6
State Theory and Corporatism

This chapter discusses:

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

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

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

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

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

Corporatism and the state

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

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

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

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

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

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

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

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

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

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

The dual-state thesis

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The institutional imperatives of the state: Schmitter and Offe

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Reference to such conflicts, particularly the former, is explicitly addressed in the treatment of the state by Claus Offe. Contrary to Schmitter, he argues that organized interests need to be studied along three dimensions; namely those of (a) individual societal actors; (b) the organization itself; and (c) the global social system (Offe, 1981: 123–4). From his perspective Offe comes to consider the fundamental characteristics of corporatist arrangements. He argues that while corporatism affords capital and labour the same status, the two 'are inhibited to a greatly differing extent in their freedom to pursue their respective interests' and such institutionalization is 'specifically designed so as to impose much more far-reaching restrictions on labour than on capital' (Offe, 1981: 146). Corporatism gives a semblance of political parity to organizations of labour and capital, but because labour and capital organize according to different logics of collective action, where organization is vastly more important to the former than the latter, constraints on associational activity have a far greater impact on labour (Offe, 1981: 147–50; also Offe and Wiesenthal, 1980). So corporatist arrangements have a 'class bias' (Offe, 1981: 153). While Offe places corporatism back in its social and political context, the actual role of the state remains somewhat ambiguously abstract. What he does propose is that the state establishes corporatist arrangements to secure the necessary 'effective' control over societal variables (Offe, 1981: 140–6). According to Offe the state intervenes through these arrangements for control to secure capital accumulation through *'commodification'*. Commodification, however, stands in contradiction with the state's function of legitimation which necessitates creating social relations increasingly in *non-commodified* forms such as the provision of welfare services[2] (Offe, 1984 and 1985).

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

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

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

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

State theory and corporatism: the missing link

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

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

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

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

From the general proposition it is necessary to move forward and be able to explain how in particular instances corporatist arrangements allow the state interests[3] peculiar to production to prevail in the face of latent or potential or actual conflict with the objective interests of producers. This is necessary for one of two possible reasons. If it is an integral part of any definition of corporatist arrangements that the state is afforded control or influence that allows it to overcome the otherwise prevailing balance of influence around intervention, then it is necessary to demonstrate that the balance actually is overturned. If it is not so demonstrated then, *by definition*, it remains open to question whether what appears a corporatist arrangement is one. In the light of the doubts about the difference between corporatism and pluralism, providing such

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

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

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

The development of state theory under corporatism

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

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

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

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

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

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

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

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

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

Conclusion

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

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

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

The key points raised by this chapter are that:

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

undemocratic or that democratic and electoral politics are irrelevant.

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

Notes

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

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

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