

The History of Corporatism

This chapter discusses:

- Corporatism as a form of political culture found predominantly in Iberian and Latin American countries.
- Corporatist Economic and Social Thought 1870–1940.
- Corporatist practice under authoritarian regimes, with special reference to Fascist Italy and the Portuguese Estado Novo.
- The comparison between the practice of corporatism under authoritarian regimes and the prescriptions of corporatist economic and social thinkers.
- Some of the key lessons to be drawn from the study of corporatism historically for contemporary consideration of neo-corporatism.

Introduction: the historical background to corporatism

To anyone coming across the term ‘corporatism’ today it is more than likely that it is being applied in the context of a liberal democracy. Sometimes by way of clarification the prefixes ‘neo’, ‘liberal’ or ‘societal’ are added. However, it is important to consider the point that ‘corporatism’ has not been used only in the context of liberal democracies. Corporatism is a concept that enjoys a range of contexts in which it can apply. For one thing, the term is seen as being capable of application to the Soviet Union (Bunce, 1983) as well as a host of authoritarian states and single-party states throughout the contemporary world. Whether such applications are justified is a matter to be considered in due course. More significantly, ‘corporatism’ has enjoyed important usages prior to the advent of neo-corporatism. Corporatism has a history of ideas and political praxis which notably pre-date its rise as a major concept in the study of organized interests in liberal democracies.

These different usages are worth serious consideration because many contemporary writers on neo-corporatism claim that there is

an important link between their concept and how the term has been used in the past and in historical analysis (Schmitter, 1979a; Williamson, 1985; Newman, 1981: Chs 1 and 2; Crouch, 1983: 459–60; Grant, 1985b: 4–7; Cox, 1988: 284–5). Therefore, an historical examination can tell us a considerable amount about the basic essentials of corporatism as relevant to present-day discussions of corporatism and liberal democracy. In particular, through an examination of the *common components* or *elements* that have been associated with the term in the past, we can help to clarify for the purpose of contemporary discussions what are the *boundaries* of the concept, and perhaps allow a better grasp to be gained of what corporatism is – and is not. Moreover, and of equal importance, a discussion of the history of corporatism will allow us to examine some of the central issues raised by the existence of a corporatist system. Many of the topics covered here will be returned to later on.

In conducting any sortie into the historical uses of ‘corporatism’ we obviously have to avoid the danger – a danger that persists in contemporary discussions of corporatism (Scholten, 1987b: 5) – of assuming that all uses of the term in history have been a legitimate and consistent application of the term (Schmitter, 1979a: 8). Without some delimitation we would find that the uses that have accumulated over the years provide a term so broad and elastic as to be virtually meaningless for analytic purposes. Our consideration of corporatism historically is, therefore, restricted to common and reasonably consistent uses of the term, and has avoided following up the more sporadic employment that has inevitably befallen the term over the years. In this respect, what I have sought to avoid is the use of corporatism as a broad synonym for capitalist planning of any sort (see for example Harris, 1972; Carpenter, 1976; and Smith, 1979). Having said that, like any concept one can choose between a broader or narrower definition. In general, the position adopted here is that a narrower definition, given current confusion surrounding corporatism and its role as an alternative to pluralism, is a more useful objective. This need not necessarily exclude broader conceptualizations being considered subsequently, although their value looks to be in need of some strong supportive arguments.

It is possible to identify three usages of corporatism which preceded the rise of neo-corporatism in the mid-1970s. These three usages are as follows: first, as a form of *political culture*; second, as *a body of social and economic thought* that was prominent in many European countries in the period approximately 1860–1940; and third, as the *politico-economic system* established in a number of authoritarian regimes in the twentieth century. We shall examine each of these in turn, giving considerably more prominence to the last two of these for reasons that will presently be obvious.¹

Corporatism as a form of political culture

Most commonly, corporatism, whether presented as a descriptive or prescriptive model, is usually associated with the *structural* and *functional* aspects of a polity. One usage of the term has, however, referred to the *culture*, or psychology, of the polity. So just as one might talk of a liberal political culture, one can likewise talk of a corporatist political culture. In the 1970s a number of scholars studying Iberian and Latin American polities argued that, given the different political and social traditions of these nations, it was misleading to analyse them in terms of a framework that drew upon the development of Western democracies (Wiarda, 1973a, 1978; Rogowski and Wasserspring, 1971; Silvert, 1967; Newton, 1970). In other words 'modernization' in nations with a corporatist political tradition takes a distinctive form to that experienced in countries that had a liberal political culture. For similar reasons the Marxist perspective was also held to be misleading. Essentially, the argument was that these Latin-Iberian countries had largely 'escaped' the major processes of change which affected the Western world, such as the Protestant Reformation, the Enlightenment, the rise of industrial capitalism, the emergence of a dominant bourgeoisie and the concept of the separation of powers and representative government. Instead, these countries remained 'locked' in the *medieval tradition*, influenced by the Roman system of law and government, Christianity and Thomsitic tradition and the medieval guilds system. This was not to say that these countries were entirely insulated from liberal ideas, but that any attempts to introduce liberal institutions were submerged by, and absorbed into, the wider political culture. The result was that culturally these countries maintained a different political ethos. This culture rested on a philosophy of absolutism, of divine authority, and an organic view of society divided both hierarchically and vertically into different estates.

Such an ethos was much more receptive to an authoritarian form of political life and suspicious of popular democratic rule. Similarly the state was perceived as a centralized integrating force in society charged with maintaining the social order. The social order was defined in terms of a natural, and therefore immutable, hierarchy of status, with different privileges, rights and duties being granted to those of different status. The hierarchical and authoritarian political structure was not to be a tyranny, but patrimonial, with those at the top having to respect the natural order and the rights of those lower down.

Within such an enduring tradition it is argued that modernizing developments associated with liberal democracies either never took place or were assimilated into the prevailing culture. There is no

doubt that those countries that adopted corporatist politico-economic institutions in the twentieth century do display such cultural traits, and that the establishment of corporatist institutions did not mark anything approaching a complete break with previous institutional arrangements. But as with all cultural explanations there is a danger of circularity: is it the culture that moulds the institutions or is it the institutions which mould the culture? Moreover, the relationship between corporatist culture and the existence and persistence of corporatist institutions is uncertain and ambiguous. For one thing, countries enjoying similar corporatist cultures have produced widely differing arrangements for economic representation and intervention. Likewise, those countries which appear to have the most deeply entrenched corporatist-type cultures are not necessarily those that have had the most developed and enduring corporatist institutional arrangements (Schmitter, 1979a: 11).

In general, despite their evident enough popularity in studies of recent Latin American and Iberian political sociology, such cultural visions of corporatism leave much to be desired. Most notably, the discussion of corporatism as culture or tradition or macro-societal characteristic appears severely underdefined. The term corporatism is really used as an umbrella one for a number of 'traditions' such as *authoritarian*, *elitist*, *patrimonialist*, *organicist*, *absolutist* and so on. What is not clear in conceptual terms is what is the underlying generic quality that links these often different lists of characteristics together under the heading of 'corporatism'. In other words, it is not clear what constitutes the corporatist glue which holds these various terms together. The answer appears to be their association – to varying degrees and in different combinations – with the practice of corporatism in authoritarian systems. It seems to the present writer, therefore, that the actual use of the term 'corporatism' may be inappropriate because it fails to provide any clear defining characteristics or to link it, except empirically, to other usages of corporatism (Williamson, 1985: 6). Lastly, it has to be recognized that such cultural variants of corporatism contribute little to consideration of neo-corporatism.

Overall the argument implicit in such presentations is that corporatism is incompatible with liberal societies. Nonetheless, there is a warning also buried in such presentations of corporatism which is worth taking account of in consideration of neo-corporatism. The warning is that corporatist institutional arrangements, of whatever sort, may not sit comfortably with a strong liberal culture, and that general attitudes to the place of the state and the nature of political authority within a society may be a contributory factor to the overall

viability of corporatist arrangements. Corporatism within the liberal democracy, as we shall see, can place considerable strain on the legitimacy of the state, especially in cases where there is a strict adherence to liberal norms.

While the overall merits of using corporatism as a description of a form of political culture may be questionable, it has been worth outlining briefly the arguments presented because cultural discussions do, as just mentioned, raise, if not resolve, certain broader issues of relevance to contemporary discussions. Moreover, consideration of macro-social 'traits' or 'traditions' are prevalent among many of the discussions of corporatism under authoritarian regimes. We will see, however, that it is possible to link the emergence of corporatism in such cases to socio-economic factors. Before looking at the practice of authoritarian corporatism, we must examine the ideology that so many of these regimes claimed to be guided by.

Corporatist ideas: corporatist economic and social thought 1870-1940

The rise of corporatist thought in the second half of the nineteenth century was a response to the disappearance of the *ancien regime* in several continental European countries. The response came most immediately from those who had lost out in the development of industrial capitalism and incipient liberal political institutions. It was not, therefore, surprising to find that the earliest writers were either *Catholics* or *aristocrats*, or both. The argument for corporatism was not, however, simply a *reactionary* one. Industrial society was here to stay, and the case for the maintenance for some form of peasant society was never that prominent. Further, there was genuine concern at the industrial and class conflict engendered by the emergence of liberal capitalism. But underlying corporatist ideology was a continuous reference to the allegedly harmonious and ordered nature of medieval society where landlord and peasant were locked together in an organic community. The central idea of corporatist theorists was, therefore, *to recognize the organic nature of society in the political and economic arrangements of industrial society*. By transposing the social bonds between landlord and peasant to the relationship between capitalist and worker it was contended that the class conflict, and the social injustice which engendered it, would be ended. In this sense the corporatists were arguing that the political and economic arrangements to sustain a consensual society would have to be based upon a moral order that the advent of liberalism had largely destroyed. Corporatists drew heavily upon the moral philosophy of Catholicism as being the

foundation upon which a consensual, industrial society would be based. While the majority of corporatists saw their corporatist society working to serve the greater glory of 'God', there were also a number of secular writers who, although clearly influenced by Catholic ideas, ultimately saw nationalism – serving the greater glory of the nation – as the basis of appeal that would bind society together.

It is important to note that, though corporatism was an intellectual response to the advent of industrial capitalism and the writers were deeply concerned about its impact upon the proletariat, they remained strongly in favour of the maintenance of private property as the most desirable form of ownership of the means of production. The case for private property was not only functional, but also moral. This reflected that corporatism was not *anti-capitalist*, but *anti-liberal*. It was the ideas of liberalism that had removed the old moral order, broken down the social bonds that held society in harmony, and instead turned society into a mass of atomistic, self-seeking individuals devoid of any higher moral purpose. In consequence, the argument was that private property was not of itself at fault. Instead, the blame lay with the spread of liberalism which had stripped property of its moral, that is social, responsibilities.

Liberalism was not simply indicted on the grounds of producing *social injustice*. Liberalism also granted political and economic equality to individuals who in corporatist minds were manifestly unequal. Echoing the medieval order, they argued that society had to be hierarchically ordered, a person's rights and duties reflecting his or her designated status. Such a prescribed vision of society also separated the corporatist writers from emerging socialist thought that similarly criticized the existing order and advocated social change, if not revolution. Socialists threatened private property, preached class conflict as a progressive force and proffered equality. Moreover, they were agnostic, which was unacceptable to Catholics, and internationalist, which similarly displeased nationalist corporatists. So by the end of the nineteenth century corporatism was fighting an ideological battle on two fronts: putting forward ideas for a collectivist and status-based hierarchical society to replace the iniquities of liberal capitalism, while preventing the injustice produced by such a society from generating the establishment of socialism which many corporatists feared it would inevitably do if left unchecked.

During the twentieth century one can detect a change in the tenor, if not the central principles, of corporatist writers. There was less harking back to some bygone idyll, and more emphasis given to

the practical, as opposed to moral, merits of corporatism. Noticeably during the inter-war period the crises facing the capitalist economies and the revolution in Russia probably gave the case for corporatism a stronger cutting edge. Not without some justification, corporatism could be called the 'third solution' by the French corporatist Auguste Murat (1944: 187). Yet, while this period marked the high point of corporatist ideology – with its ideas, at least in those countries with a strong Catholic tradition, now having some legitimate claim to be being one of the great 'isms' of industrial society and with the establishment of a number of regimes claiming to be putting the ideas into practice – it also marked the beginning of the end of this brand of economic and social theory.

With the defeat of the European axis powers, who to varying degrees had engaged in corporatist 'experiments', corporatism as a body of thought more or less died out. The principal cause was *guilt by association*. To many at the time, and still to a significant number today, corporatism was so closely enmeshed in fascism as to be viewed as virtually synonymous. This was probably enough to put the tradition into the cold-store of history. But it is also probably the case that in the increasingly secular societies of the post-war period, with their welfare states, the appeal of corporatism as it stood would have sharply declined. Likewise, the decline of European nationalism would not have helped the cause. Corporatist ideas were of an era that the second world war displaced in Western Europe. They were ideas that accorded more readily with the ordered pre-war societies. Indeed, it is somewhat ironic that, while we might question the relevance of the prescriptions of corporatist thought in the post-war welfare state societies, neo-corporatist analysts argue that these interventionist states generated the conditions for the development of (neo-)corporatism in practice.

In the light of the above overview of the development and demise of corporatist thought, it is now worth exploring some of the central ideas espoused by the writers. In doing this I have to plead guilty to a degree of simplification through generalization, but I would also contend that corporatist thought had a degree of coherence that does not make this an artificial exercise, and that it is possible to identify a number of common, central ideas that spanned different periods and nationalities of corporatist works. This is particularly so because the very rapid demise of corporatist thought in the rubble of the second world war meant that there never emerged any explicit 'revisionist' school to potentially muddy the waters.

Corporatist thought and the state

Perhaps the first set of corporatist ideas to examine are those regarding the state, which for all writers was to play a central role in first establishing, and then maintaining, the corporatist order. To the corporatist mind the state had a definite moral base drawn either from 'God' or the nation's past, and this moral base was closely fused with its political base. The state, therefore, was held to have a moral base upon which it could intervene in economic and social affairs in the name of 'justice' or the 'national interest'. As we shall see presently in more detail, this moral authority not only encompassed the right to intervene, but the right to judge what was just or in the national interest. The corporatist state is probably best characterized as one of *guardianship*. What is also clear is that the writers did not believe that the kind of order they wished to see established would be compatible with anything approaching the operation of the free market. The decisions of the market were held to reflect the power of the various participants and therefore, devoid of any higher moral authority, would not be just decisions if left unregulated. Likewise, the market if left unchecked was held to be unlikely to meet fully the needs of the national economy, which were defined in terms which had little to do with liberal notions of efficiency, but more to do with national aggrandizement and protecting threatened economic groupings such as the peasantry and small businesses. In fact many corporatist writers, particularly in the 1920s and 1930s, were simply able to point to the numerous examples of the adverse consequences of free competition as the springboard for their proposals. Indeed, the very notion that members of society should be in competition with each other when society should be harmonious – at one – was anathema to them. Competition had at least to be bounded by the application of more fundamental principles that were to be embodied within society.

Corporatist thought and state-licensed intermediaries: the corporation

While corporatist writers manifestly had no time for liberal ideas of economic liberty and competition as a dynamic force within the economy and wider society, and advocated that the state had to intervene wherever and whenever justice or the national interest were under threat, they were not proposing the establishment of a vast bureaucratic interventionist state. Partly it was argued that, because those in society would identify with and share in the application of corporatist moral principles in their economic behaviour, direct intervention to ensure these principles prevailed would no longer prove so necessary. But it was also to result from the fact that the state was not to be directly involved in intervention. In-

stead, the state would establish special agencies – or *corporations* – composed of producers to act as regulators. In view of the importance of the idea of corporations to corporatist thought, and its link with current discussions of neo-corporatism, we will spend some time examining this topic in detail.

In advocating the establishment of a structure to regulate the economy the corporatists were not just arguing on practical, functional grounds, but again more basically on moral ones. The corporation was envisaged as being a means of resurrecting the positive attributes of the medieval guild in industrial society, and thereby instituting a structure that would practically re-establish the corporate principle of medieval thought of ‘the supremacy of unity over plurality’ (for a discussion see Chourst, 1947). By bringing together representatives of both capital and labour, and indeed any intermediate categories such as managers, it was argued that existing class loyalties would be displaced and replaced by a new loyalty to the *function* or *profession*. The corporation would engender feelings of *solidarity*. To quote one French theorist on this point: the corporation is ‘an organism which groups all those – employers, employees, directors, foremen and technicians – who participate in the production of the same category of products and are bound, consequently, by a common interest to the interests that divide them’ (Lucius, 1933: 303). The corporations would induce feelings of solidarity, not just through a simple process of loyalty to the organization, but more fundamentally, being based on what were held to be ‘natural communities’ of society, they would generate something akin to a community spirit or professional loyalty. Furthermore, as organizations that embodied certain moral principles they would be able to lay claim to the members’ allegiances.

The establishment of the corporations, it was acknowledged, would not necessarily emerge spontaneously in the prevailing ‘liberal’ order, and it was accepted by most writers that the state would have a legitimate role in encouraging and assisting with their establishment. Moreover, the state would have an important role in overseeing the whole structure, in particular regulating relations between the corporations. The most important aspect of the state’s position was, however, obviously related to the corporations’ role as regulatory agencies. The corporations were not to be part of the state machinery, but were to enjoy an independent legal status and personality. But while not being part of the state proper, they had public economic and social functions to perform. Indeed, one of the reasons for delegating such functions was to prevent centralization and to ensure that regulation was conducted by those most com-

petent – *producers*. Yet the state had to ensure that such ‘self-regulation’ was either just or in the national interest, if not both. So, the corporations were in effect to be *licensed* by the state to carry out particular functions, and if these were not carried out according to certain principles then the state as licence-holder had certain rights to intervene and, presumably, ultimately to revoke the licence. However, the writers equally made it clear that the corporation’s statute or constitution would protect it from unjustified state interference. What we can see very clearly in such ideas is the hierarchical view of society with different levels having different, and to a certain extent overlapping, competences. And just as the state enjoyed a particular competence in respect of the activities of the corporations, so in turn the corporations were to have a particular competence in the behaviour of producers. In this sense the corporation was to act as an *intermediary* between the state and economic and social decision makers, not only passing down and elaborating public regulations but also protecting and representing the legitimate competence and interests of individual producers (Williamson, 1985: 39–48).

Given that the corporations were to perform a regulatory function on behalf of the state their jurisdiction had to be comprehensive. The corporatists were therefore in favour of some form of compulsory membership of the intermediaries to ensure all came within its regulatory powers. Interestingly, in terms of contemporary discussions of corporatism, many writers suggested that the corporation would grant privileges to members and these would ultimately add up to a licence to carry out particular activities. Such licences were to be granted in, and no doubt could be justified on grounds of, recognition of competence. The licence would, of course, act as a major instrument of enforcement and discipline.

The corporatists, by advocating the establishment of integrated associations, covering all sections of a function or industry, were anxious to overcome what they perceived as the often pernicious activities of class associations. The integration was not, however, to be absolute. There were to remain within the corporations separate associations – or *syndicates* – representing different categories of the membership. This meant that associations representing employees and employers were to continue to exist under the corporatist system. The continued existence of ‘class’ associations was a reflection of the view that different categories within the function would continue to have different interests, although these were to be subsumed under the wider common interest of the function. It is legitimate to characterize the corporatist position of being one which wished to see a form of *economic federalism* established (see von Gierke, 1900: 95 as an expression of this).

In addition to this representative activity, the division of the function into different categories also had for most theorists a regulatory side to it. Again echoing the hierarchical perspective which emphasized different levels of competence, it was argued that certain areas of decision making would have to be restricted to those with the appropriate competence. To the vast majority of writers decision making concerning production and prices would remain the preserve of the management and owners. Corporatist ideology was not a brand of workers' control; indeed, by placing controls over the activities of their organizations, and by affording the syndicates a virtual monopoly, corporatists quite explicitly sought *ultimately to limit* the extension of workers' rights.

The corporations themselves were to enjoy extensive powers of self-regulation in economic and social affairs, always assuming they did not transgress the principles laid down by the state. The corporations, therefore, were to regulate prices and oversee production, not only in terms of output but additionally in respect of sales, rationalization and growth, product standards and technological development. Not surprisingly the corporation was also to have a hand in what many writers, if somewhat grandiosely, referred to as professional regulation, that is the designation of particular levels of competence. Without doubt the function of the proposed corporations that received the most attention from the writers was the regulation of wages and industrial relations generally. To the corporatists the corporation would generate solidarity among capital and labour, thereby eliminating industrial conflict which so concerned them. To quote one of the foremost corporatist writers, Mihail Manoilescu: 'The essential social function of the corporation is to create a new moral environment, favourable to the idea of collaboration between employers and workers' (Manoilescu, 1934: 279). It is important to note that the new spirit of harmony was not just supposed to result from any 'new moral environment' generated, but was also to result from the greater security and welfare that the corporation would afford to workers. For one thing the corporation was to be a guarantor of a 'just wage' (see Fogarty, 1961, for the general principles) that took account of the worker's individual and family needs and the intrinsic worth of the labour, rather than simply being the price the worker could command in the market. Likewise, the corporation was to operate a number of welfare schemes and to afford the worker a certain measure of employment protection against redundancy. The corporation would, therefore, be very important to the material needs of the worker.

Such a social dimension to the corporation would enhance, as

well as give substance to, its moral dimension which would ensure *social peace*. There was, however, another and ultimately more crucial ingredient in creating social peace. On the grounds that the corporation was an instrument for justice and applied the national interest, any challenge to its decisions would by definition be unjust and contrary to the national interest. Based upon such a premise, corporatists therefore argued that strikes and lockouts and other forms of industrial action could and should be rendered illegal, or their use severely circumscribed, to prevent anyone using their industrial power to breach these principles. Where disputes persisted they would consequently be settled by compulsory arbitration. It has to be added that, given their view that corporatist institutions would foster considerable consensus, recourse to such procedures would be a rarity, and that an amicable settlement would be the norm.

Corporatist thought: the wider political arrangements

The past few pages have discussed the economic and social arrangements proposed in corporatist thought, in particular the pivotal position accorded the intermediary corporation. It is now necessary to consider the wider political arrangements put forward by corporatists. In some senses there was a considerable variety of possible regimes advocated: corporatist theorists ranged from monarchists to republicans, from technocrats to Romantics, from fascists to Social-Catholics. Despite these major divergencies, there was nonetheless a notable degree of common ground on views about democracy and representation. The corporatist view that society had to be hierarchically organized, and their acceptance of the medieval principle that authority flowed downwards, meant that they had little or no sympathy for the arrangements of liberal democracy. The corporatist position was logically summarized by the Austrian Othmar Spann when he concluded that: 'Using the ballot box to decide questions of truth and justice is the most ridiculous suggestion I have ever heard. . . . Nobody can live by the majoritarian principle, but only on the basis of value and truth' (Spann, 1923: 112). Corporatist writings abound with attacks on liberal democracy and the argument that transient parliamentary and electoral majorities represented nothing of permanence and value within society. To La Tour du Pin, a major French, Catholic corporatist, the French parliament represented nothing more than 'the favour of the mob and emanates from a suffrage more or less universal and unorganised' so that 'all is ephemeral as the impressions of the masses' (La Tour du Pin, 1929: 253).

Not surprisingly, in the light of such a viewpoint, suggestions

were made to establish representation upon more enduring bases with the corporations frequently being proposed as constituents of legislative chambers or councils. The idea of functional representation, while not exclusive to corporatist thought, is commonly agreed to be one of its principal nostrums (for a general discussion, see Lowenstein, 1937).

While there were proposals for 'corporative' chambers and councils to either complement or replace universally elected chambers, this was only half the picture. Representation was itself to be restricted to an advisory function and protection of the legitimate rights of subordinate groupings. In line with the corporatist view that only certain individuals were endowed with the necessary insight and capacity to rule, they were anxious that such people should not be prevented from achieving their calling, nor hindered in the performance of their duties, by being responsible to any representative chamber, however constituted. Though some suggested the need for an ultimate check to be placed on the absolute exercise of power, overall the corporatist position was not supportive of democracy in any commonly understood sense, although they accepted the need to have structures of representation. This is hardly surprising. The position adopted on democracy encompasses two central tenets of corporatist thought – the emphasis on social community and the centrality of higher moral principles transcending the members of society. The national interest and justice, while collective values and aspirations, could not be collectively determined – or for that matter determined by a majority.

Yet it would be misleading to regard corporatist ideology as purely authoritarian. Underlying all the corporatist writers' discussions and proposals was the notion of a moral transformation of society. Such a transformation would create out of the liberal order a society where there was an acceptance of hierarchical authority, that not only conferred rights on those below, but also imposed on them the duty to obey. The corporatist society, at least in the minds of the ideologists, was to be an essentially consensual society in contrast to the conflict-ridden liberal societies in which these writers lived. The state would not, in consequence, have to very extensively impose the social order, because it would apply principles with which the citizenry were 'naturally' in accord. This did not mean, however, that the citizens could regulate themselves, because they did not have the necessary insight and because, while they supported the general interest, they also had specific interests which, when they came into conflict with the general interest, had to be arbitrated by some superior individual or individuals.

Obviously what the corporatist writers did not address was what would happen if no new harmonious order emerged and conflict persisted. In theory, the state would have the right to impose order but, as more perceptive theorists like Gaeton Proulx pointed out, the result would be a far more centralized, bureaucratic-interventionist and overtly authoritarian state than set down in the theory (Proulx, 1939: 95–110). Moreover, there was little attention paid to the absence of any checks (unless one assumed there would be divine intervention!) on the arbitrary abuse of power by those granted it on a largely unaccountable basis under a corporatist regime; again it was assumed that the overriding principles would be adhered to by one and all. These doubts certainly gain greater poignancy when one considers how such proposals for corporatism worked out in practice.

Authoritarian corporatism

Turning to examine the various corporatist regimes that were established during this century, even a cursory look at the evidence indicates that there was a significant difference between corporatism in practice and corporatism in theory as discussed above. Such differences should not be surprising, although many of the political leaders of these regimes claimed to be guided by the prescriptions of corporatist ideology. In this part it is intended to summarize some of the major features of these corporatist regimes, with particular attention being given to how this practice diverged from the ideas of corporatist economic theory. Most of the evidence cited will be drawn from the cases of Fascist Italy 1922–1939 and the Portuguese Estado Novo 1933–74 because they represent the most thoroughly developed examples of corporatist states. They also have the added advantage that they have been studied in some considerable detail.

Corporatism in both countries was established not long after democratic government had been replaced by authoritarian single-party government in the case of Italy, and an equally undemocratic personal dictatorship in Portugal. The move to establish corporatism in Italy took place some four years after the Fascists had seized power in 1922. It is important to note that it was only by an accommodation with existing political and economic elites that Mussolini came to power. While there was an illegal, violent side to their seizure of power, the Fascists from the beginning had also to rely on a more legal approach that worked with existing political structures and leaders. Moreover, in large measure they left untouched the powerful Italian state bureaucracy. The Fascists and their largely conservative allies did not wait long, however, in

eradicating opposition and dismantling democratic machinery (Lyttleton, 1973). In contrast Antonio de Oliveira Salazar, the professor of political economy who ruled his country for nearly four decades, came to power in different circumstances from those that swept Mussolini to power. He did not lead a mass movement or require political violence to secure his position. Instead, he was invited by the military leaders, who had seized power in an essentially nationalist coup in 1926, to take on the job of finance minister. Given the military's desire not to govern directly, and Salazar's seeming success as finance minister, he was appointed prime minister in 1932. From this office he was able to build up considerable personal power and quickly became largely free of any direct reliance on the military. Salazar established a highly centralized and powerful bureaucracy which controlled most aspects of Portuguese life. The first major moves to establish the corporatist system began within a year of his assuming the premiership (see Robinson, 1979, for a review).

However, ignoring the specifics, what is generally said about Italy and Portugal applies to the other corporatist regimes established during this century. In fact, corporatist initiatives of one sort or another have been launched, if not always sustained, in a considerable number of countries, both in Europe in the inter-war period and in Latin America from the 1930s onwards (for a listing see Wiarda, 1978: 42-3). With one or two short-lived and minor exceptions, the major distinguishing trait, and a fundamental explanatory factor, of corporatist states has been their establishment under *authoritarian* regimes, either in the form of a personal dictatorship or one-party state or a military dictatorship. Indeed, it is somewhat misleading to talk of corporatist states (or corporate states, as historical discussion has them) because corporatist institutions were an appendage to authoritarian states. This is not to argue that corporatism was an irrelevant façade to these authoritarian states, but it does recognize that corporatist institutions and practices were sustained by, and reflected, the political ethos of the wider state of which they were a part. We will in due course consider the politico-economic context associated with the emergence of corporatism, but for the moment it is necessary to outline the structure and operation of these corporatist systems.

Corporatist institutions under authoritarian rule

Thus it was upon the basis of an authoritarian state that corporatist structures were instituted. Corporatism was firmly established within wider political arrangements that were firmly *non-democratic* with little popular participation. Instead, the structure was imposed

from above. What this entailed was the establishment of a new structure of associations for capital and labour to replace employer organizations and free trade unions. The replacement was facilitated by the crushing, sometimes with considerable violence, of free trade unions on the one hand, and the reaching of accommodations between the new political masters and employers' leaders. To all intents and purposes, then, the corporatist system was established through the creation of a system of monopolistic producers' associations or *syndicates* that had to be recognized or licensed by the state. These syndicates were not open, democratic representative bodies. In the case of labour organizations their leaderships were appointed by the state and their administrations filled with party or state bureaucrats. In short, the corporatist idea of state licensing of intermediary associations had been turned into a very effective means for the subordination of labour under *state control*. The labour syndicates became an instrument for the *disciplining of labour*, while their legal monopoly prevented the establishment of any alternative channel of representation, far less opposition. Harassment, intimidation and imprisonment helped to sustain this state of affairs and quelled any less organized attempts by workers to protect their interests.

The case of employer syndicates was more complex. In general these remained under the control of employers, but that is not the same as saying they were in any sense open and democratic. Instead, the process of state licensing allowed *powerful industrial, commercial and agricultural interests to dominate employers' organizations* by the eradication of competing associations and the holding of key positions within the state-licensed syndicates. Many smaller and politically less influential employers thus found themselves placed in an institutionally subordinate political position to the larger enterprises. Even the dominant employers and their political agents, however, did not enjoy a completely free hand. There was always the potential threat that the state-licensed syndical system would be tightened up in their case as it had for others, and so there had to be a degree of astute political manoeuvring to protect interests in ways that did not directly oppose the regime's political leadership. So to maintain its position of somewhat restricted autonomy, capital had to exercise a measure of self-restraint on how it used such freedom as it had. What is not clear is how far the regimes' leaders were willing and able to contemplate further inroads into the power of private capital upon which they were in part dependent for the successful pursuit of economic ambitions (for a discussion of the syndical systems see Field, 1938; Rosenstock-Franck, 1934; Haider, 1968; Sarti, 1971; Schmitter, 1975; Wiarda, 1977; Graham and Makler, 1979).

The syndical structures established a framework for the state to

control the economy, and it is interesting to note that in both Italy and Portugal the establishment of the syndical systems was immediately followed by a considerable increase in economic intervention. In the case of control over wages and other labour conditions the syndical associations played a significant part in intervention through 'negotiating' labour contracts. There was not, however, the decentralized system of 'self-regulation' advocated in corporatist thought and often the syndicates – especially in the case of Portugal – were subject to extensive interference and guidance from the central state authorities. The activities, such as they were, of the syndical associations were backed by laws that rendered strike and other industrial action illegal, and provided judicial procedures for compulsory arbitration.

Intervention into production, as opposed to industrial relations, was conducted even less extensively through employers' syndicates. Instead, contrary to the prescriptions of corporatist writers, more conventional state agencies were established for the purpose. In Italy in actual practice centralized state control was not feasible because the conventional state bureaucracy had neither the expertise nor information to carry out its functions in this field and so much intervention was handed to or assumed by industrialists (Sarti, 1971). So 'self-regulation' – or *autodisciplina delle categorie* – emerged out of necessity rather than the application of corporatist principles. Not surprisingly such public regulation was largely carried out for private ends. In Portugal the public bureaucracy was able to carry out intervention without the need to delegate, although over the life of the regime there developed considerable interpenetration of the state elite and the elite of the economy, such that it was likewise difficult to distinguish between public and private interests.

In neither Italy nor Portugal did the syndical structures, therefore, act as the state-licensed intermediaries set out in corporatist writings. They were not extensively involved directly in regulation, and what they were engaged in was subject to extensive state interference. Meanwhile their representative role was severely distorted such that they did not reflect communal or functional interests but the private interests of politically dominant groupings. In any case, the prescriptions of corporatist thinkers had emphasized that the intermediaries should be integrated bodies encompassing both capital and labour. Under these corporatist systems the integrated *corporations* had only a belated, and very minor, part to play. While the syndical system was established in Italy in 1926, the corporations were not established until 1934. Despite the Mussolinian grandeur that surrounded their inauguration, the cor-

porations turned out not to be intermediary bodies, but simply part of the state machinery proper. Worse still, although in law they had an impressive array of regulatory functions, in practice they were no more than legal showpieces where collectively they could only muster around half a dozen regulations annually. Obviously the corporations were not the regulatory linchpins of the corporatist economy; instead they appeared to provide some sort of official forum for certain groups to lobby certain causes, but even to apply the term 'advisory' to their functions would entail a degree of exaggeration (Field, 1938). The corporations in Portugal had an even lower status in the corporatist system. The original syndical system was established with surprising rapidity in 1933, but the corporations were not finally in place until the mid-1960s. Nor was their long gestation indicative of an attempt to integrate them effectively into a system of regulation. Their independent legal status did nothing to protect them from the almost obsessive interference that was the hallmark of the Portuguese bureaucracy under Salazar. The corporations were quite deliberately debilitated from the outset and, literally tucked up backstreets, carried out largely technical research of almost exclusive interest to the business community (Wiarda, 1977; Robinson, 1979).

Authoritarian corporatism and social justice

The severely emasculated corporations that were finally established in these corporatist regimes indicate that the corporatist idea of bringing capital and labour together to foster a new *solidarist morality* was never seriously entertained as a practical proposition. Nor did the state itself, in the absence of a new morality, assume the role of guardian of justice. Instead the syndical machinery was used on several occasions to officially reduce real wages, and obviously acted as an effective break on the growth of money wages at other times. Similarly the level and scope of welfare support afforded through the corporatist system, while marking some advance on previous provision, was only slowly increased and extended. Certainly there was never established a welfare system that would – even for the standards of its time – be labelled by any stretch of the imagination as generous (Vannutelli, 1974; Wiarda, 1977: Ch. 8). In short, it would be much easier to argue that the state oversaw the extension of *injustice* than that it acted as the guardian of justice.

The nature of corporatism under authoritarianism

The absence of any serious pursuit of injustice under these corporatist regimes, the failure to foster class harmony, the minimalist role ultimately given to the corporations, and the centralized inter-

ference that the 'substitute' intermediary associations – the syndicates – endured, clearly places questions over the nature of these corporatist regimes. The aspirations of corporatist thinkers were in large measure not realized. Nevertheless, the corporatist institutions, if in a somewhat different guise, did perform an important function in the achievement of the political and economic aims of these regimes which required extensive state control over the economy. The key to achieving the necessary control over the economy was the *licensing of producers' associations*. In the case of labour this effectively eliminated any organizational base upon which to organize the representation of interests in opposition to the interventions pursued. State control over labour associations ensured almost total compliance. With employers the licensing system of their associations allowed the state a measure of influence over capital, and also offered certain politically powerful sections of capital influence over other employers and small businesses.

What was also notable was that parts of these systems existed not to provide the state with the necessary controls to intervene, but simply to create an *organizational vacuum*. For example in Portugal the structure of *casa do povo*, which represented agricultural workers, was never comprehensively established, so that by the mid-1960s only one in six parishes could claim such a body. This indicated that all the authorities required in order to apply their regulatory interventions was simply to prevent the formation of independent organizations that would challenge such intervention, or more accurately oppose employers in their efforts to hold wages down. The position of rural, agricultural workers contrasted with urban, industrial workers where syndical organizations were rapidly and near universally established. Thus the corporatist system operated not just differentially between capital and labour, but also between different categories of labour. Without doubt the state authorities fully realized that by establishing control over the organization of producer interests it was not only possible to get things to happen, it was also just as importantly possible to *prevent things happening* when the *status quo* was eminently acceptable to them.

Nevertheless, it is important to repeat the point that the licensed associations did perform a number of regulatory functions. Their use for such purposes tended to reflect their appropriateness in the specific instance, rather than any move to develop an effective corporatist regulatory machinery. In Italy the labour and employer syndicates were closely involved in wage determination and labour conditions. In all probability this reflected an attempt to give wage restraint a degree of legitimacy by giving some semblance of representation. Likewise certain employers' associations were charged

with enacting regulations to do with such issues as price controls, the distribution of raw materials and industrial location. In these cases the main reason for such delegation was the inability of the bureaucracy to perform such tasks with any degree of effectiveness. Similarly, if also belatedly, in Portugal the industrial labour associations or *sindicatos* played a part in wage settling and certain welfare provision. These moves reflected efforts to try to placate growing worker unrest, which began to pose something of a challenge to the regime in the 1960s (Wiarda, 1973).

Thus under these corporatist systems the corporatist intermediary associations performed only a limited number of regulatory functions, and usually then under extreme interference from the state authorities. With such an outlook the idea of creating the integrated intermediaries of employers and employees to generate industrial and wider social harmony became largely irrelevant. Instead, contrary to the tenets of corporatist ideology, most intervention was carried out by the conventional state bureaucracy, or by agencies directly controlled by the bureaucracy. This begs the question of what was the purpose of establishing corporatist institutions in the first place. One part of the answer was, as already mentioned, that they prevented, or at least regulated, organizations from forming arenas of opposition to the chosen intervention. *Disorganization* and *demobilization* had their part to play in controlling the economy. Another point to bear in mind was that many of the state interventionist agencies took on in part the character of intermediary associations; that is, there was direct involvement in the work of these agencies by persons who represented a particular producer interest. What, of course, was different with this producer involvement in regulation, in contrast to that afforded through the formal corporatist structure, was the highly selective nature of access. An important element in ensuring selective access was the control enjoyed by the state over the organization of producer interests. Thus the licensing system became a means of regulating the entry of producer interests to the central arenas of decision making. This worked obviously enough to exclude labour *en masse*, but it is necessary to emphasize that many employer interests, especially those representing smaller and medium-sized concerns, were also filtered out. Indeed, the evidence is that powerful industrial and agricultural concerns were able to use this direct access to state power as a means of regulating their relations with their competitors. In short, the licensing system allowed politically powerful enterprises and industries to politically regulate their competitors.

→ The final, but nonetheless important, function performed by the

corporatist structure was in legitimizing the regime and the interventions it pursued. The initial establishment of the corporatist structures, although they were to be amended and developed throughout the lifetime of the regimes, occurred immediately after the effective eradication of democracy with the destruction of the institutions of representative and responsible government. In many respects the corporatist institutions were presented as an alternative to those destroyed or emasculated, providing on paper a form of *functional democracy*. The corporatist structures under these authoritarian regimes were never paraded in their true light, but were purported as operating in a manner much more in accord with corporatist ideology, and in particular were presented as institutions for the achievement of justice. To a notable extent, especially in Portugal, the legislation establishing the corporatist structures reflected the ideas of corporatist ideology. In practice, the ambiguities of the legislation and the concentration of political power through authoritarian institutions were exploited to ensure extreme centralization of control over the corporatist machinery by a small dominant grouping who used it as an instrument for pursuing private interests instead of communal ones. So rights were afforded with the legal hand only to be ignored or usurped by the political hand. How far the legal and propaganda façades disguised the real nature of corporatism in practice, and hence afforded legitimacy, is hard to deduce given the ever-present repressive measures available to sustain the regime and its actions. There can be little doubt that in these Catholic countries where corporatist doctrine and its underlying philosophical premises were widely dispersed, where the political culture was distinctly patrimonial and the previous experience of organizational activity had been restricted, some degree of legitimacy would have accrued. This would have been aided by the strict control over information that operated which rendered it more difficult to judge except by direct experience the true nature of the corporatist structure. Equally, there is little doubt that in the longer run there was no great level of support for the corporatist institutions among the mass of population. <

Authoritarian corporatism: a review

Corporatism has been established in a number of different regime types during the twentieth century, although all have been essentially authoritarian in character (for further examples see Anderson, 1970; Erikson, 1977; Schmitter, 1971; Stephan, 1977 and 1978; Anderson and Cockercraft, 1976; Cornelius, 1973; Pike and Stritch, 1974; Malloy, 1977). It is, however, possible to identify a number of common socio-economic and political aspects regarding

the conditions in which corporatism was established in these countries. These aspects should help us to understand the overall nature of corporatism. They are as follows:

- 1 A limited and insecure establishment of liberal democracy, with states that were significantly authoritarian in character.
- 2 A political system characterized by a dominant ruling elite or grouping and very limited mass participation.
- 3 The economies were not highly industrialized with industry playing only a minority part in national output and with agriculture (often non-commercial) being predominant.
- 4 The industrial sector displayed marked tendencies of structural dualism, with fragmentation at one extreme and at the other high concentration.
- 5 Large capitalists, despite their predominant position in the national economy, were 'immature', being dependent upon state support, internationally small and uncompetitive and backward in industrial organization and labour relations.
- 6 The emergence of a modern large-scale industrial capitalist economy.

Corporatism, therefore, appears to have been established in response to the growing tensions of transition from a relatively backward agrarian economy to an essentially modern industrial capitalist one with the need for industrial restructuring, a shift in the balance between agriculture and industry and the emergence of organized labour. The control the corporatist structures gave the state over the economy provided a means for 'guiding' this process of development through political means rather than through domestic and, importantly, international markets. So the economy was insulated from much of the threat posed by international competition of more developed economies and enterprises, and the restructuring and consolidation of industry was achieved not through debilitating free competition but by regulation, while the newly emergent modern capitalist enterprises were to be protected from the challenge of organized labour. Moreover, the whole pace of social change and the dislocation that industrial development created for the basis of the existing social hierarchy could be checked and guided.

It would be wrong, however, to view corporatism as simply an instrument of big business. Large capitalists, and landowners, did enjoy a privileged position in political decision making, but so did the higher politico-bureaucratic echelons. There was, therefore, an accommodation of interests between the dominant group in the economy and the dominant group of the state. In Italy this accom-

modation was not always easy, and while it never broke down, tensions developed in the late 1930s when the industrialists were clearly unhappy about some of the more grandiose aspects of Mussolini's international ambitions which drained the economy of resources. Portugal saw a much more stable accommodation, but here it was the case that the new state elite that emerged under Salazar used its power to penetrate important positions in the economy through their detailed knowledge of the complex regulatory structures such that the distinction between the two groupings became increasingly obscure (Makler, 1979).

> Under the political power of such dominant groupings labour clearly carried much of the burden of the corporatist system, although the peasant population often suffered dispossession of their land. < Apart from holding wages down, neither in Italy nor in Portugal was there any compensation in the form of improved employment opportunities or a significant extension of the social wage, as the economy of neither was notably successful. Indeed, there was little effort to 'buy support' of labour through such means. Welfare developments in Italy were decidedly slow to emerge, while in Portugal they emerged only under the threat of worker unrest in the 1960s. Insofar as there were such benefits available, they were predominantly restricted to the urban industrial working class, who were clearly perceived as a greater threat than their rural counterparts. > What is interesting is that in other corporatist systems in Spain and Latin America there were genuine, if limited, attempts at labour reform at the expense of employers which were clearly designed to extend support for the regime. < This does contrast with the more inflexible and overtly repressive approaches adopted in Italy and Portugal. Indeed, in certain Latin American countries such as Peru under the Revolutionary Government of the Armed Forces, corporatism has been operated to *integrate and mobilize producers towards national goals*, making them participants in, rather than recipients of, the nation's development programme.

These cases suggest that authoritarian corporatism may be able to prove resilient and face up to the inevitable pressures that develop from the major extension of an urban working class that the transition to a largely industrialized economy produces. Whether it can survive in the longer run once industrialization has been brought about is another matter. Much would seem to depend on whether the economy has developed under corporatism such that it and its enterprises can survive in the international economy, and whether capital can accommodate free trade unions. > In other words corporatism may lead to the development of the economy such that it outgrows corporatist institutions, or it may lead to an economy that

remains dependent upon its support and protection. (The former appears to have been the case with Spain (Perez-Diaz, 1987). In Portugal the underdeveloped economy that emerged under the heavy hand of the *Estado Novo* has made the transition away from corporatism, following the overthrow of the regime by the military in 1974, a difficult and incomplete process. It is highly unlikely, given its position in Western Europe and membership of the European Economic Community, that Portugal will ever return to full-blown corporatism, but it does illustrate that there can be difficulties in adapting to a far less regimented economy that is implied by the abandonment of corporatism (Graham and Makler, 1979; Graham and Wheeler, 1983).

Corporatism in history: a review

Having examined the history of corporatism as a form of political culture, as economic and social theory and as the politico-economic arrangements of certain authoritarian regimes, it is now necessary to discuss what this tells us about corporatism generally, and how this might be related to contemporary discussions of neo-corporatism. Without doubt the main point to emerge from our discussion here is the importance of producer associations becoming not simply representative bodies but also regulatory ones on behalf of the state. Producer associations become a semi-autonomous part of the state, providing the state authorities with the machinery of intervention, but also providing for intervention that is potentially decentralized and 'expert'. This stands in contrast to more bureaucratic intervention achieved directly through the state machine. This needs to be qualified in the light of what we said about corporatist thought and our examination of authoritarian practice. Such delegation requires a degree of consensus, whether genuine or not, between the aims of state intervention and the interests of producers. Otherwise intervention will have to fall back on increasingly bureaucratic forms of intervention at the expense of *self-regulation*, or the state will have to forgo some of its aims. Producer associations under corporatism become *intermediaries* between the state (regulating on its behalf) and civil society (expressing the interests of the state). The state is able to maintain control over the activities of the associations and ensure they act on its behalf in intervention through *licensing* them. The association's continued right to exist, at least in an official capacity, is dependent upon it continuing to enjoy the support of the state so that it maintains its licence. In other words, the licensing of associations becomes a means whereby the state can reduce the demands and

opposition of producer interests without destroying their organizational base, or establishing highly bureaucratic interventionist machinery.

Following up the last point, it is important to note that, both in terms of ideology and authoritarian practice, the state was to be *dominant*. To put it simply there was a hierarchy with the state authorities at the top, and as such their interests under corporatism are supposed to prevail over those of producers. In similar terms the interests of an industry should prevail over those of an individual firm or union. *Authority under corporatism flows downwards*. This raises the question as to whether or not corporatism, as it is historically understood, is compatible with liberal democracy. Given the historical corporatist view of the state, corporatism is only relevant to liberal democracies if we view the liberal state as a structure of domination, and not as a consequence of democracy as held by liberal theory itself. Neo-corporatism, for all that, has to be recognised as compatible with a different type of political system to that found in authoritarian practice, or in the absolutist prescriptions of corporatist ideologues. It would be seriously misleading to associate neo-corporatism with some form of quasi-authoritarianism, even if doubts are cast over the democratic credentials of the state. This idea of a dominant state in itself implies that the state has some wider economic and social aims which, given the need to intervene, cannot be achieved by the free play of the market, but which requires *direct intervention into production*.

A further important point to emerge was the significance of state control over organizational behaviour through some form of *licensing*. Such control over the right and the form of organization affords the state quite considerable influence over the representation of interests. Indeed, under authoritarian corporatism the representative side of the intermediary associations was severely curtailed. Less extremely, it is possible for the state to distort the process of representation by transferring the organizational base of the association away from the members and representatives by means of a licence. In other words, the association becomes less dependent upon the members and significantly *more dependent* upon the state which provides a base for much greater influence by the state over producers. The representative nature of producers' associations is distorted. Indeed, by controlling the channels through which interests may officially be represented, it is possible for the state to 'freeze out' particular interests. It should be emphasized that this is the *potential* of a system of corporatist licensing and not necessarily an inevitable consequence of it. However, it would be unlikely that the state would establish some sort of licensing of associations without some hope of gaining appropriate quid pro quos.

A further point relates to corporatist ideology alone, but is important. Possibly the principal idea of corporatist thought was to establish integrated organizations of capital and labour – the *corporations* – to generate a new solidarity based round the industry or profession and away from class loyalties. Corporatist structures were therefore seen as a way of cutting *vertically* through *horizontal* class loyalties. As we saw with the authoritarian practice of corporatism, there is nothing inevitable about the creation of such integrated intermediaries. This in large measure reflected the point that unwelcome class loyalties (that is, workers) could be repressed. Nonetheless, we should recognize that corporatist structures in non-repressive conditions are frequently going to bring capital and labour together institutionally in some form or other, and that this can have significant implications for the *class basis* of political behaviour. This is especially the case because corporatism inevitably, if to varying degrees, pushes out electoral politics and representative channels in favour of a form of *functional representation*.

The final issue to raise is an obvious, but nonetheless important, one with which to conclude. Corporatism is designed to afford the state some measure of control over production. In general terms this only makes sense where production is largely located in private hands and employs wage labour. Where the state itself was the predominant producer such a structure of control would appear at first sight irrelevant. Certainly we can say that corporatism in historical terms, whether as ideology or as practice, has been exclusively associated with capitalist countries. We should at least be wary of suggestions of Soviet-style corporatism and arguments of that sort.

The key points raised by this chapter are that:

- There is an absence of a central conceptual core to corporatism employed as a type of political culture, and a difficulty in understanding the causal relationship between corporatist culture and corporatist institutions in the study of authoritarian corporatist regimes.
- Corporatist economic and social thought emerged as a response to the emergence of liberal industrialization, and sought to re-establish the allegedly harmonious and organic moral order of medieval society in the economic and social arrangements of industrial society.
- Corporatist thought contended that the state had a moral authority to intervene in economic and social affairs to

ensure that justice or the national interest prevailed. Such authority reflected the view that society was naturally hierarchical and that authority flowed downwards.

- Intervention under corporatism, according to corporatist thought, was to be achieved by the establishment of quasi-public, state-licensed intermediary bodies, or corporations, that would allow for self-regulation by producers under general state control.
- The corporations were to integrate capital and labour together to produce a solidarity between them to displace industrial and class conflict.
- A tenet of corporatist thought was that, given the hierarchical nature of society and the flow of authority downwards, there should exist severe restraints on representative and responsible democratic government, and that authority should rest with those deemed to have the necessary competence to decide on justice and the national interest.
- Under authoritarian corporatism there were established series of state-licensed intermediary bodies, which to varying degrees controlled the representation and opposition of producer interests by controlling their organizational base.
- These intermediary associations disorganized and demobilized certain interests, regulated access to political decision making and, through pretensions to be representative, legitimized the authoritarian regime by appeals to the notion of functional representation. The intermediaries also carried out some regulatory functions, though this was more to do with their appropriateness in particular instances than the application of a universal principle.
- There was never established, contrary to corporatist thought, an effective structure of corporations which integrated capital and labour into a single association as a means of producing industrial, as opposed to class, solidarity.
- The establishment of corporatism is associated with attempts by dominant political and economic groupings to overcome the tensions of international competition, the rise of organized labour and social change resulting from the transition from a backward, largely agrarian economy to a developed, industrialized capitalist one.

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

Note

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