THE CORPORATIST IDEA IN COMPARATIVE POLITICS

by

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Introduction

The corporatist idea is an ancient one in politics; it has its philsophical antecedents in Plato and Machiavelli. In this century, corporatism has been very much discredited as an analytical perspective, owing to its perjorative association in many minds with fascism. Yet a recent growing interest in fascism has been accompanied by a revived concern with the theory and practice of corporatism. Periodically social scientists find it necessary to rethink and reevaluate the conceptual tools they use. Although corporatism has long been virtually purged from the active lexicon of political expression, its potential resurrection as a valuable tool for comparative analysis warrants critical attention.

The dictates of the comparative method have generally stipulated that its advocates systematize the enormous spectrum of modern polity types. There exists today, as a consequence of this imperative, a myriad of comparative typologies; these are based, for example, on the number of political parties, the style of political elite behavior, the nature of the class structure, the type of political culture, or even the degree of modernization exhibited within each political entity.[1] To typologize and taxonomize is often fruitful. Yet such attempts at descriptive precision have, for the most part, degenerated into a prevailing state of conceptual anarchy within the field of comparative politics. Of explicit interest to this essay, for example, is the complete failure of contemporary social science to produce a clear definition of fascism. Too often fascism is merely subsumed within general discussion of totalitarian or authorizarian regimes, without due consideration of its own distinctive features.

The comparative method perhaps has placed a mistakenly high priority on the pursuit of a systematic classification into modern political systems. The scrutiny of grand themes and political processes may be equally important; it may be an exercise leading to a richer, more rewarding analysis of political reality. It is somewhat in this vein of thinking that Samuel Huntington prefaced his major contribution to comparative politics, *Political Order in Changing Societies:*

> *The most important distinction among countries concerns not their* form *of government but their* degree *of government.*[2] [emphasis added]

This essay proposes to explore the manner in which corporatism might be considered a central unifying theme that permeates a broad spectrum of the study of comparative politics. It has been argued that corporatism, as an analytic construct, may allow scholars a greater freedom to assemble an extremely diverse variety of political behavior and regime types for comparative examination. Moreover, corporatism is being reconsidered as the rubric under which several critical issues and debates in the field, generally considered too disparate to discuss in any unified manner, can be gathered together for the first time.

The purpose of this essay is to review the corporatist idea as it appears in comparative politics writing, to examine the variety of definitions of the concept that exist, and appr the thematic attributes of corporatisms as both an analytical concept and a concrete political phenomenon. As such, the age for this essay is a series of intense investigations of the co poratist idea as it illuminates the separate and diverse discussions about fascism, development and economic dependency, democratic pluralism, and the political behavior of the modern business firm. These investigations will be reflected upon in a critique of the corporatist concept. In that critique, I wi propose the rejection of a corporatist framework and defend th need to use class analysis in comparative political research.

On Definitions of Corporatism

The theory and practice of corporatism has taken many forms in history. It has by no means been exclusively or nece sarily associated with fascism, although Italian Fascism and German National Socialism were probably the first examples of major attempts to put corporatist thought into practice. A variety of interpretations of the concept have crept into the literature of comparative politics. An extraordinary variety theorists and ideologues have advocated a corporatist arranger of society for reasons quite alien to reactionary ideology. These range, for example,

> *...from such romantic, organic theorists of the sta as Friedrich Schlegel, Adam von Muller, G.W. Friedr Hegel and Rudolf Kjellen; to the pre-Marxist, proto-socialists Sismondi, Saint-Simon and Proudhon; to the Social Christian, ethically traditionalist thought of Wilhelm von Ketteler, Karl von Vogelsang*

> *the Marquis de la Tour de Pin, Albert de Mun and, of course, Popes Leo XIII and Pius XI; to the fascist authoritarianism of Giuseppe Bottai, Guido Bortolotto, Giuseppe Papi and Franceso Vito; to the secular modernizing nationalism of a Mihail Manoilesco; to the radical (in the French sense) bourgeois solidarism of Leon Duguit, Joseph-Paul Boncour, Georges Renard and Emile Durkheim; to the mystical universalism of an Ottmar Spann; to the internationalist functionalism of Giuseppe de Michelis and David Mitrany; to the reactionary, pseudo-Catholic integralism of Charles Maurras, Oliviera Salazar, Marcello Caetano and Jean Brethe de la Gressaye; to the technocratic procapitalist reformism of Walter Rathenau, Lord Keynes and A.A. Berle, Jr.; to the anticapitalist syndicalism of Georges Sorel, Sergio Paunzio, Ugo Spirito, Edmondo Rossoni, Enrico Corradini and Gregor Strasser; to the guild socialism of G.D.H. Cole, the early Harold Laskie, S.G. Hobson and Ramoro de Maetztu; to the communitarianism or bourgeois socialism of a Francois Perroux or an Henri de Man--not to mention such contemporary advocates as Bernard Crick, W.H. Ferry, Pierre Mendes-France and David Apter.*[3]

Corporatism has been advocated for a wide assortment of motives, each involving radically different structures of power and influence, benefiting quite distinct social classes, and promoting diametrically opposite public policies. Most advocates of corporatism, however, agree on the necessity of an institutional relationship between the state, as a system of decision-making, and its interest groups, as systems of popular representation. Differences arise out of the nature and purpose of such a relationship.

Louis Baudin, a French student of corporatist theory, has described the confusing array of definitions as follows:

> *The army of corporatists is so disparate that one is led to think that the word, corporation, itself is like a label placed on a whole batch of bottles which are then distributed among diverse producers each of whom fills them with the drink of his choice. The consumer has to look carefully.*[5]

Over the years, corporatism has roughly come to mean an ideology or conception of society which sees the community as composed of economic or functional groups, rather than as an amalgam of atomistic individuals. Society, therefore, is seen as composed of an *organic* whole of inter-related groups,

culminating in the state rather than being composed of compet individuals or contending social classes. Corporatism, there fore, is an "organic" theory of the state; it is perhaps the oldest theory of the state in existence. Within the corporat framework, the various functional economic groups in society must be brought into harmony and thereby into direct collabor tion with the state, with the will of the state being ultimat decisive. In another manner of speaking, corporatism is priv or capitalist ownership coupled with state direction or contr

Twentieth century corporatism has had its origins in t conservative Christian reaction against the excessive individ ism preached throughout Europe following the French Revolutic and the reaction against the mechanistic-individualistic mode of thought emanating out of the Industrial Revolution. As a result, corporatist thought has often been characterized as conservative and reactionary. It is, in essence, a pre-capit ist, anti-liberal mode of thought; it would be incorrect, how ever, to characterize corporatist thought as anti-technology. Nonetheless, corporatism has placed little emphasis on indivi dualism, liberty, private property, competition, or markets, as does classical liberal thought. Instead, corporatism sanc fies tradition, hierarchy, order, stability, and the need for cooperation among society's component parts, within a prevail ing spirit of "separate but equal."7

Recent efforts have been made to strip corporatism of the perjorative connotations which have crept into political literature from its historical association with fascism. Sch ars attempting to reinterpret definitions of authoritarianism were the first to rescue corporatism from its ideologically- bounded usages. Juan Linz, in his attempt to synthesize the principal components of the Spanish political system was the first contemporary scholar to recognize and label corporatism as a distinct political form.

According to Linz, authoritarian regimes are the polit manifestation of a society composed of "limited pluralism,"8 which is his term for corporatism.

> *Authoritarian regimes are political systems with limited, not responsible political pluralism; without elaborate and guiding ideologies (but with distinctive mentalities); without intensive or extensive political mobilization (except at some points in their development); and in which a leader (or occasionally a small group) exercises power within formerly ill-defined limits but actually quite predictable ones.*9

Another common interpretation of post-war corporatism is that it is a type of atavistic political behavior limited to the Iberian Peninsula and Latin America. Howard Wiarda posits the existence of a compatible environment for corporatism within the Iberic-Latin political culture.

> *In the Iberic-Latin context corporatism found an even more hospitable environment. In Spain the Falange provided some of the initial rationalizations for the Franco regime, and while by this time the Falange as a political movement and corporatism as an idelogy have been relegated to distinctly secondary roles in the Spanish system, corporatist ideas and organizations still lie at the heart of the system of labor relations, representation, and the like. Portugal remains the only openly and often proud corporatist system extant, the only one of the numerous corporatist experiments initiated in the interwar period to have been carried to fruition--though more recently corporatism in Portugal has evolved in ways not altogether different from the Spanish system. In Brazil under Vargas the operative agencies of the* Estado Novo *and the structure of labor relations, social assistance, and the like were all patterned after the model of a corporatist state. In Argentina, Mexico, Chile, the Dominican Republic, and elsewhere, similar forms of corporatist organization were attempted though in the American context they seldom called themselves by that name.*[10]

Wiarda argues that corporatism, in its broadest sense, is part of the Iberic-Latin political culture stretching back to the origins of the Iberic-Latin systems and embodying a dominant form of socio-political organization that is hierarchical, elitist, authoritarian, Catholic, patrimonialist and corporatist to its core.[11]

In the latter half of this century, corporatism has also come to be associated with central state planning. Andrew Shonfield has argued that:

> *All planning of the modern capitalist type implies the acceptance of some measure of corporatism in political organization: that follows from basing the conduct of economic affairs on the deliberate decisions of organized groups of producers, instead of leaving the outcome to the clash between individual competitors in the market.*[12]

The essence of modern corporatism, in this context of

central state planning, is private ownership coupled with stat control. The objective of the corporate state is to avoid con frontations between business and labor, or between business an government. Private ownership is left undisturbed. The strat employed is for government to enforce an incomes policy for al of the "functional groups," or corporations, within the societ while it calls for an increased partnership between the state all major producers.

> *Instead of confrontation between classes or aggress competition between economic groups, corporatism se to substitute the principle of social harmony or un through negotiation and direct cooperative interact among business, labor and the state.*13

To achieve this collaboration the various industrial groups are made agencies of the state, or co-opted within the apparatus of government. In the place of market competition, corporatism would substitute state control. Cooperation must replace competition, if not, cooperation would be commanded and imposed by the state.

Lately, several new definitions of corporatism have be proposed. In a pioneering essay on corporatism and political development, Ronald Regowski and Lois Wasserspring attempted operationalize the concept by the following definition:

> *We consider any society which consists of stigmatized groups (segments) to be segmented. Segmented society, therefore, is the polar opposite of individualistic society--a society characterized by the apparent interchangeability of all inhabitants. The existence of social segmentation in our view produces corporatism in politics. A political system is corporatist in our sense to the extent that the major processes of politics-- participation, competition, decision-making--follow along corporation lines.* 14

Rogowski and Wasserspring argue that corporatism is a type of "primitive" political behavior which is exhibited in societie which are both fully developed and underdeveloped.

> *Our individual empirical work leads us to suggest that, in geographical terms, egotistical corporatism has been the predominant type of political system in Latin America, while reciprocal corporatism has been the more common corporatist political experience in Europe.*
>
> *More generally, egotistical corporatism tends to be empirically associated with the economically underdeveloped or 'developing' countries, while the*

> *possibility of change to a system of reciprocal corporatism increases with more advanced economic conditions.* [emphasis added]15

Perhaps the most innovative attempt to operationalize the concept is that of Philippe Schmitter. In "Still the Century of Corporatism?," Schmitter attempted to isolate from the concept the various usages which have disguised rather than enhanced its utility. The task is made all the more difficult by the fact that very rew regimes today, unlike the thirties, overtly and proudly advertise themselves as corporatist. The result of Schmitter's efforts is the following working definition:

> *Having rejected a series of alternative usages of the concept of corporatism and expressed a preference for a more empirically bounded specification which focuses on a set of relatively directly observable institutionally distinctive traits involving the actual practice of interest representation, it is now incumbent upon me to produce such a conceptual specification:*
>
> *Corporatism can be defined as a system of interest representation in which the constituant units are organized into a limited number of singular, compulsory, noncompetitive, hierarchically ordered and functionally differentiated categories, recognized or licensed (if not created) by the state and granted a deliberate representational monopoly within their respective categories in exchange for observing certain controls on their selection of leaders and articulation of demands and supports.*16

Schmitter's work on corporatism, whether one accepts his definition or not, is without a doubt the most definitive scholarship on the subject within current comparative politics literature. Schmitter is also the leading propagandist for the resurrection of the concept for comparative political analysis. This cursory survey af the variety of definitions of corporatism is useful for delineating the major difficulties at hand for anyone attempting to use corporatism as an analytical construct.

Corporatism and Fascism

Right wing and reactionary regimes have often been identified as corporatist. Fascist regimes were the first to make any real moves toward constructing full-fledged corporatist

states. Italy was the first nation to remodel its constitut with the avowed aim of engineering a corporative state. Sho after 1933, moreover, the Third Reich officially began to ad tise itself as a *Standestaat*. No discussion of corporatism therefore be complete without a thorough examination of fasc

> *There can be little doubt about the contemporary relevance of fascism....Nor can any but the parochial student of such widely differing fields as economics or modern intellectual history dismiss fascism as irrelevant to his interests. For the fascist regimes were responsible for possibly warped and defective, but undoubtedly real experiments with a central issue of present-day economic debate, economic planning...*17

The following discussion will attempt to shed light on the s biotic relationship between fascism and corporatism.

One explanation of affinity for corporatism among lea ing National Socialist ideologues is the rich tradition of c poratist thought within German social philosophy. Ralph H. B identifies three distinct movements of corporatist thinking Germany up until 1933: *Social Catholicism* (Ketteler, Hitze, Overdorffer); *Monarchical Socialism* (Stoecket, Schaffle, Bis mark); and various corporative theories of a German *Collecti Economy* (Rathenau, Moellendorff). Even prior to 1870, there been strong affinity for the corporative state in Germany: Fichte's closed commercial state, Adam Muller's organic *Standestaat*, Hegel's estates of civil society," or Karl Marl "Social Federalism."18

> *During the decade prior to 1933...the German readi public was offered a profuse assortment of printed material, mostly though not exclusively of a scholarl cast, the burden of which was to extol the virtues o a Standestaat as contrasted with the shortcomings of the existing state and economy. Among the authors of these works there was little agreement as to the precise shape of the new organization which they wished to see established, though they were unanimou in declaring that the early inauguration of a Standi Ornung represented Germany's only genuine hope of escaping the disastrous consequences which would flow from an otherwise inevitable victory of Marxian principles of social organization....Probably in no country has corporatist speculation been more abundant, more continuous, or more varied than in German*

Other societies, such as Japan and Italy, fail to ha similarly intense heritage of corporatist thought, although

fascist movements arose. Thus it is extremely difficult to defend a political culture argument for the rise of fascism; i.e., that there are cultural preconditions from which fascism emerges as the direct political result. While such conditions may have been an important contributing factor to the appeal of Nazism, the argument would be of little comparative worth when applied to Japan, Italy, Spain, Portugal or Latin America.

The above critique equally applies to definitions of corporatism which attribute the concept to a peculiar type of political behavior emanating out of a corporatist, Iberic-Latin political environment.

> *The intellectual origins of corporatism are predominantly German, Belgian, French and Austrian, and secondarily and belatedly, English, Italian and Rumanian. Those who advocated corporatism in the Iberian and Latin American areas unabashedly and unashamedly imported their ideas from abroad.*[20]

In any case, S.J. Woolf insists that corporatism is an essential and peculiar cultural characteristics of all fascist societies.[21]

In order to clarify the corporatist aspect of fascism, it is mandatory that various definitions of fascism be examined.

> *As conspicuous as the revival of interest in fascism, is the lack of agreement about it. Close to a decade of scholarly discussion has yielded nothing even approaching consensus on the essential characteristics of fascism as a generic phenomenon, its causes, or even which movements and regimes properly deserve the label. Indeed, there are about as many differing theories about fascism as there are treatments of the subject.*[22]

Most experts readily admit that they know very little about generic fascism, although there is a great deal of information about the various political systems generally characterized as fascist.

> *The difficulty about discussing any vague generalization as "fascism" is that it is a term which has been abstracted from concrete historical situations.. Certain regimes or movements, in imitation of Mussolini's Italy where the term first became popular, have called themselves or have been called by others "fascist"....The first essential would seem to be to specify the particular regimes and movements to which alone the term "fascist" is, by definition, to be applied.*[23]

So far the most ambitious attempt to arrive at a def tion of fascism is that of the German scholar, Ernst Nolte. *Three Faces of Fascism*, he argues that fascism is a specific characteristic of a very particular era in human history. I is applicable to no other time other than the inter-war peri of this century.24

Nolte has attempted to develop a phenomenological def tion in which he describes fascism as neither anti-parliamen ianism nor anti-Semitism, but anti-Marxism.

> *Fascism is anti-Marxism which seeks to destroy the enemy by the evolvement of a radically opposed and yet related ideology and by the use of almost identical and yet typically modified methods always, however, within the unyielding framework of national self-assertion and autonomy.*25

This definition makes the condition that without Marxism the can be no fascism.

> *...fascism should never be said to exist in the absen of at least the rudiments of an organization and prop ganda comparable to those of Marxism.*26

Nolte's major contribution to the contemporary study fascism is his typology of fascist political systems in whic the goals of each regime becomes the determining factor in i classification.

> *...it can be said at this point that this scale range from Kemalism at the outer pole as a national defense and development dictatorship, via Italian fascism, which was a development dictatorship and finally a despotism of territorial conquest, to National Socialism, which stands simultaneously for the dictatorship of national restitution and the despotism of territorial conquest and world salvatio*

While Nolte is quick to recognize the limitations of typolo his formulation is useful in understanding the extent to wh there can be varieties of fascist systems. By stressing th epochal nature of the fascist phenomenon, his work is stult ing in its inability to assess the possibilities of the con porary re-emergence of fascist systems, as well as for its applicability in contributing to the understanding of curre forms of fascism.

A. James Gregor, perhaps the most renowned American scholar of the subject, has posited the existence of three

classic candidate interpretations: 1) variants of the Marxist-Leninist interpretation; 2) the psychosocial interpretations of Freud and Erich Fromm; and 3) an interpretation that conceives of fascism as a product of delayed or thwarted development.28 Gregor argues that the Marxist interpretation has considerable accuracy, but the third interpretation is growing in acceptance.

A standard orthodox Marxist definition is that of Palme Dutt, in which he describes fascism as the reactionary and openly terroristic form of dictatorship of finance capitalism.

> *The growth of fascism implies that the capitalists are no longer able to assert their dictatorship with the old methods of parliamentary government and bourgeois democracy. Even more than that; the methods of parliamentary government and bourgeois democracy become a factor inhibiting the capitalists in their internal politics (struggle against the proletariat) and external policy (struggle for a new imperialistic division of the world).*[29]

Another variety of the Marxist definition is the following:

> *1) Fascism is a movement of the various strata of the petite bourgeoisie and a part of the working class which has lost its class consciousness because of sustained unemployment.*
>
> *2) According to its class character, fascism is the domination of the most reactionary part of finance capital, whose domination is always identified by communists with the highest imperialist stage in the development of capitalism.*
>
> *3) The transition from the relatively liberal to the fascist forms of bourgeois dictatorship is effected in the face of the direct threat of a proletarian revolution. Fascism is the last despairing effort of the bourgeois capitalist world to salvage itself from its inevitable downfall in the proletarian socialist revolution.*[30]

In *The Theory of Capitalist Development*, Paul M. Sweezy offers what has been considered a standard neo-Marxist explanation of fascism.

> *Every capitalist nation, in the period of imperialism, carries within it the seeds of fascism... fascism is not an inevitable stage of capitalist development. Fascism arises only out of a situation*

> *in which the structure of capitalism has been serio injured and yet not overthrown. Fascism is thereby characterized as a solution found for the contradic tions caused by the development of capitalism at a point of fundamental class equilibrium. This equil brium is typified by a ruling-class unable to settl the crisis by ordinary means and a working class un able to bring about a socialist revolution.* 31

One of the benefits of both the orthodox and the ne Marxist definitions of fascism is that they are extremely cit in their requirements. I feel that such explanations much merit. In this vein, fascism should be a term strict restricted to Germany under National Socialism. I would f more comfortable in classifying pre-war Italy and Japan as developmental corporatist regimes or developmental authori dictatorships, rather than calling them fascist. G.M. Mac supports this point in "A New Look at the Problem of 'Japa Fascism.'"32 The Marxist definition requires that fascism occurrence at a very advanced stage of capitalist developm whereas Italy and Japan were basically underdeveloped soci in which authoritarian corporatism was instituted for the pose of accelerated development.

From the preceding definitions, it is difficult to mine the exact nature of the relationship of corporatism t fascist political form. Hal Draper posits that the proble arises because corporatism is generally thought of as bein *fascist* theory, when historically it arose as a *socialist*

> *Its main appeal to socialist thought...was as a framework for the radical reform from above of capi ist society through what were thought of as "non- statist" or non-political channels. It looked to a transformation of society not through a struggle for political power but through the assignment of social powers to autonomous economic bodies... Some elements usually associated with corporatism go back very far in pre-Marxist socialist thought, particularly...Fourier's phalanx, Cabet's Icaria and Robert Owen's model factory...The first prophet of a full-fledged corporatism was Saint-Simon... The conception of a new order built along the lines of a corporate society was one element in Edward Bellamy's version of socialism...Perhaps the classi statement of "socialist" corporatism was expounded by Charles P. Steinmetz. In his* America and the New Epoch *(1916) "socialism" is a society where the giant corporations...literally rule directly, having eschewed profit and embraced the goal of sheer efficiency...But the most massive corporatist*

element in the development of socialist thought was injected by syndicalism. The basic conception of the reorganization of society through non-political but autonomous economic bodies was here the distinctive content of the movement...Now it was this latter wing or current of syndicalism which transformed itself organically into the "black socialist" wing of Italian Fascism and which thereby created what we know as corporatism of the fascist ideology. Its architects were Enrico Corradini, Edmondo Rossoni and other syndicalists-turned-fascist, plus D'Annunzio-type nationalists-turned-syndicalist like Alfredo Rocco and Dino Grandi. Corporatism was the serious ideology only of this 'socialist' face of fascism.[33]
[emphasis added]

Draper argues that corporatism has only an indirect, peripheral relationship to fascism. Corporatism only enters the fascist world as *the program* to transform fascism into socialism. Corporatism is thus a direct and organic outgrowth of non-Marxian theories of socialism-from-above.[34]

Once having arisen in this way, fascist corporatism has a powerful reactive impact on the socialist movement itself. It attracted --sucked out toward itself, so to speak -- precisely those socialist currents which felt their kinship to it. In the case of the Marquet group in the French Socialist Party and the Mosley group in the British Labour Party, wings of the socialist movement split off to become fascists themselves. But more significant were the currents which were attracted specifically by corporatism without going over to fascism.

A hand of ideological sympathy to the Strasser wing of Nazism was stretched out by the not-insignificant tendency in the Social-Democracy led by the German-Czech social-democrat Wenzel Jaksch. Bernard Shaw, the no. 2 architect of Fabianism, was enthusiastically pro-Stalinist...In Belgium, the socialist party leader Henri de Man, who had made a great if now forgotten reputation as a "revisionist" offering a theoretical alternative to Marxism within the socialist movement, wrote Corporatisme et Socialisme *in 1935 and later became virtually a Nazi collaborator. Lincoln Steffans -- glowed with ardor for both Mussolini and the application of the corporative idea to the U.S...*[35]

Ralph H. Bowen is also skeptical of the importance o corporative thought to fascism.

> *It is not easy to appraise the long-term signific of corporatism in German intellectual history. Desp the efforts of some of its protagonists it has never commanded a large popular following, and the generic ideal has never exerted demonstrably important influence upon developments in public law or practical politics.*36

Bowen furthermore regards the Nazi organization as achieving nothing more than a perversion of corporatist sch proposed by the authors of collective economy, Walter Rathe and Richard von Moellendorff.37

In his attempt to determine the particular character tics of the fascist economy, S.J. Woolf supports the argume that fascist attempts at constructing corporative states we only bare skeletons of a type of socialism-from-above.

> *...Corporatism served, with varying degrees of efficiency, as a method of controlling the economy. For ultimately, it controlled not only the workers, but the industrialists. The public contract was probabl the most effective instrument of control. But the National Economic Chamber and the category groups in Germany, like the manufacturers' guilds and industri control associations in Japan, extended state control to every aspect of industrial and commercial activity, to a degree unheard of in capitalist countries except during the emergencies of the two world wars...in no sense was the fascist economy a 'planned' economy...Where it failed most significantly was in manpower planning...in Germany it was a significant failure already before the war, attributable to the very nature of the machinery which worked against co-ordination at the highest level. Indeed, the bureaucratic machinery set up in the three countries (Germany, Italy and Japan), because of its personalistic character and its heaviness, worked against a fully rational, planned economy.*38 [emphasis added]

A final definition of fascism is that which consider the developmental aspects of this form of political organiza Ludovico Garruccio argues that the paradigmatic fascism of Mussolini is an important variant in a whole class of ideolc developed by political communities undergoing rapid economic cha ge. Garruccio claims in *L'Industrializzione tra Naziona e Rivoluzione*, that many societies now undergoing economic

development manifest "fascistoid" traits.39

> *The processes involved, both economic and political, generate tension of such magnitude that they are more than frequently attended by violence and hyperbolic talk of violence, a pervasive sense of alienation among the displaced and status-threatened and ultimately a demand for a restoration of law and order.*40

N. Kogan similarly argues that fascism is modern.41 Barrington Moore, Jr., and A.F.K. Organski also have considered the possibility of fascism being a stage or route to advanced industrialization.42 Albert Szymanksi argues that fascism is more a non-industrial than industrial phenomenon, an argument directly opposing most of the Marxist thought on the subject.43

The spectrum of definitions of fascism tends to complicate the issue of untangling the relationship of corporatism to fascist political systems. Hal Draper's explanation of the role that corporatism plays in the program of fascist regimes for initiating socialism-from-above is valuable for the purposes of this essay. If corporatism can be seen as a *tool* of fascist regimes, rather than an *equivalent of fascism*, greater possibilities exist for the concept's use in comparative political analysis.

The works of Garruccio, Barrington Moore, Jr., and Organski on the developmental nature of fascism are the first real efforts to release the concept of corporatism from its perjorative connotations. In my opinion the "developmental fascism" described by these authors ought to be identified as a distinctive and particular strain of *corporatism*. The term "fascism" ought to be strictly reserved for the German experience. If this distinction can be made, corporatism may be enhanced with greater explanatory value as an analytical concept. Corporatism would then be defined as a particular type of political and institutional response to a wide variety of capitalist crises. Crises of advanced capitalism may evoke a particular set of specific corporatists responses, whereas crises of delayed capitalist development may require an entirely different type of corporative resolution.

Corporatism and Theories of Development

The major goal of contemporary social science in the last quarter century has been to assess from a comparative and historical perspective the prospects for freedom, rationality, and human progress in a modernizing world. A central factor contributing to the growth of comparative politics has been the

vital need to analyze political behavior in developing soc
Consequently, one of the crucial debates in the field conc
the nature and direction of political development.

Comparative politics literature has been saturated
the view that political modernization is somehow synonymou
the evolution of democratically representative institution
It has thereby been asserted that interest group mobilizat
the growth of well-articulated and democratically competit
political parties, and an increased participation of the m
in political life are important indices of political devel
political sophistication, and political stability. Author
politics, however, have rarely been considered anything ot
than the manifestation of political underdevelopment, poli
stagnation, or warped processes of political development.
cist or corporatist regimes have seldom been regarded as s
or even viable agents of development.44

One of the most influential works on the sociology
modernization is Barrington Moore's *Social Origins of Dict*
ship and Democracy. *Social Origins* is of particular impor
since it is virtually the only well-elaborated Marxist wor
the politics of development outside of the literature on i
ialism. Moreover, *Social Origins* is the first theoretical
to postulate the possibility of an alternative "route" to
modern world other than capitalism or socialism. Moore id
fies this alternative as "revolution from above," or fasci

The primary task undertaken by *Social Origins* is th
explanation of changes in political arrangements which acc
the transformation of agrarian states into modern industri
states. The main thesis is organized around three distinc
routes to development, each culminating in one of three so
tal political outcomes: Western Democracy, Fascism, and Co
nist dictatorship. The second route, "National Capitalism
is therefore relevant to this essay.

Governments initiating revolutions-from-above, it i
argued, are composed of a commercial bourgeoisie dedicated
capitalist commercialization and industrialization, but su
efforts are resisted by a peasantry and portions of the ar
tocracy who are hesitant to accept changes in the old orde
In order for modernization to occur, *vis-a-vis* capitalist
velopment, it becomes mandatory that the bourgeoisie set u
authoritatian state-apparatus to *impose* development. The
is organized to promote capitalist industrialization in th
following manner:

> *1) by centralizing and rationalizing the politic*
> *order;*

2) creating "a sufficiently powerful military machine to be able to make the wishes...of the rulers felt in the arena of international politics;" and,

3) promoting the spread of national identification and modern skills to the entire population. 46

Moore has called this mode of development the "authoritarian conservative" or the "reactionary capitalist" route in order to illuminate the mandatory coercive strategy involved.

Where the revolution-from-above/class-coalition succeeds in establishing itself, there has followed a period of conservative and even authoritarian government....These authoritarian governments acquired some democratic features....Their history may be punctuated with attempts to extend democracy...Eventually the door to fascist regimes was opened by the failure of these democracies to cope with the severe problems of the day and reluctance to bring about fundamental structural changes. One factor, but only one, in the social anatomy of these governments has been the retention of a very substantial share of political power by the landed elite, due to the absence of a revolutionary breakthrough by the peasants in combination with urban strata. 47

Moore suggests throughout the book that "reactionary capitalist" development might be applicable to Italy, Spain, Poland, Hungary, Rumania and much of Latin America, as well as to his principle examples: Germany and Japan. Critics, however, object to Moore's insistence on connecting "reactionary capitalist" development to "fascist" outbursts that were probably world-historically specific occurrences.48 Theda R. Skocpol argues that Moore assigns an unrealistically important political role to landed upper classes and thereby systematically underrates the ability of bureaucratic and military elites to act similarly regardless of their different class backgrounds.49

The most glaring deficiency in *Social Origins* is the lack of an inter-societal or global perspective to its class analysis of development. The theoretical variables which Moore uses are exclusively intrasocial structures and processes.

The ubiquitous 'motor of change' is the 'commercial impulse'....Varieties of ultimate political outcomes of the modernization process are explained by a combination of the strength of the 'commercial impulse' and the type of class structure through which its efforts are channeled. 50

What is lacking in Moore's thesis is a full considerat of the impact of foreign pressures on the process of moderniz tion.

> *National economic modernization...cannot be assumed Its rate, and indeed the very possibility of its occur rence, are determined by international political-eco nomic conditions. Revolutions from above or below are not only (or perhaps even primarily) responses to intra-societal developments. Possibilities for continued industrialization and/or democratization in the wake of "bourgeois revolutions" are in part determined by international relationships and con ditions, as are needs and opportunities for "fascist" military aggression.*51 [emphasis added]

In this vein, much of the current debate on the nature of development has lately focused on the question of *dependen* or the consequences of imperialism for "late-modernizing" soc eties. Many Marxist works on dependency and neo-colonialism are especially insightful in their analysis of modernization a twentieth-century world context. Very few, however, offer proposals for the effective *elimination* of dependency, or eve the amelioration of its conditions.

The literature on dependency is rich with a variety of explanations of the nature and causes of underdevelopment. M tinational corporations have often been identified as the pri agent of neo-colonial dependency.52 There exist consequently several empirical studies of the functional relationship betw MNC involvement in developing nations and the emergence of co poratism.53

Explanations for the corporatist syndrome in underdeve societies are generally two-fold. Delayed development immedi ately implies that there are late-starters in the development process who, in order to catch up, have to absorb, assimilate and rapidly adopt innovations already generated by their fore runners. Corporatist-style politics and economic controls o have to be used to achieve these goals.

Many dependency theorists link dependent relations in international sphere to the rise of corporatist-authoritaria regimes in the domestic setting. The Latin American nations Brazil, Argentina, Chile, and Peru are commonly offered as p mary examples of this syndrome, with most of the remaining m tary regimes in Central and South America as supporting evi dence.54

The penetration of foreign capital in the periphery i said to provoke an early period of regressive commercializat

of agriculture. The political effect of this is the centralization of power in the state out of necessity to assure continued agricultural productivity. The dependency on foreign investment in the early process of industrialization and foreign involvement in financial institutions which manipulate domestic savings tends to debilitate the sense of national unity and purpose of national entrepreneurial sectors. Barrington Moore described this predicament as the existence of a weak "commercial impulse."55

One of the critical issues within dependency theory is whether capitalist development occurs, and under what conditions. Andre Gunder Frank is the leading spokesman of the argument that neo-colonial economic relations cause stagnation instead of progress; Frank's thesis is summarized in an often overworked cliche: "the development of underdevelopment."56 Corporatism, according to Frank, is the political service of indigenous *comprador*57 classes, who are the local political agents of the neo-imperialist world complex. Dependency and corporatist political regimes do not contribute to capitalist development of any kind, but instead promote stagnation.

The Brazilian political economist, Fernando Henrique Cardoso, is perhaps the only Latin American dependency theorist to concede the possibility of actual capitalist development within an environment that is essentially dependent. From an analysis heavily drawn from the Brazilian experience, Cardoso proposes the notion of "associated-dependent development" as a description of the nature of the alliance between the Brazilian national bourgeoisie and international capitalism. This association suggests that capitalist development does indeed take place, albeit at a very low level, within the underdevelopment syndrome.58

Corporatism has also been suggested as a program for reorganizing a society for the purpose of rapid national independent development. My own research on the relationship between multinational corporations and the state in Zaire has led to the hypothesis that corporatism is a form of conscious political organization by a national bourgeoisie intent on achieving autonomous, independent industrialization. Thus I have maintained that a corporatist-developmental dictatorship which uses a policy which I have termed "developmental fascism" or"autonomous-associated development" emerges in a dependent economy when the state makes a concerted effort to eliminate or ameliorate the conditions of its dependent status. While I have found the notion of "associated-dependent development" useful, I reject Cardosa's solidarity with other *dependentistas* in emphasizing the importance of external control, or domination *vis-a-vis comprador* classes. Such a stance denies the possibility of ever initiating a truly nationally-controlled process of autonomous industriali-

zation. While *dependentistas* fear the authoritarian political medium of "associated dependent development", authoritarian corporatism may be the very prerequisite for rapid national development in any seemingly autonomous manner within the context of an international market dominated by global capitalism. Because of capitalism's world scale, domestic repression and corporative reorganization may be the imperative requisites for achieving a significant degree of meaningful autonomous national capitalist development in the 20th century. Much of this argument is based on the premise that a capitalist stage may be mandatory before most societies in the Third World can ever hope to achieve the rudimentary foundations on which to construct a viable socialist society. "Autonomous-associated development" is one program of a corporatist nature in which the aim is to restrict the above process in favor of "nationalist-capitalism."

I have proposed in my own research that the principle roots of underdevelopment lie fundamentally in the process of class formation in newly industrializing nations. Capitalist development *can* and *does* take place depending on the size, unity and effective organization of the national bourgeoisie. The most effective manner in which to achieve the requisites (of rapid industrial development) seem to point to the necessity of creating a corporatist state structure.

A general hypothesis of the relationship of corporatism to capitalist development which is close to my own notion of "autonomous-associated development" has been developed by Philippe Schmitter. *State corporatism* is the term he uses to identify the political phenomenon which is the result of national attempts to eliminate economic dependency.

> *As a macro-hypothesis, I suggest that the corporatization of interest representation is related to certain basic imperatives of needs of capitalism to reproduce the conditions for its existence and continually to accumulate further resources. Differences in the specific nature of these imperatives or needs at different stages in the institutional development and international context of capitalism, especially as they affect the pattern of conflicting class interests, account for the difference in origins between the societal and state forms of corporatism.*[59]

According to Schmitter, the determinative factors for *state corporatism* rests in a structural conduciveness generated by delayed, dependent capitalist development and "non-hegemonic class relations."[60] *State corporatism* is almost identical to Barrington Moore's "reactionary capitalism."[61]

In 1936, the Rumanian political economist, Mihail Manoilesco, wrote a futuresque essay stating that corporatism had its *raison d'etre* in the international system of unequal exchange.62 In *Le Siecle du Corporatisme*, Manoilesco,

> *...not only advanced his cosmic prediction about the ineluctable future of corporatism, but he supported his position with a complex, if schematic, argument--elements of which are strikingly modern.*63

Mihail Manoilesco is perhaps the world's first dependency theorist; as a doctrinaire advocate of the corporate state, however, he is rigorously anti-Marxist in his analysis. Many scholars, such as Samir Amin and Arghiri Emmanuel have attributed corporatism to the conditions of unequal exchange between nations. Manoilesco was concerned, as Cardoso, with state reconstruction and national development within the constraints of a world system of economic inequality. Manoilesco's writing is therefore extremely relevant for present day discussions of corporatist political behavior around the world.64

Manoilesco asserted in his treatise that a corporative organization of the state was both progressive and realistic, rather than the revival of any Catholic or medieval practices of social organization. He argued that the imperative forces leading to the increased corporatization of the world were to be found in the problems of the political economy of his time. More specifically, corporatism finds its impetus in the nature of ownership, production, and distribution of capitalism, itself. He argued that corporatism would eventually become a permanent institutional form, proving its superiority to both capitalism and socialism. Corporatism is not intrinsically beholden to any social class or even to the maintenance of the *status quo*, as it is a political form capable of subduing particular interests to overriding national goals and eventually of transforming the capitalist basis of society itself.65

Corporatism, as Manoilesco understood and advocated it, is a political response of a national nature to the particular process of restructuring the world political economy. The dominant causes of this response, therefore, lie in the unequal relations between *nations*, rather than antagonisms between *classes* within national boundaries. According to Manoilesco,

> *...the dynamic element in this process of world economic transformation consists of a radical "national" demand for the restructuring of the international division of labor and its distribution benefits. Peripheral capitalist nations are becoming increasingly aware of the disparity in returns generated by their exchange of raw materials and foodstuffs for the manufactured*

> *goods produced by the advanced, earlier developing economies and are beginning to implement new national economic policies, especially ones aiming at import-substituting industrialization and control of foreign trade...In essence and embryo, Manoilesco anticipated the general arguments and even many of the specific points of what twenty years later came to be known as the ECLA doctrine or, even later, the UNCTAD position.*66

The compound changes in the international political economy and its system of international political relations provided the foundations for Manoilesco's ideology of defensive, nationalistic modernization-from-above.

> *Each national unit, each state, must henceforth act as its own agent in its own interests and with its own resources, bargaining continually for survival and self-advantage in a dangerous and unstably equilibriated international system....As a consequence of these new tensions between central and peripheral capitalisms and between all autarchically-minded nation states, the twentieth century would impose new conceptions of justice and forms of political organization.*67

National solidarity and "*de-capitalization,*"68 under an institutional form of state corporatism, were what Manoilesco signaled as "*les imperatifs du Vingtieme Siecle.*"69

> *La multiplication des fonctions économiques, de culture intellectuelle et sociale deL'Etat et la pluralité des sources du pouvoir public créent une nouvelle fonction (où elles donnent de l'ampleur à une fonction déjà existante sous une forme embryonnair) que est la fonction d'arbitrage et de coordination de toutes les activites nationales...Les imperatifs du temps present obligent l'etat à les voir; ils l'obligent meme a les solutionner. Et ils font de l'Etat le plus actif et le plus sollicité des arbitres...L'Etat doit en avoir. Il doit prevenir les conflits d'interets doit avoir l'initiative de toutes les dispositions d'ordre generale, qui faciliteront la coordination des activités nationales. L'initiative devint une fonction nouvelle inconnue par l'Etat individualiste et embrassant toutes les manifestations de la vie nationale. L'initiative economique n'est qu'un aspect particular de l'initiative comme fonction generale de l'Etat.*70

Manoilescoo thus advocated an increased authority of the state to meet these imperatives.

> *Le programme nationale, ainsi que son activité courante, reclament de l'état les devoirs permanents suivants:*
>
> *1. De reconnaitre a tout moment les exigences nationales*
>
> *2. D'établir une "hierarchie du moment" en correlation avec la hierarchie permanante de ces exigences;*
>
> *3. De diriger l'activite de la nation pour satisfaire á ces en coordonnant les activités particulieres et en conciliant les interets divergeants.*

While Manoilescoo's predictions of "*l'epoque du corporatism*" are virtually obscure antecedents to modern dependency theory, they add refreshing insight to discussions of delayed capitalist development. Corporatism, or militant national development, according to Manoilescoo, is the *sole* solution to economic dependency. It is surprising how many of his ideas are reverberated in the arguments of Cardoso, whose analysis of dependent development I consider to be the most penetrating among the many versions of *dependencia* theory. The ideas of both men ought to be carefully scrutinized for their relevance in the assessment of present conditions of capitalist development. Clearly corporatism, and its relation to development and dependency, warrants the attention of contemporary social scientists critical toward the prevailing views on underdevelopment and neo-colonialism. Manoilescoo's predictions of corporatization on a world scale, moreover, is an interesting analysis of modern trends within the global capitalist system which is growing in interest and warrants empirical research.

Corporatism and Democratic Pluralism

The paradigm of interest group politics which has completely dominated the discipline of North American political science is democratic pluralism. As a consequence, comparative politics research has often been imbued with attempts to apply pluralism to cross-cultural analyses of both modern and developing democracies. The presupposition that stable and effective democracy is dependent on an integrated political community and a widespread consensus on the legitimacy of that political system is the foundation of pluralist theory.

Pluralist theorists, like David Truman, Robert Dahl, V. O. Key, *et al.*, indicate that consensus on legitimacy can best

be achieved by "multiple memberships" in a number of groups.[72] While groups' divisions are important, multiple memberships will reduce tension, preventing an oligarchical majority from imposing its rule on a minority. While perfect homogeneity can rarel be achieved in any society, *too much* division, or social cleavag ing, can be harmful to democratic stability.[73] Conflict theorists, such as Lewis Coser, argue that the existence of conflict is good for democracy since it results in a balance-of-power consensus that prevents divisions deepening along any one axis.[7 Seymour M. Lipset indicates that "the chances for stable democracy are enhanced by the extent that groups and individuals hav a number of cross-cutting, politically relevant affiliations."[75 Dahl argues that social cleavages will inevitably occur in society, but these conflicts can be bridged by cross-cutting the cleavages by memberships in multiple groups and voluntary associations.[76] While cross-cutting cleavages are beneficial to demo cratic stability, mutually-reinforcing social cleavages are generally considered dangerous. H. Eckstein argues nonetheless that a balance of disparate elements is required for effective democracy.

> *Government democracy will tend to be stable only if it is a significant extent impure*. 77 [emphasis added]

A significant number of scholars have discovered that pluralism, and its concomitant liberal democratic regime-type, is of little utility in describing the structure and behavior of interest groups systems in contemporary developing polities, or even in explaining the practices of a great many advanced industrialized societies.[78] A major paradox to the pluralist thesis has been the experience of the smaller European democracies, such as Holland and Belgium. Rather than harboring cross-cutting cleavages, these societies display prominent and deeply ingrained, mutually reinforcing social cleavages -- the harbinger of democratic *instability*. Both nations, nonetheless can be considered to be among the most stable democracies in the world; more so than either the U.K. or the U.S.

Arend Lijphart has attempted to account for this apparent paradox by proposing a major theoretical amendment to pluralist theory based on the Dutch experience which he labels "consociational democracy."[79] Lijphart's consociational amendment to pluralism has also been applied to Belgium; by Val Lorwin[80] and Derek Urwin;[81] to Switzerland, by Jurg Steiner[82] and James Dunn;[83] and to Austria, by Jurg Steiner[84] and G. Bingham Powell.[85]

The essence of consociational democracy is elite accomodation to threats of instability arising from the severe cleavages within the many "*familles spirituelles*" of these societies.[86] Lijphart states that elite accomodative behavior

requires the following rules: 1) the agreement to disagree, 2) summit diplomacy among elite representatives of the various cleavage groups, 3) proportional representation of all groups, 4) the depoliticization of issues sensitive to any cleavage group, 5) secrecy and 6) an acceptance of the government's right to govern.87

Few scholars have proposed an alternative to the pluralist model of interest group-state relations.

> *Most of them merely mourn the passing or degeneration of pluralism and either advocate its return, its replacement with some more formalistic, authoritative (if not authoritarian) "juridical democracy" or its periodic bouleversement by spontaneous social movements.*

In many minds, the consociational amendment is just as deficient as pluralism in explaining political behavior in advanced industrial societies.

Corporatism has been offered as a far more accurate description of interest group representation in a large number of countries, such as the Netherlands,89 Switzerland,90 Sweden,91 Norway,92 Denmark,93 Austria,94 and Mexico,95 not to mention the significantly less-democratic political systems of Greece,96 Portugal,97 Chile,98 Brazil,99 Peru,100 Spain,101 and Yugoslavia.102 In fact, many of the techniques and requisites described below by Lijphart as consociational behavior in The *Politics of Accommodation* would be more appropriately termed "corporatist."

> *Successful accommodation by the bloc leaders requires a high degree of flexibility. They have to be able to make concessions and to arrive at pragmatic compromises even when religious and ideological values are at stake. The process of accommodation must, therefore, be shielded from publicity. The leaders' moves in negotiations among the blocs must be carefully insulated from the knowledge of the rank and file. Because...an "information gap" is desirable secrecy is the most important rule.*103

Manoilesco called the type of corporatism which would emerge in advanced industrial societies "*corporatisme subordonné*."104 Portuguese corporative theorists have labelled this *corporativismo de associagao*, or societal corporatism.105 It is argued that societal corporatism is the concommitant political component of very advanced capitalism and its internal imperatives to reproduce the conditions for its existence. Like state corporatism, which is a response to the imperatives of overcoming underdevelopment, societal corporatism is a

political attempt to resolve the contradictions within the capitalist system by reforming capitalism from within.106

> *Societal corporatism is found embedded in political systems with relative autonomous, multilayered territorial units; open, competitive electoral processes and party systems; ideologically varied, coalitionally based executive authority--even with highly "layered" or "pillared" political subcultures...Societal corporatism appears to be the concommitant, if not ineluctable, component of postliberal, advanced capitalist, organized democratic welfare state...*107

The first major theorist-economist to perceive the coming imperatives of modern capitalism and link them systematically to corporatism was John Maynard Keynes. It is therefore interesting that in *The End of Laissez-Faire*, Lord Keynes advocated a policy revolution for improving the techniques of capitalism, the essence of which is a striking presage of societal corporatism.108

> *I believe that in many cases the ideal size for the unit of control and organization lies somewhere between the individual and the modern state. I suggest, therefore, that progress lies in the growth and recognition of semi-autonomous bodies within the state -- bodies whose criterion of action within their own field is solely the public good as they understand it and from whose deliberations motives of private advantage are excluded, though some place it may still be necessary to leave, until the ambit of men's altruism grows wider, to the separate advantage of particular groups, classes, or faculties -- bodies which in their ordinary course of affairs are mainly autonomous within their prescribed limitations, but are subject in the last resort to the sovereignty of democracy expressed through parliament. I propose a return, it may be said, towards medieval conceptions of separate autonomies.*109

P. Schmitter has explained the impetus for societal corporatism in the following manner:

> *...the more the modern state comes to serve as the indispensable and authoritative guarantor of capitalism by expanding its regulative and integrative tasks, the more it finds that it needs the professional expertise, specialized information,prior aggregation of opinion, contractual capability and deferred participatory legitimacy which only singular, hierarchically ordered, consensually led representative*

> *monopolies can provide. To obtain these, the state will agree to devolve upon or share with these associations much of its newly acquired decisional authority... This osmotic process whereby the modern state and modern interest associations seek each other out leads, on the one hand, to even further extensions of public guarantees and equilibrations, and, on the other, to even further concentration and hierarchic control within these private governments.*110

One of the greatest demonstrations of the emergence of societal corporatism in advanced capitalist societies is Andrew Shonfield's authoritative work, *Modern Capitalism*

> *Modern Capitalism provides us with a veritable gold mine of interesting hypotheses concerning the emergence of societal corporatism and specific, if somewhat ad hoc, subhypotheses explaining its differential role in contemporary Eastern polities and its emergent relations with other policy-mechanisms of advanced capitalist management.*111

Shonfield demonstrates how the modern "active" state has found itself simultaneously trying to foster full employment, promote economic growth, prevent inflation, regulate working conditions, and resolve labor disputes. The increased assertiveness of the state, Shonfield argues, is linked to processes of *internal* economic concentration and *external* competititon within a world capitalist system. All of this has necessitated a major restructuring of the relationship between interest groups and public government. Such a transformation requires a reorganization of the state along corporative lines.112

> *In his classic analysis of economic planning in the Western world, Modern Capitalism (1965) Andrew Shonfield pointed out that in the United States between 1933 and 1935, the basic economic instrument of the New Deal, the National Recovery Act, was essentially corporatist in its conception. The NRA was given sweeping powers to compel industrial reorganization, to fix prices, and to allocate quotas of production. The inspiration for the NRA is acknowledged to have come from Mussolini's Italy.*113

Shonfield's work on societal corporatism is a major empirical indictment against pluralism. Shonfield's efforts may possibly be the greatest legitimizing effort toward the recognition of the strength of the corporatist concept over the still predominant paradigm of democratic pluralism.

Corporatism and the Modern Business Firm

In 1940, James Burnham predicted a major social transformation of world society, capable of destroying the underpinning of both capitalism and socialism, which he called "the managerial revolution." The essence of this was the eventual replacement of *class domination by managerial rule*. The medium of the transformation of capitalism would be reform-from-above, or the socialization of capitalism by the elimination of ownership control. The political economy of capitalism and the class interests which it once served would then be replaced by a sort of "capitalism without capitalists." The basis of social domination would no longer be class ownership of the means of production. The decisive power in modern industrial society would not be exercised by capital, but by organization; not by the capitalist, but by the industrial bureaucrat—the corporate manager.[14]

The Managerial Revolution was the first generalized attempt towards a theory of the modern epoch that cut through the alternatives of either capitalism or socialism. The notion of reforming capitalism, however, is not a new idea. In 1902, J. A. Hobson wrote that imperialism was a perversion of capitalism instigated by parasitic classes within society. He proposed that this tendency could be eradicated by active state policies to increase the wages of working classes, whereby underconsumption, the economic taproot of imperialism, would be eliminated.[1]

The reform and/or replacement of capitalism by a New Order is today being rigorously debated, even advocated, by some very eminent and respectable thinkers not usually associated wit radical ideologies. The foremost representative of this wave of thought is the late Adolf A. Berle, Jr. A great majority of Belle's writing on power and the modern corporation can be described as "neo-corporatist;" a type of corporatist thought that has evolved from the 17th century liberal "doctrine of progress.

> *The identification of corporatism as a socialist current -- as one of the strains in the history of socialism-from-above rather than as an idea necessarily connoting fascism, is the first key to understanding the burgeoning of new corporatist ideologies today.*[16]

In discussion of corporatism, the modern business corpora tion is a use of the term in perhaps the most narrow sense. Ye it is from apologetics for the modern corporation that a great deal of *neo-corporatist* ideology emanates. To many political scientists, discussions of the political behavior of the modern business firm do not generally fall under the rubric of compara tive politics. As the welfare state becomes a permanent trend

in advanced industrialized countries and as multinational corporations are able to tamper increasingly with the employment levels and industrial relations systems of nations, then the political power of the modern corporation and various national responses to the exercise of this power around the globe becomes a topic that warrants comparative research.

For Adolf Berle, the modern corporation is the American surrogate for socialism. In the United States, the chief instrument of Berle's "20th Century Capitalist Revolution" has been the modern giant corporation.[117]

> ..."*capitalism," as that word is classically understood, and "Communism," meaning Marxism in any of its current organized forms, are both obsolete. They belong in museums of nineteenth-century thought and culture.*[118]

Berle argued that there are basically two systems of modern industrialization: the Soviet system of state ownership and the American "modern corporation."[119] Berle called the corporations[120] "non-statist Socialism," or "People's Capitalism."[121] The essence of "People's Capitalism" lies in the imperatives of the technological age and the concommitant burgeoning of bureaucratic management, which would come to possess "power without property."[122]/

Berle's theory of managerial capitalism is based on his empirical research in partnership with Gardiner C. Means on the separation of ownership and control in the giant business firm.[123] John K. Galbraith has similarly advanced another interpretation of the loss of stockholder control in *The New Industrial State*.[124] This separation of ownership and control, they argued, is creating a new socio-economic structure through the demise of the capitalist classes. This structure involves both management rule within the corporations and state control. It is through state control that the corporations can legitimize the decisions of management, since the state will keep all corporations within the bounds of the "national interest." Furthermore, corporate managers would tend to become Statesmen-Managers. Uncontrolled corporate power in the hands of a managerial class would not become abusive, because the corporation, as the predominant social institution in society, possesses what Berle calls the "corporate conscience."[125]

In *The Concept of the Corporation*, Peter Drucker, another neo-corporatist ideologue, argues that the modern industrial enterprise has already become a collectivist institution of political authority.[126]

> *It is, however, independent of the State in its origins as well as in its function. It is an organ of Society rather than one of the State...There is not one prime mover in our society but at least two: State and Enterprise.*127

Neo-Corporatist thought also appears in the writing in defense of the multi-national corporation. It has been argued that these transnational institutions are creating a new international economic and political order by the promotion of a "businessman's peace." MNCs are constantly characterized as modern agents of progress and technology. It is thus posited that MNCs are the only institutions capable of solving the problems of poverty, over-population, and declining natural resource supplies on a global scale, and doing so in an explicitly non-political manner. The model of the future New Order under the multinational corporation, as professed by MNC ideologues, promises an end to war, a "reasonable" level of material well-being for all mankind, and an eradication of disease and starvation.128

Raymond Vernon argues that the economic and technolgical developments that have given rise to the multinational corporation have undermined the traditional economic rationale for the nation-state. The increasing importance of the MNC is making the nation-state an anachronism.129 Charles Kindleberger has claimed that the "nation-state is just about through as an economic unit."130 What many of the advocates of the MNC seem to be emphasizing is the future establishment, *vis-a-vis* the MNC, of a World Corporate Government. Within the multi-national literature, there is considerable emphasis on the ability of the multinational corporation to reform international capitalism and eliminate its contradictions by transforming capitalism from within by promoting corporatism on a global scale. Thus the modern corporation, identified as a political institution capable of exercising power, will replace the nation-state. Capitalist classes have needed the nation-state institution; MNCs however, are hindered by this relic of an age gone by. The "new class" of multinational managers would, instead, favor a World Federal Government of a highly corporatist nature.131

Perhaps the most forceful statement of this thesis is that of Harry Johnson, who makes the following prediction:

> *In an important sense, the fundamental problem of the future is the conflict between the political forces of nationalism and the economic forces pressing for economic world integration. This conflict currently... is between the national government and the international corporation, in which the balance of power at*

> *least superficially appears to lie on the side of the national government. But in the longer run economic forces are likely to predominate over political, and may indeed come to do so before the end of this decade. Ultimately, a world federal government will appear as the only rational method for coping with the world's economic problems.*132

These points are strikingly similar to the predictions made in 1936 by Manoilesco for the corporatist imperatives of the 20th century. He, too, foresaw the creation of a corporatist, world federal government.133 When one considers the gloomy picture of the future presented by the Club of Rome in the "Limits to Growth" literature, one can perhaps give greater credence to many of the neo-corporatist ideas, predictions, and recommendations for the future that are debated today.134

The writing on the modern corporation, and its multinational species, is both massive and very much in vogue.135 My purpose in this discussion, however, has not been to examine that literature comprehensively, but to introduce the possibilities of viewing the transnational corporation from the perspective of corporatism and similar theories of social re-organization. My goal has been to introduce the reader to some of the ways that the corporatist idea appears in contemporary thinking on the modern corporation and renders the topic important for comparative political research. My purpose has also been to identify the extent to which liberal philosophizing on the economic and social nature of the multinational corporation and its ability to transcend the present conditions of capitalism in the creation of a New Order are serious political ideas worthy of critical appraisal. Contemporary thinking on the modern business enterprise is therefore an important, but often over-looked, sub-category within any comprehensive discussion of corporatism as an analytical conceptual tool for political analysis.

Towards a Critique of Corporatism

The purpose of this essay has been to examine the corporatist idea in comparative politics by giving the reader a tour of a concept which has been used in many ways, with many meanings, and for many different purposes. It has been argued that scholarly discussions of critical issues in comparative politics, such as the ones I have presented, have been enhanced by the concept. Some have claimed, as Schmitter and Wiarda have done, that the concept can form the basis for constructing a rich and accurate explanatory framework for cross-cultural political research. Corporatism's ability to transcend and draw together divergent topics in the field may allow scholars to produce

explanations for political behavior in a wide range of environments. These propositions warrant appraisal.

Reflections on corporatism have made a large contribution to comparative political analysis by re-evaluating the existing scholarship on fascism and authoritarianism. In so doing, these efforts have shed new light on those political systems which are hard to define because they balance along the fine line between capitalist and socialist economies.

Perhaps the most important use of the concept has been the critiques of democratic pluralism by Andrew Shonfield and Philippe Schmitter. The corporatist argument is surely one of the most damanging rejections of the predominant paradigm in Western political science. Liberal-pluralist theories of political behavior and institutional arrangments in advanced industrial democracies do not hold up when subjected to a rigorous corporatist critique. Moreover, if political scientists become increasingly willing to interpret the political patterns on exhibit in Holland and Belgium, for example, as *corporatist*, the "consociational" label for this very same type of political behavior, used by Lijphart, Daalder, and others, is reduced to a trivial descriptive category and a grossly inadequate theoretical corollary for very fundamental deficiencies in pluralist theory.

Nevertheless, those who have employed the concept have made an important initiative toward constructing a systematic theory of variations in political structures and behavior patterns between states of unequal stature. It may be possible, for example, to account for fascist and authoritarian regimes along-side critical comparisons of democratic polities totally within a corporatist framework. In the past, fascist and authoritarian regimes have generally been omitted from typologies based on group politics, elite behavior, party systems, or political culture. Such regimes have always been characterized as awkward case exceptions; too difficult to include in any typology because they tended to destroy the symmetry of any neatly-arranged classification scheme. The use of corporatism may allow this weakness to be remedied.

One of the problems plaguing theoretical explanations in political science is the inability to deal effectively with variations in "styles" of political behavior among states having fairly similar political structures, much less with the incapacity to incorporate comparisons of states having radically different structures. Efforts to distinguish "degrees" of political stability or instability in democratic polities, for example, have failed to uncover adequately the root causes for difference *and* similarities in the behavior of seemingly similar political systems. Contrasting political institutions, comparing the ability of political elites to engineer institutions *vis-a-vis*

system-maintaining mechanisms, or differentiating the number of political parties and the type of party system within each country are important levels of analysis, but those which can only produce very shallow explanations for what are very complex political processes.

Research that has attempted to incorporate analyses of communist systems with those of democratic systems has merely produced bland explanations for whatever similarities exist. Studies of comparative bureaucratic practices between Western and Communist-bloc countries, as well as theories of the convergence of socialism and capitalism, have been the only meaningful ways in which these radically different political systems have been discussed under the same rubric. The differences between their political structures, their institutions, and their patterns of political behavior have either been taken for granted or casually explained in terms of the ideological persuasion or the economic structure of each type of political system. Corporatism may be able to help political scientists make more powerful differentiations than the above by offering a better account of political processes going on in systems having *either* capitalist or socialist economies. In this respect, the corporatist idea may be an important step towards the creation of a better tool for analyzing a wide variety of political behavior in a diversity of state structures.

One of the central reasons for the growth of comparative politics as a branch of political science has been the need to appraise the political behavior of developing societies. In comparative typologies of political systems, politics in the newly industrializing states has generally been classified as underdeveloped: as some lower-level variant of either a highly fragmented and weakly organized democratic pluralism, or an embrionic form of socialism. The efforts to operationalize the concept of corporatism as a type of political behavior common to both advanced and underdeveloped economies is a major conceptual breakthrough. It allows scholars for the first time to discuss political phenomena in both types of societies within the same conceptual schema. For this reason alone, corporatism is a far superior analytical tool than the concepts of groups, elites, parties, or political culture. More importantly, it offers the possibility to differentiate between political experiences within the Third World and to make explanations of political complexities without resorting to the traditional ethnocentric biases that have poisoned many of the discussions of political modernization, political development and political change.

While corporatism is a very appealing concept for the above reasons, scholars enticed by the possibilities of its utility in comparative analysis ought to scrutinze carefully

the serious limitations of the concept as it has been defined so far, especially in terms of normative implications the concept might possess. Compared to other analytical tools, corporatism has much descriptive strength. Variations between political systems of unequal political, structural, ideological, or economic stature can be better handled by using the corporatist idea. There are, nonetheless, costs which must be met by those who employ the concept.

As it has been defined and examined in this essay, corporatism is merely a static descriptive category; it cannot account for socio-political change of any sort within the present boundaries of its operationalization. Therefore, as a conceptual framework, corporatism inherently favors the *status quo* because it simply describes present political arrangements; it inadvertantly defends its object of study. There is no explanation within the operational definitions of the concept by Schmitter, Wiarda, or Rogowski and Wasserspring for the origins of this type of behavior in different political systems. The concept, as it stands, cannot account for different quantities of corporatist behavior in similar societies, how corporatist policies are initiated, or who profits from their existence. Furthermore, the concept makes no differentiation for how, when, or under what conditions a nation becomes more or less corporatist, as well as what time and under what conditions a nation may break from its corporatist episode.

The ability of the concept to offer richness of detail and accuracy of explanation is what is seriously questioned. On one hand, it is important to acknowledge the merit of the concept On the other hand, all that can be attained by this type of analysis, albeit a level of macro-analysis, is the construction of new, more rigorously detailed, but static typologies of types and styles of corporatist behavior and corporatist systems. Under such conditions, the endeavor may include so many regime types and varieties of behavior that the concept lacks any explanatory precision. Corporatist political behavior, broadly enough defined, can be so encompassing that it can be shown to be present in *some* manner and to *some* degree in every type of political system imaginable. The purpose of using a conceptual framework is to differentiate between political behavior and explain differences. To a larger extent, the real worth of a concept is in its ability to account for the origins and purposes of the phenomenon under investigation, as well as the social processes involved. Corporatism has failed this test, as has every other behavioral concept used in political science research. Corporatism has come closer to the target than its competitors.

I feel that many of the conceptual deficiencies of corporatism can be accounted for by its lack of a class analysis.

Because the concept has been operationalized in such a way as to render it static, it does not attempt to question seriously or come to terms with the class basis of corporatist behavior. Corporatism must be viewed as a mechanism in the process of class domination around the world. Advocates of the concept who have not included a class analysis in their definition are steering political research directly away from critical issues of the day.

Using the concept without an understanding of its class basis can only offer non-radical explanations for important power relationships. Rather than super-imposing a class analysis to already existing definitions of corporatism, I would propose that social scientists reject the corporatist framework of analysis being proposed. Scholars who are attracted to the qualities of corporatism and who are interested in explaining processes of social change ought to focus their attention on radical approaches to comparative political analysis, rather than letting themselves be secuced by the corporatist idea.

Corporatism is both a non-critical and non-radical concept. To be radical entails the same thing as being scientific; it is to try to go to the root of the matter. For Marx, this meant trying to uncover the economic law of modern society. I intend to argue that discussions of corporatism fully belong within this tradition of radical explanation. Furthermore, the only way that the processes and mechanisms involved in corporatist political behavior can be understood is through the dialectics of class analysis. Although corporatism is an ancient idea in politics, it can only be *completely* accounted for by an explanation of its relation to class domination under capitalism.

The basis for a radical explanation, one in which an attempt is made to deal with corporatist behavior under conditions of change, can be found in the economic laws of capitalist social relations of production and in their growth and spread to a world level. Both the existence and dynamics of corporatism can be explained from an anlysis based on the processes of capital accumulation and class formation. The task of constructing such an explanation remains to be done, but I feel the necessary conceptual tools are already provided by Marxist theories of political economy.

From a radical viewpoint, corporatism must be interpreted as one of the many types of political tools available to capitalist classes to maintain their domination within a world economy organized by international capitalism. Corporatism is typically a reaction by dominant classes to capitalism under stress, but such modes of political organization or behavior can also be employed by dominant classes for other purposes. Corporatism is particularly advantageous for constructing revolution-from-above and creating the illusion that dominated

classes are receiving increased social benefits within an economic system which remains essentially exploitative. Corporatism is therefore most often used by dominant capitalist classes to buttress decaying capitalist institutions, to strengthen advanced capitalism under stress, or to invigorate capitalist development in a state of delay.

It is equally important to indicate that corporatism can be a device available for domination by classes which do not yet constitute a full-fledged bourgeoisie. Corporatist political structures and arrangements may emerge in a society where the feudal mode of production prevails and where a capitalist class is only embryonic. Corporatism is used by this embryonic, but dominant, capitalist class precisely because it is weak. Corporatism serves as the mechanism by which that dominant class can maintain its position, while attempting to strengthen its stature by initiating rapid capitalist development. To achieve such a task, it becomes necessary to tighten the clamp on the potential instability that will result from the growth, formation, and destruction of different classes within society as a consequence of capitalist development. Corporatism becomes the tool for the dominant class to control the process of social and political change by inhibiting social revolution from below.

Corporatism, from a radical perspective, is defined as one of the possible political manifestations of a capitalist class attempting to resolve the various impacts resulting from the contradictions of international capitalism in the domestic economy, whether at a level of delayed capitalist development or advanced industrialization. Furthermore, corporatism is not an automatic process; it does not simply erupt when all the objective conditions for its presence have been met. It is merely one among a whole gamut of possible tools available to capitalist classes for remedying the crises of capitalism. Corporatism is equally available in times of calm if it can serve the capitalist class in an advantageous manner.

The fine differentiations that a class analysis could offer for distinguishing between types of corporatist behavior have yet to be worked out. Once this is accomplished, an explanation for differences in behavior can be produced by examining the political outcomes of the structure of relationships and interactions of social classes co-existing within a society composed of a mixture of different modes of production. Corporatism whether it be of state corporatism, societal corporatism, or the global corporatist variant of the MNC can be more clearly understood by attempting to account for its potential use for class domination by the initiation of socialism-from-above as a fundamental check against the prospects for meaningful human emancipation-from-below. The bland, non-critical descriptions of corporatism which have presently been offered in the literature are

neither a sufficient estimation of the class basis of the phenomenon, nor an awareness of the reactionary potential of the political behavior being studied.

AN AFTERWORD:

Considerations on the Political Ethics of Corporatism

Since corporatism has had such perjorative connotations, some political scientists may fail to be enticed by the concept because of a squeamishness toward associating professionally with anything so heavily steeped in the tradition of fascism. Although fascism is being re-evaluated in this country, it is still very awkward to mention the topic in many countries of Western Europe. For a long time, corporatism has been identified as fascist. Recent efforts to rework the concept have tried to isolate it from its unfortunate ill-repute. The success or failure of such efforts cannot deny the fact that corporatist policies and organizational schemes are being employed in practically every advanced industrial democracy today. Political scientists therefore are obliged to explain such facts.

Those who are leery of the corporatist concept perhaps have reason to be hesitant. The use of the concept entails some serious normative and ethical considerations. Corporatism, whether it takes the mild form of workers councils in Holland and Sweden, or in more overt forms of political repression in Argentina, Spain and Portugal, nonetheless, demands sacrifices. There are ones who suffer; ones who benefit from corporatist policies. Political scientists who fail to consider the ethical implications of their object of study may nevertheless be accused of offering sympathetic support to the cause, whether it is intended or not. For those reasons, he/she who is hesitant about the corporatist idea is perhaps wise.

While it would be naive to use a concept haphazardly, it would be unscientific and highly unethical to reject the existence of corporatist political behavior, for whatever reason if it is in fact present. Political scientists ought not to shy away from using the concept, but they certainly ought to be aware of the social costs imposed by the phenomenon they are studying. They should be able and ready to explain and criticize why some groups in society may be required to suffer more than others under different forms and different quantities of corporatism. Rather than casually using the concept because it seems to offer more explanatory power, or because a certain type of political behavior in any one country falls into the corporatist category better than another, the political researcher should make every effort to understand the total implications

of corporatism as it operates in real life.

One of the serious long-term implications of the rise of corporatist political behavior around the world is the possibility of a global re-organization along massive corporatist lines Questions are already being raised about the global corporatism of the multinational corporatism and the implications for the curtailment of meaningful human development under a world organized and controlled by international business. Global corporatism is increasingly being suggested, however, as a beneficial alternative to both international socialism and international capitalism.

Corporatism, especially under the auspices of the MNC, is being proferred as a viable, non-ideological solution to problems of development. One ought to be cautious of corporatist proposals, nonetheless, and be willing to appraise their human costs. Peter L. Berger in *Pyramids of Sacrifice*, has stated that the most pressing human costs required by *any* development alternative are always in terms of physical deprivation and suffering. Socialist revolutions and capitalist development both impose severe human cost; corporatist solutions may be equally costly. In terms of such considerations, the corporatist alternative may be no alternative at all. Berger suggests that the problems which seem to entice corporatist responses demand solutions that accept *neither* hunger or terror as policies. The most pressing moral imperative in policy making today is making a calculus of human deprivation and suffering.

> *...We should start taking a very fresh look at many of the problems that plague the world today...Policies for social change are typically made by cliques of politicians and intellectuals with claims to superior insights. These claims are spurious.*
>
> *Brazil and China are commonly perceived as opposite poles among development models --as, respectively, the biggest capitalist and socialist experiments in the Third World--and thus as decisive alternatives for the future. Yet in one morally crucial respect the two belong in the same category: Both models are based on the willingness to sacrifice at least one generation for the putative goals of the experiment. Both sets of sacrifices are justified by theories. The theories are delusional and the sacrifices are indefensible. Rejection of both the Brazilian and the Chinese models is a starting point for any morally acceptable development policy.*
>
> *Human beings have the right to live in a meaningful world. The viability of modern societies, be it in*

> *the West or in the Third World, will largely hinge on their capacity to create institutional arrangements that take account of the counter-modernizing resistances. The key area of such institutional innovation will be in the creation of intermediate structures--intermediate, that is, between the modern state and the undifferentiated mass of uprooted individuals typical of modern societies. This policy imperative cuts across the capitalist/socialist dichotomy.*136 [Author's emphasis]

Those who investigate corporatist political arrangements and corporatist policies ought to be willing to appraise their object of study for its potential for imposing morally unjustifiable human costs on those who are the objects of such policies, even if the corporatist alternative has the potential of cutting across the capitalist/socialist dichotomy. This is the *moral* imperative of both a critical and radical analysis in social science research.

Footnotes

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