism. Other areas—Africa, Asia, areas under Islamic sway—often continued to practice their historic forms of corporatism, group solidarity, and communitarianism but without developing ideological corporatism. One suspects the reason for this lack of a corporatist ideology is that these non-Western societies were never inundated—until recently—by the West's emphasis (exaggerated, some would say) on individualism. So these societies continued to practice their historic and natural forms of corporatism on into the modern era. Only when they, too, began to be impacted by the onslaught of Western-style individualism and capitalism in the late-twentieth century did these areas also begin to fashion a corporatist philosophy both to manage the processes of modernization and to help preserve their traditional, group-oriented ways.

### 3. Manifest Corporatism

Corporatism sounded nice on paper, in theory, perhaps even as an ideology (solidarity, community, class harmony), but in actual practice corporatism did not work out very well—at least in the short term and in terms of the kinds of corporatist regimes that actually came to power. Fascist Italy, Nazi Germany, Vichy France, Franco's Spain, Salazar's Portugal, Metaxas's Greece, Dolfuss's Austria, Vargas's Brazil, Perón's Argentina—none of these was an exactly happy, friendly, admirable regime. All of these began to turn—or turned rather quickly, once in power—to authoritarian or totalitarian forms of rule. Their human rights records were often atrocious at best. Rather than presiding over a system of class harmony, these corporatist regimes frequently used dictatorial means to suppress *all* interest groups—especially organized labor. So it is not surprising that, with the defeat of Germany and Italy in World War II, the ideology and system of government associated with them should be thoroughly discredited—even though in some countries (Argentina, Brazil, Portugal, Spain) authoritarianism and corporatism continued to linger on although now de-emphasizing their discredited and manifestly corporatist aspects.

The corporatist regimes of the interwar period faced numerous similar problems, which help account for the failure of these forms of manifest corporatism. First, the storm clouds of war were already hovering over Europe in the 1930s, making the kind of social engineering envisioned by the corporatist writers and intellectuals difficult at best. Second, the global depression of the 1930s meant that there were inadequate financial resources available for the corporatist restructuring. Third, all these regimes came quickly to realize that they needed big business to keep their governments afloat economically, which meant the business sector of the economy was often able to escape thoroughgoing corporatization. Fourth and related, the control and licensing mechanisms of the corporate state came down heaviest on organized labor, which—in an era ripe with the possibility of Bolshevik revolution—was seen as the greatest threat to the regime in power and a source of potential revolutionary upheaval. Hence, the corporatist idea of class harmony became instead one in which the trade unions were suppressed, often viciously so.

Because of the general discrediting, corporatism went into eclipse after World War II. For the next thirty years the term "corporatism" was seldom mentioned. Even in those regimes that continued as corporatist hangovers from the earlier epoch—Franco's Spain and Salazar's Portugal—corporatism was either forgotten or redefined as a system to deliver social welfare. Interestingly, however, in a number of developing nations (Argentina, Brazil, Chile, Egypt, Indonesia, Peru, South Korea, Taiwan, Tazania, and others) that in the 1960s and 1970s began to experience development problems and crises parallel to those experienced by the European nations in the 1920s and 1930s—rising labor unrest and thus the need for social harmony, a level of pluralism that was producing chaos, the drive to better manage and control rational economies requiring closer tightening and coordination—a corporatist system of social organization looked very attractive. But because of the earlier discrediting of corporatism, these newly emerging countries usually preferred to avoid that label and call it something else: "new democracy," "communitarianism," "guided democracy," "tutelary democracy," or something similar. However, if one scratched below the labels, it was often a form of corporatism that one found in these developing nations, aimed at maintaining order in the face of change and at keeping control on increasingly pluralist societies. Corporatism thus continued to be practiced, but it was done in new areas of the world outside of Western Europe and under new guises.

## 4. Modern Neo-Corporatism

Modern neo-corporatism is very much different from the kind of authoritarian, top-down, and statist corporatism that was characteristic of Eu-

rope in the interwar period and of many developing nations in the 1960s and 1970s. Neo-corporatism, which is often called "societal" or "open" corporatism, is characteristically present not in developing nations but in already modern, industrial, social-welfare-oriented countries. Neo-corporatism incorporates societal or interest groups directly into the decision-making machinery of the modern state on such issues as industrial policy, social welfare, pensions, and economic planning. Usually the groups involved in such incorporation are economic: unions, employers, and farmer groups—though, depending on the policy issue, cultural, social, and professional groups may also be involved. Neo-corporatism implies formalized consultation between the state and its major societal interests, with the main difference from U.S.-style pluralism being the incorporation of these groups usually under state auspices *directly* into the decision-making process and their (usually) formal representation and vote (which often implies veto power) on the vast regulatory and planning apparatus of the modern state. Neo-corporatism thus stands in contrast to the historically laissez-faire quality and independence from the state of most U.S. interest groups. And, instead of the often authoritarian corporatism of the past, neo-corporatism is clearly compatible with parliamentary democracy, with a form of pluralism, and with modern social welfarism.

Neo-corporatism is mainly present in the advanced European countries where business, labor, and the state have often reached a tripartite agreement, or what is often called a "social pact." Usually such social pacts, carried out under government tutelage and direction, involve labor's giving up its right to strike in return for employers granting wage increases and expanded benefits. Cooperation, consultation, negotiations, and compromise are the usual routes to such agreements, not coercion—which help explain why this is called "modern," "neo-," or "societal" corporatism as contrasted with the authoritarian corporatism of the past. Such pacts are mutually beneficial: labor gets more money and benefits; business gets stability and continuous productivity; and the government "buys" social peace.

Neo-corporatism is also present in welfare programs when workers, the unemployed, mothers, older persons, and other groups are brought into a formal consultative role in the administration of social welfare. This entails not just an occasional expressing of views, as in American interest-group pluralism, but a system in which the groups affected become themselves a part of the state agencies responsible for carrying out their programs. Neo-corporatism may also be present when central planning or negotiations over industrial policy is at issue and the state needs to have all the formal interests "on board" for its programs. Or, when wage restraints are necessary and the state wants to assure that both employers and organized labor will accept the new conditions. Neo-corporatism

may thus be present in the modern era over a variety of issues—and also in a variety of forms: strong corporatism, as we see in more detail later on, in Austria, Sweden, and Switzerland; weaker corporatism in France, Germany, and Great Britain. But all of them have this in common (which distinguishes corporatism from liberal-pluralism): the formal incorporation of interest groups *into* the actual decision-making apparatus of the modern state, rather than their remaining freewheeling, independent interest groups, as under liberal-pluralism.

## CORPORATISM AS SOCIAL SCIENCE MODEL

Corporatist institutions and practices, we have seen, have now become pervasive in a variety of regimes: developing and developed nations, and authoritarian systems as well as democratic ones. Corporatism and the corporatist approach have become so pervasive, in fact, that they have recently emerged as a distinct model or paradigm in the social sciences. Note that we are here shifting directions in our description and definitions of corporatism. We are no longer describing a specific regime in a specific region or time frame; instead, we are talking about an approach, an intellectual framework, a way of examining and analyzing corporatist political phenomena across countries and time periods. We are not here trying to present an exact mirror of any single country's corporatist ideology or movement; rather, our goal is to provide a general picture, a model, that tells us what to look for if we are interested in studying corporatism.

The attempt here is not to present a formal or mathematical model of corporatism, as is often done in the natural sciences, but to offer a social science model that is necessarily less precise, more informal. Ours is what is called a *verstahen* approach, a way of looking at things, a set of suggestions as to what to look for, an *approach* and a *framework* rather than a quantifiable formula. We seek not some final or absolute model but instead a set of informal guidelines to help direct our thinking, studying, and analysis.

Corporatism is both a description of an existing regime *and* a model, in the same way that both liberal-pluralism and Marxism are, at the same time, both descriptions of existing regimes and models of more general phenomena. When we call a regime liberal-pluralist, it conjures up in our minds such things as elections, checks, and balances, competitive interest groups, democracy, and civil liberties. These ingredients are part of the liberal-pluralism *model*. Similarly, when we speak of Marxism or Marxism/Leninism, some of the elements in that model in-

clude the labor theory of value, class struggle, the dialectical theory of history, and dictatorship of the proletariat. In this manner we need to ask with regard to the corporatist model, what are the main ingredients in the model and how does that help us better understand distinct political systems?

One of the main ingredients in corporatism is a strong, directing state—either in actual fact or, most often in the developing nations, in aspiration. Along with the strong state, we find a variety of corporate interests: In emerging nations these would include the military, religious bodies, elite groups, and traditional units like the family, clan, or tribe; in developed nations, organized labor, big business, professional associations, modern interest associations, and the like would be included. Under corporatism, the state tries to structure, license, control, and even monopolize this group structure to prevent the competition among the groups from getting out-of-hand, to better integrate and organize state policy. At the same time, the corporate groups try to maintain some level of autonomy from the state and to bargain with, infiltrate, and/or capture it to promote the best interests of their members. This dynamic between state and society, this tension and struggle, lies at the heart of the theory of corporatism, just as individual freedom lies at the heart of liberalism and class struggle lies at the heart of Marxism.

If the state-society arena is the dominant arena in the theory of corporatism, then how does the corporatist framework help us understand comparative politics and public policy? At this point we are getting close to the usefulness and practicality of corporatism as a theory. Keeping in mind this state-society arena, I have found that using the corporatist framework is especially helpful in thinking about and analyzing such public policy issues as social security, labor relations, industrial policy, and wage policy. The corporatist framework in its neo-corporatist form is also useful in examining health care, education policy, housing programs, and a host of other public policy issues.

But more than these public policy issues, I find the corporatist framework assists in examining comparatively the balance of power in society, the relations between labor and management, the increase (or decline) in the power of the state, the interrelations of interest groups and their tie-ins with bureaucratic agencies, which interest groups are rising and falling in influence and power, and how change and development (social, economic, political) occur in society and how these are related to the dynamics of modernization, industrialization, and societal evolution. In short, most of the big issues in comparative politics, in both developed and developing nations, can be usefully studied by using the corporatist framework.[3]

## ISSUES FOR CONSIDERATION

The above discussion has identified four types of corporatism: (1) natural or historical corporatism; (2) ideological corporatism; (3) manifest corporatism; and (4) neo-corporatism. In addition, we have set forth some preliminary ideas about corporatism as a model or framework for analysis. It is important to keep these four types, the suggested comparative framework, and the definitions and discussions of each clearly in mind as we proceed with the discussion. Building on the discussion of these four types and the framework presented, we now proceed to ask a series of questions and raise key issues that students of corporatism need to think about.

1. Where does corporatism come from? Does it emerge out of the history and culture of the society, out of political or institutional needs, from economic requirements, from crises, or from some combination of these and other factors?
2. What are the precise relations of corporatism to state-society relations and to such specific groups as organized labor, business, the armed forces, and so on? What are the implications of a corporatist system of state-society relations versus a liberal-pluralist one?
3. What are the dynamics of change within corporatism? This question implies two additional questions:
   a. How do societies move from one form of corporatism to another (from historical or precorporatism, to ideological corporatism, to manifest corporatism, to neo-corporatism)? Is there a progression and evolution involved, and what are the dynamic factors that account for the change? In other words, we are suggesting not only that the four types listed above are a classificatory outline but also that there is often a progressive evolution in society from one type of corporatism to the next.
   b. How do corporatist regimes respond to changed social and economic circumstances? For while some corporatist regimes prove to be static, others are able to respond to change just as effectively (in some cases more so) as liberal-pluralist regimes.
4. What are the specific implications of corporatism for labor relations, economic planning, social welfare, wage policy, and other social policies? And how does this differ from a liberal-pluralist or a socialist system?
5. Recently we have begun to see patterns of corporatist representation emerging at the international level—for example, in the structure of interest-group representation in the European Union (EU)—as well as at national levels. Is this a new stage of transnational corporatism, and what does it mean?

6. How widespread is corporatism? Corporatism is present, in different forms, in many European countries, throughout Asia and Latin America, and in many developing nations; the United States seems also to be practicing a form of "creeping corporatism." If corporatism is becoming ubiquitous, present in so many regimes and cultures, of what use is it as an explanatory device? Alternatively, can we distinguish more sharply among distinct types and forms of corporatism?
7. Finally, we wrestle with the big philosophical question: What are the implications of all this corporatism in terms of bigness and bureaucracy, interest-group competition, individualism versus collectivism, and even democracy itself?[4]

## NOTES

1. Thomas Kuhn, *The Structure of Scientific Revolutions* (Chicago: University of Chicago Press, 1971).

2. Mihail Manoilesco, *Le Siècle du Corporatisme* (Paris: Felix Alcan, 1934).

3. The revival of interest in corporatism in the 1970s paralleled the revival of interest among comparativists in what was called the "relative autonomy of the state." Under liberal-pluralism the state was often seen as a mere reflection of the interest-group competition; in Marxism the state was supposed to "wither away." But clearly during the 1970s the central state and its bureaucracies were becoming more powerful, not less; hence, the interest both in corporatism, which posited a strong, directing state, and in the state's position as an autonomous, authoritative if not authoritarian actor independent from interest groups and the class system.

4. Some of the basic literature includes Martin Heisler (ed.), *Politics in Europe* (New York: McKay, 1974); Philippe Schmitter and Gerhard Lehmbruch (eds.), *Trends toward Corporatist Intermediation* (Beverly Hills: Sage, 1979); Peter Williamson, *Corporatism in Perspective* (London: Sage, 1989); and Howard J. Wiarda, *Corporatism and Comparative Politics* (New York: M. E. Sharpe, 1997).