6 Pluralism, Corporate Capitalism and the State

In Schumpeter's theory there is little that stands between the individual citizen and the elected leadership. The citizen is portrayed as isolated and vulnerable in a world marked by the competitive clash of elites. In this account, scarcely any attention is paid to 'intermediary' groups such as community associations, religious bodies, trade unions and business organizations which cut across people's lives and connect them in complex ways to a variety of types of institution. If judged in relation to this matter alone, Schumpeter's theory is partial and incomplete.

A school of political analysts, widely referred to as empirical democratic theorists or 'pluralists', attempted to remedy this deficiency by examining directly the dynamics of 'group politics'. Exploring the interconnections between electoral competition and the activities of organized interest groups, pluralists argued that modern democratic politics is actually far more competitive, and policy outcomes are far more satisfactory to all parties, than Schumpeter's model suggested. The fluid and open structure of liberal democracies helps explain, they contended, the high degree of compliance to dominant political institutions in the West. Pluralists gained a commanding position in American political studies in the 1950s and 1960s. While their influence is by no means as extensive now as it was then, their work has had a lasting effect on contemporary political thought. Many, particularly Marxists, have dismissed pluralism as a naive and/or narrowly ideological celebration of Western democracies, but the tradition has contributed important insights.

The intellectual ancestry of pluralism has not been thoroughly traced, although a number of strands of influence can readily be detected. Schumpeter's critique of the 'unreality' of both classic democratic ideals and the conception of representative government found in the writings of nineteenth-century liberals like John Stuart Mill had a decisive impact. Pluralists accepted Schumpeter's broad view that what distinguishes democracies from non-democracies are the ways (methods) by which political leaders are selected. Moreover, they affirmed as empirically accurate the claims that the electorate is more apathetic and less well informed than democratic theorists had generally admitted, that individual citizens have little, if any, direct influence on the political process and that representatives are often 'opinion makers'. But they did not think the concentration of power in the hands of competing political elites was inevitable. Following Weber, they took as a starting point the existence of many determinants of the distribution of power and, hence, many power centres. They deployed Weberian ideas to help challenge doctrines that suggested the overwhelming centrality of fixed groups of elites (or classes) in political life.

While the works of Schumpeter and Weber were the proximate sources of pluralism, its intellectual terms of reference were set by two streams of thought above others: the Madisonian heritage in American democratic theory, and utilitarian conceptions of the inescapability of the competitive pursuit of interest satisfaction. Madison provided, according to Robert Dahl (one of the earliest and most prominent exponents of pluralism),[1] 'a basic rationale for the American political system' (Dahl, 1956, p. 5). Unlike many liberals who emphasized the importance in democratic politics of an individual citizen's relation to the state, pluralists, following certain strands in Madison, have been preoccupied with the 'problem of factions' (see pp. 70–5). Pluralists put particular weight on the processes creating, and resulting from, individuals combining their efforts in groups in the competition for power. Like Madison, they stressed that factions – or, in their modern guise, 'interest groups' or 'pressure groups' – are 'the natural counterpart of free association' in a world where most desired goods are scarce and where a complex industrial system fragments social interests and creates a multiplicity of demands. Like Madison, they accepted that a fundamental purpose of government is to protect the freedom of factions to further their political interests while preventing any individual faction from undermining the freedom of others. Unlike Madison, however, pluralists argued (despite certain disagreements among themselves) that far from posing a major threat to democratic associations, factions are a structural source of stability and the central expression of democracy. For pluralists, the existence of diverse competitive interests is the basis of democratic equilibrium and of the favourable development of public policy (see Held and Krieger, 1984). They tended to take for granted the view that just as economics is concerned with individuals maximizing their personal interests, politics is concerned with sets of individuals maximizing their common interests. Accordingly, a very particular utilitarian conception of individuals as satisfaction maximizers, acting in competitive exchanges with others in the market and in politics, is also presupposed (see Elster, 1976).

In the modern competitive world, marked by complexity and divisions of interest, political life can never approach, pluralists admitted, the ideals of Athenian democracy, Renaissance republics or the kind of democracy anticipated by Rousseau or Marx. The world is unquestionably 'imperfect' if judged by such standards. But it ought not to be so judged. Rather, it should be analysed by a 'descriptive method' which considers the distinguishing characteristics and actual functioning of all those nation-states and social organizations that are commonly called democratic by social scientists (Dahl, 1956, p. 63). Pluralists aimed to describe the *real workings* of democracy and to assess its contribution to the development of contemporary society. Hence, they referred to their own brand of democratic theory as 'empirical democratic theory', a descriptive–explanatory account of the actuality of democratic politics. Like Weber and Schumpeter, their goal was to be 'realistic' and 'objective' in the face of all those thinkers who asserted particular ideals without

[1] Dahl has become, in some respects at least, a more radical thinker over time (see 1985, 1989; and see below).

due attention to the circumstances in which they found themselves. Since the pluralists' critique of such thinkers is similar in many respects to the critical treatment offered by Montesquieu, Madison, Mill, Weber and Schumpeter, the focus below will be on the pluralists' positive understanding of democracy. (A succinct account of Dahl's critique of 'populistic democracy', as he calls it, can be found in Dahl, 1956, ch. 2.)

Group politics, governments and power

Several pluralist theories have been expounded, but I shall examine initially what may be regarded as the 'classic version' found in the writings of, among others, Truman and Dahl (see, e.g., Truman, 1951; Dahl, 1956, 1961, 1971). This version has had a pervasive influence, although very few political and social scientists would accept it in unmodified form today (though many politicians, journalists and others in the mass media still appear to do so). Pluralism has been developed by some of its original exponents and a new variant, frequently referred to as 'neo-pluralism' or 'critical pluralism', has been established; this latter model will be discussed in subsequent pages.

The essence of the classic pluralist position stems from investigation into the distribution of power in Western democracies. By power, pluralists have generally meant a capacity to achieve one's aims in the face of opposition. As Dahl put it, 'by "power" we mean to describe a . . . realistic relationship, such as A's capacity for acting in such a manner as to control B's responses' (Dahl, 1956, p. 13).[2] A's capacity to act depends on the means at A's disposal and, in particular, on the relative balance of resources between A and B. Pluralists emphasized that resources can be of a vast variety of types; financial means are only one kind of resource, and can be easily outweighed by, for instance, an opposition with a substantial popular base. Clearly, there are many inequalities in society (of schooling, health, income, wealth, etc.) and not all groups have equal access to all types of resource, let alone equal resources. However, nearly every group has some advantage that can be utilized in the democratic process to make an impact. Since different groups have access to different kinds of resource, the influence of any particular group will generally vary from issue to issue.

In the pluralist account, power is non-hierarchically and competitively arranged. It is an inextricable part of an 'endless process of bargaining' between numerous groups representing different interests, including, for example, business organizations, trade unions, political parties, ethnic groups, students, prison officers, women's collectives, and religious groups. These interest groups may be structured around particular economic or cultural 'cleavages', such as

[2] There are other formulations of power in the pluralist literature. Dahl himself has also referred to power as involving 'a successful attempt by A' to get B to do something 'he would not otherwise do' (Dahl, 1957; cf. Nagel, 1975, pp. 9–15). Whether one emphasizes actual behavioural outcomes of the exercise of power, as Dahl's latter definition suggests, or capacities, as his original definition specified, the pluralist definition of power tends to hinge on the exercise of control over immediate events: the issue is the overcoming of B's immediate resistance to A's will or purpose (see Lukes, 1974, ch. 2).

social class, religion or ethnicity. But, in the long term, social forces tend to change their composition, alter their concerns and shift their positions. Hence, the determination of political decisions at either national or local level does not (and cannot) reflect a 'majestic march' of 'the public' united upon matters of basic policy, as imagined, albeit in quite different ways, by Locke, Bentham and Rousseau. Even when there is a numerical majority at an election, it is rarely useful, Dahl stressed, 'to construe that majority as more than an arithmetic expression ... the numerical majority is incapable of undertaking any coordinated action: it is the various components of the numerical majority that have the means for action' (Dahl, 1956, p. 146). Political outcomes are the result of government and, ultimately, the executive trying to mediate and adjudicate between the competing demands of groups. In this process, the political system or state becomes almost indistinguishable from the ebb and flow of bargaining, the competitive pressure of interests. Indeed, individual government departments are sometimes best conceived as just another kind of interest group, as they themselves compete for scarce resources. Thus, the making of democratic governmental decisions involves the steady trade-off between, and appeasement of, the demands of relatively small groups, although by no means all interests are likely to be satisfied fully.

There is no single, powerful decision-making centre in the classic pluralist model. Since power is essentially dispersed throughout society, and since there is a plurality of pressure points, a variety of competing policy-formulating and decision-making centres arises. How, then, can any equilibrium or stability be achieved in a democratic society like the United States? According to David Truman, another early analyst of group politics:

> Only the highly routinized governmental activities show any stability ... and these may as easily be subordinated to elements in the legislature as to the chief executive ... organized interest groups ... may play one segment of the structure against another as circumstances and strategic considerations permit. The total pattern of government over a period of time thus presents a protean complex of criss-crossing relationships that change in strength and direction with alterations in the power and standing of interests, organized and unorganized. (Truman, 1951, p. 508)

The clue to why democracy can achieve relative stability lies, Truman argued, in the very existence of a 'protean complex' of relationships. Starting from Madison's assumption that the very diversity of interests in society is likely to protect a democratic polity from 'the tyranny of a factious majority' (by fragmenting it into factions), Truman suggested that 'overlapping membership' between factions is an important additional explanatory variable. Since, in Truman's words, all 'tolerably normal' people enjoy multiple memberships among groups with diverse – and even incompatible – interests, each interest group is likely to remain too weak and internally divided to secure a share of power incommensurate with its size and objectives. The overall direction of public policy emerges as a result of a series of relatively uncoordinated impacts upon government, directed from all sides by competing forces, without any one force wielding excessive influence. Accordingly, out of the fray of interests,

policy emerges – to a degree independently of the efforts of particular politicians – within 'the democratic mold' (Truman, 1951, pp.503–16).

None of this is to say that elections and the competitive party system are of trivial significance in determining policy. They remain crucial for ensuring that political representatives will be 'somewhat responsive to the preferences of ordinary citizens' (Dahl, 1956, p. 131). But elections and parties alone do not secure the equilibrium of democratic states. The existence of active groups of various types and sizes is crucial if the democratic process is to be sustained and if citizens are to advance their goals.

Of course, some citizens are neither active in nor very concerned about politics. A series of large-scale voting studies initiated in North America, within the pluralist framework, found that voters were often hostile to politics, apathetic and uninformed about public issues (see, e.g., Berelson et al., 1954; Campbell et al., 1960). The evidence showed that less than one-third of the electorate was 'strongly interested' in politics. However, none of this was taken as evidence against the pluralist characterization of liberal democracies and, above all, of the US. For the classic pluralists maintained that it was only from the standpoint of the abstract ideals of 'classical democracy' that these findings could be judged regrettable. In the contemporary world, people were free to organize, they had the opportunity to press interest group demands and they enjoyed the right to vote out of office governments they found unsatisfactory. People's decisions to participate in political processes and institutions were theirs alone. Moreover, a degree of inaction or apathy might even be functional for the stable continuity of the political system. Extensive participation can readily lead to increased social conflict, undue disruption and fanaticism, as had been clearly seen in Nazi Germany, fascist Italy and Stalin's Soviet Union (see Berelson, 1952; Berelson et al., 1954; Parsons, 1960). Lack of political involvement can, in addition, be interpreted quite positively: it can be based upon trust in those who govern (see Almond and Verba, 1963). As one author put it, 'political apathy may reflect the health of a democracy' (Lipset, 1963, p. 32, n. 20). In so arguing, the merging of the normative and empirical (frequently found but often denied in writings on democracy) was clearly manifest. Empirical democratic theorists held that pluralist democracy was a major achievement, irrespective of the actual extent of citizen participation. Indeed, 'democracy' does not seem to require a high level of active involvement from all citizens; it can work quite well without it.

It was Dahl, perhaps more than anyone else, who sought to specify the exact nature of the 'pluralist democracies'. Unlike Truman, and many others writing in the pluralist tradition, Dahl insisted on the importance of separating two claims. He argued (1) that if competitive electoral systems are characterized by a multiplicity of groups or minorities who feel intensely enough about diverse issues, then democratic rights will be protected and severe political inequalities avoided with a certainty beyond that guaranteed by mere legal or constitutional arrangements; and (2) that there is empirical evidence to suggest that at least certain polities, for example, the US and Britain, satisfy these conditions. Concerned to discover who exactly has power over what resources (hence the title of his famous study of city politics in America, *Who Governs?*), Dahl found

that power is effectively disaggregated and non-cumulative; it is shared and bartered by numerous groups in society representing diverse interests (Dahl, 1961). *Who Governs?* revealed multiple coalitions seeking to influence public policy. There were, to be sure, severe conflicts over policy outcomes, as different interests pressed their sectoral claims, but the process of interest bartering through governmental offices created a tendency towards 'competitive equilibrium' and a set of policies which was positive for the citizenry at large in the long run.

At the minimum, according to Dahl, 'democratic theory is concerned with processes by which ordinary citizens exert a relatively high degree of control over leaders' (Dahl, 1956, p. 3). In his view, empirical study shows that such control can be sustained if politicians' scope for action is constrained by two key mechanisms: regular elections and political competition among parties, groups and individuals. He emphasized that while elections and political competition do *not* make for government by majorities in any very significant way, 'they vastly increase the size, number, and variety of minorities whose preferences must be taken into account by leaders in making policy choices' (Dahl, 1956, p. 132). Moreover, he contended, if the full implications of this are grasped, then the essential differences between tyranny and democracy, the preoccupation of much political theory, can finally be unravelled.

Once liberalism achieved victory over the old 'absolute powers' of the state, many liberal thinkers, it will be recalled, began to express fear about the rising power of the *demos*. Madison, de Tocqueville and J. S. Mill, among others, were all concerned about the new dangers to liberty posed by majority rule: the promise of democracy could be undercut by 'the people' themselves acting in concert against minorities. For Dahl, this concern has been to a large degree misplaced. A tyrannous majority is improbable because elections express the preferences of various competitive groups, rather than the wishes of a firm majority. Supporters of democracy need not fear an 'excessively strong faction'. Rather, what Dahl calls 'polyarchy' – a situation of open contest for electoral support among a large proportion of the adult population – ensures competition among group interests: the safeguard of democracy. Thus, he wrote,

> The real world issue has not turned out to be whether a majority, much less 'the' majority, will act in a tyrannical way through democratic procedures to impose its will on a (or the) minority. Instead, the more relevant question is the extent to which various minorities in a society will frustrate the ambitions of one another with the passive acquiescence or indifference of a majority of adults or voters.
>
> ...if there is anything to be said for the processes that actually distinguish democracy (or polyarchy) from dictatorship ... the distinction comes [very close] ... to being one between government by a minority and government by minorities. As compared with the political processes of a dictatorship, the characteristics of polyarchy greatly extend the number, size, and diversity of the minorities whose preferences will influence the outcome of governmental decisions. (Dahl, 1956, p. 133)

The democratic character of a regime is secured by the existence of multiple groups or multiple minorities. Indeed, Dahl argued that democracy can be defined as 'minorities government'. For the value of the democratic process lies

in rule by 'multiple minority oppositions', rather than in the establishment of the 'sovereignty of the majority'. Weber's and Schumpeter's scepticism about the concept of popular sovereignty was justified, albeit for reasons different from those they themselves gave.

Dahl reinforced the view that competition among organized interest groups structures policy outcomes and establishes the democratic nature of a regime. Whatever their differences, nearly all empirical democratic theorists defend an interpretation of democracy as a set of institutional arrangements that create a rich texture of interest group politics and allow, through competition to influence and select political leaders, the rule of multiple minorities. In Dahl's assessment, this is both a desirable state of affairs and one to which most liberal democracies actually approximate.

While majorities rarely, if ever, rule, there is an important sense in which they none the less 'govern'; that is, determine the framework within which policies are formulated and administered. For democratic politics operates, to the extent that it persists over time, within the bounds of a consensus set by the values of the politically active members of society, of whom the voters are the key body (Dahl, 1956, p. 132). If politicians stray beyond this consensus or actively pursue their own objectives without regard for the expectations of the electorate, they will almost certainly fail in any new bid for office:

> what we ordinarily describe as democratic 'politics' is merely the chaff. It is the surface manifestation, representing superficial conflicts. Prior to politics, beneath it, enveloping it, restricting it, conditioning it, is the underlying consensus on policy that usually exists in the society... Without such a consensus no democratic system would long survive the endless irritations and frustrations of elections and party competition. With such a consensus the disputes over policy alternatives are nearly always disputes over a set of alternatives that have already been winnowed down to those within a broad area of basic agreement. (Dahl, 1956, pp. 132–3)

Contrary to Schumpeter's view that democratic politics is steered ultimately by competing elites, Dahl (in common with many other pluralists) insisted that it is anchored to a value consensus that lays down the parameters of political life. True, there have always been politicians or political elites who have had a profound impact on the direction of a nation; however, their impact can only be properly understood in relation to the nation's political culture with which they were 'in tune'.

The social prerequisites of a functioning polyarchy – consensus on the rules of procedure; consensus on the range of policy options; consensus on the legitimate scope of political activity – are the most profound obstacles to all forms of oppressive rule. The greater the extent of consensus, the securer the democracy. In so far as a society enjoys protection against tyranny, it is to be found in non-constitutional factors above all (Dahl, 1956, pp. 134–5). Dahl did not deny the significance of, for example, a separation of powers, a system of checks and balances between the legislature, executive, judiciary and administrative bureaucracy – far from it. Constitutional rules are crucial in determining the weight of advantages and disadvantages groups face in a political

system; hence, they are often bitterly fought over. But the significance of constitutional rules to the successful development of democracy is, Dahl argued, 'trivial' when compared to non-constitutional rules and practices (Dahl, 1956, p. 135). And, he concluded, as long as the social prerequisites of democracy are intact, democracy will always be 'a relatively efficient system for reinforcing agreement, encouraging moderation, and maintaining social peace' (p. 151).

Dahl's position does not require that control over political decisions is equally distributed; nor does it require that all individuals and groups have equal political 'weight' (Dahl, 1956, pp. 145–6). In addition, he clearly recognized that organizations and institutions can take on 'a life of their own', which may lead them to depart, as Weber predicted, from the wishes and interests of their members. There are 'oligarchical tendencies': bureaucratic structures can ossify and leaders can become unresponsive elites in the public or private sectors. Accordingly, public policy can be skewed towards certain interest groups which have the best organization and most resources; it can be skewed towards certain politically powerful state agencies; and it can be skewed by intense rivalries between different sectors of government itself. Policy-making as a process will always be affected and constrained by a number of factors, including intense political competition; electoral strategies; scarce resources; and limited knowledge and competence. Democratic decision-making is inevitably incremental and frequently disjointed. But the classic pluralist position does not explore these potentially highly significant issues very fully; their implications are not pursued. For the central premisses of this position – the existence of multiple power centres, diverse and fragmented interests, the marked propensity of one group to offset the power of another, a 'transcendent' consensus which binds state and society, the state as judge and arbitrator between factions – cannot in the end shed light on, or explain, a world in which there may be systematic imbalances in the distribution of power, influence and resources. The full consideration of such issues is incompatible with the assumptions and terms of reference of classic pluralism.

Politics, consensus and the distribution of power

The account of interest group politics offered by classic pluralists was a significant corrective to the one-sided emphasis on 'elite politics', and the overemphasis on the capacity of politicians to shape contemporary life, found in the writings of the competitive elitists. Pluralists stressed, rightly, the many ways in which particular patterns of interaction, competition and conflict are 'inscribed' into, that is, embedded in, the organization, administration and policies of the modern state. Electoral constraints and interest group politics mean that the ability of political leaders to act independently of societal demands and pressures will almost always be compromised, with the exception perhaps of times of war and other types of national emergency. Democracy as a set of institutions cannot be adequately understood without detailed reference to this complex context.

However, the pluralist emphasis on the 'empirical' nature of democracy compounds a difficulty in democratic thought, a difficulty created, in part, by

Weber and Schumpeter. By defining democracy in terms of what is conventionally called 'democracy' in the West – the practices and institutions of liberal democracy – and by focusing exclusively on those mechanisms through which it is said citizens can control political leaders (periodic elections and pressure group politics), pluralists neither systematically examined nor compared the justification, features and general conditions of competing democratic models. The writings of the key pluralist authors tended to slide from a descriptive–explanatory account of democracy to a new normative theory (see Duncan and Lukes, 1963, pp. 40–7). Their 'realism' entailed conceiving of democracy in terms of the actual features of Western polities. In thinking of democracy in this way, they recast its meaning and, in so doing, surrendered the rich history of the idea of democracy to the existent. Questions about the nature and appropriate extent of citizen participation, the proper scope of political rule and the most suitable spheres of democratic regulation – questions that have been part of democratic theory from Athens to nineteenth-century England – are put aside, or, rather, answered merely by reference to current practice. The ideals and methods of democracy become, by default, the ideals and methods of the existing democratic systems. Since the critical criterion for adjudicating between theories of democracy is their degree of 'realism', models which depart from, or are in tension with, current democratic practice can be dismissed as empirically inaccurate, 'unreal' and undesirable.

Suggestions about ways in which democratic public life might be enriched cannot be explored adequately within the terms of reference of classic pluralism. This is illustrated most clearly by the use of the findings on the degree to which citizens are uninformed and/or apathetic about politics. For the most part, the classic pluralists regard such findings simply as evidence of how little political participation is necessary for the successful functioning of democracy. Limited or non-participation among large segments of the citizenry – for instance, non-whites – is not a troubling problem for them, because their theoretical framework does not invite discussion of the extent to which such phenomena might be taken to negate the definition of Western politics as democratic. Empirical findings, once again, become inadequately justified theoretical virtues.

The question remains, of course: how satisfactory is pluralism as an account of 'reality'? An intriguing place to begin an assessment of this matter is by examining further the underlying value consensus which, Dahl claimed, ultimately integrates state and society. While Schumpeter believed acquiescence to a competitive electoral system entails a belief in the legitimacy of the system, Dahl contended that it was from the depths of political culture that support for a political system derives. One of the most famous studies within the pluralist tradition, Almond and Verba's *The Civic Culture* (1963), set out to explore directly, through a comparative nationwide sample survey of political attitudes, whether modern Western political culture was a source of such support. It is worth reflecting upon the findings of this study for a moment.

According to Almond and Verba, if a political regime is to survive in the long run 'it must be accepted by citizens as the proper form of government per se' (Almond and Verba, 1963, p. 230). Democracy, in their view, is indeed accepted in this sense 'by elites and non-elites' (p. 180). They arrived at this conclusion by

taking as a suitable index for the measurement of acceptance or legitimacy whether individuals reported pride in their country and its political institutions (pp. 102–3, 246). But a number of things need to be noted. First, only a minority, 46 per cent, of the British respondents (the second highest percentage after the US figure) expressed pride in their governmental system, and this despite the fact that Britain was regarded as a bastion of democracy (p. 102). Second, Almond and Verba's measure of legitimacy was, like the general pluralist treatment of this concept, very crude. For it failed to distinguish between the different possible meanings of pride and their highly ambiguous relation to legitimacy. For instance, one can express pride or pleasure in parliamentary democracy without in any way implying that it operates now as well as it might, or that it is the proper, or best or most acceptable, form of government. One can express pride in something while wishing it substantially altered. Almond and Verba did not investigate possibilities like this, and yet their study is probably the key pluralist study of political attitudes. Third, Almond and Verba appear to have misinterpreted their own data. It can be shown that a careful reading of the evidence presented in *The Civic Culture* reveals not only that the degree of common value commitment in a democracy like Britain is quite limited, but also that according to the only (and indirect) measure of social class used – the type of formal education of the respondent – working-class people frequently express views which Almond and Verba think reflect 'the most extreme feeling of distrust and alienation' (Almond and Verba, 1963, p. 268; see Mann, 1970; Pateman, 1980). Almond and Verba failed to explain the systematic differences in political orientation of social classes and, cutting across these, of men and women, which their own data revealed.

That value consensus did not exist to a significant extent in Britain and the United States, during the period in which classic pluralism was formulated, was confirmed by a survey of a large variety of empirical materials based on research conducted in the late 1950s and early 1960s (Mann, 1970). The survey disclosed that middle-class people (white-collar and professional workers), on the whole, tended to exhibit greater consistency of belief and agreement over values than did working-class people (manual workers). In so far as there were common values held by the working class, they tended to be hostile to the system rather than supportive of it. There was more 'dissensus' between classes than there was 'consensus'. Further, if one examines 'political efficacy', that is, people's estimation of their ability to influence government, noteworthy differences could also be recorded among classes: the middle class tended to assert far greater confidence than the working class. Considerable distance from, and distrust of, dominant political institutions were indicated among working-class people (cf. Pateman, 1971, 1980). Strong allegiance to the liberal democratic system and to 'democratic norms' appeared, in sum, to be correlated directly, as noted in chapter 5 above, to socioeconomic status.

It should be stressed that much of the research on value consensus is ambiguous and difficult to interpret. What matters here and what can be said with confidence is that any claim about widespread adherence to a common value system needs to be treated with the utmost scepticism. Further support for this view can be derived from the very history of the societies in which pluralism

arose. Throughout the 1960s and early 1970s there was an escalation of tension and conflict within the United States and Western Europe which is hard to understand within the pluralist framework. In the context of an overarching trend to slowing rates of economic growth, growing unemployment, severe difficulties in public finances, mounting levels of industrial conflict, crisis in inner city areas and ethnic conflict, challenges grew to the 'rule of law' and public institutions.

The period of 1968–9 represents something of a watershed (S. Hall et al., 1978). The anti-Vietnam war movement, the student movement and a host of other political groups associated with the New Left altered the political pace: it was a time of marked political polarization. Demands for peace, the extension of democratic rights to workers in industry and to local communities, the emancipation of women and resistance to racism were just some of the issues which produced unparalleled scenes of protest in (postwar) London and Washington, and took France to the edge of revolution in May 1968. The new social movements seemed to define themselves against almost everything that the traditional political system defended. They defined the system as rigid, regimented, authoritarian and empty of moral, spiritual and personal content. While it is easy to exaggerate the coherence of these movements and the degree of support they enjoyed, it is not easy to exaggerate the extent to which they shattered the premisses of classic pluralism. Within pluralist terms, the events and circumstances of the late 1960s were wholly unexpected. Moreover, the tangle of corruption and deceit revealed in the centres of American democracy during the Watergate scandal of the Nixon era brought the very idea of an 'open and trusted' government further into disrepute (McLennan, 1984, p. 84).

One of the most important reasons for the failure of classic pluralism to characterize Western politics adequately lies in fundamental difficulties with the way power and power relations were conceived. In an influential critique of the pluralist concept of power, Bachrach and Baratz drew attention to exercises of power which may have already determined the (observable) instances of control by A over B, which constitutes power in the pluralist view (Bachrach and Baratz, 1962, pp. 947–52). They rightly pointed out – adopting Schattschneider's concept of the 'mobilization of bias' – that persons or groups may exercise power by 'creating or reinforcing barriers to the airing of policy conflicts' (cf. Schattschneider, 1960). In other words, A may be able to control B's behaviour by participating in a *non-decision-making* process:

> Of course, power is exercised when A participates in the making of decisions that affect B. But power is also exercised when A devotes his energies to creating or reinforcing social and political values and institutional practices that limit the scope of the political process to public consideration of only those issues which are comparatively innocuous to A. To the extent that A succeeds in doing this, B is prevented, for all practical purposes, from bringing to the fore any issues that might in their resolution be seriously detrimental to A's set of preferences. (Bachrach and Baratz, 1962, p. 949)

Bachrach and Baratz's critique is of considerable significance, drawing attention as it does to the way in which power is deployed not only when things happen

(decision-making) but also when they do not appear to do so (non-decision-making). However, power cannot simply be conceived in terms of what individuals do or do not do, a position which Bachrach and Baratz themselves seemed to adopt. For, as Lukes observed in a telling analysis of the concept of power, 'the bias of a system is not sustained simply by a series of individually chosen acts, but also, most importantly, by the socially structured and culturally patterned behaviour of groups, and practices of institutions' (Lukes, 1974, p. 22). If power is defined in terms of the capacity of individuals to realize their wills against resistance, collective forces and social arrangements will be neglected. It is not surprising, then, that classic pluralists failed to begin to grasp those asymmetries of power – between classes, races, men and women, politicians and ordinary citizens – which were behind, in large part, the decay of what they called 'consensus politics'.

There is a range of other difficulties with the classic pluralist position, all of which stem from an inadequate grasp of the nature and distribution of power. The existence of many power centres hardly guarantees that government will (1) listen to them all equally; (2) do anything other than communicate with leaders of such centres; (3) be susceptible to influence by anybody other than those in powerful positions; (4) do anything about the issues under discussion, and so on (Lively, 1975, pp. 20–4, 54–6, 71–2, 141–5). While classic pluralists recognized some of these points, they did not pursue their implications for an analysis of the distribution of power and of political accountability. In addition, it is abundantly clear that, as already pointed out in the discussion of Schumpeter's analysis of the conditions of political participation, many groups do not have the resources to compete in the national political arena with the clout of, for instance, powerful lobby organizations or corporations. Many do not have the minimum resources for political mobilization. In retrospect, the pluralists' analysis of the conditions of political involvement was extraordinarily naive. It is hard to avoid the view that, in part, many pluralist thinkers must have been so anxious to affirm the achievements of Western democracy in the postwar era that they failed to appreciate a large range of potential objections.

Some of these objections would now be accepted by key 'pluralists', among them Dahl (1978, 1985, 1989). In fact, as a result of both conceptual and empirical problems with pluralist theory, classic pluralism has effectively been dissolved into a series of competing schools and tendencies, although the contours of a new 'neo-pluralist' position have crystallized (see McLennan, 1984, 1995). This is a noteworthy theoretical development, which is particularly apparent in Dahl's writings.

Democracy, corporate capitalism and the state

In *A Preface to Economic Democracy* (1985), Dahl argued that the main threats to liberty in the contemporary world have not turned out to be related, as de Tocqueville and others predicted, to demands for equality – the threat of a majority to level social difference and eradicate political diversity (Dahl, 1985, pp. 44ff, 50ff, 161–3). There may be tensions between equality and liberty, but equality is not in general inimical to liberty. In fact, the most fundamental challenge to

liberty derives from *inequality*, or liberty of a certain kind: 'liberty to accumulate unlimited economic resources and to organize economic activity into hierarchically governed enterprises' (p. 50). The modern system of ownership and control of firms is deeply implicated in the creation of a variety of forms of inequality, all of which threaten the extent of political liberty. As Dahl put it:

> Ownership and control contribute to the creation of great differences among citizens in wealth, income, status, skills, information, control over information and propaganda, access to political leaders, and, on the average, predictable life chances, not only for mature adults but also for the unborn, infants, and children. After all due qualifications have been made, differences like these help in turn to generate significant inequalities among citizens in their capacities and opportunities for participating as political equals in *governing the state*. (1985, p. 55)

In stark contrast to *A Preface to Democratic Theory* (1956), Dahl averred, in a major concession to Marx's theories of the state (although he did not acknowledge this in so many words), that modern 'corporate capitalism' tends 'to produce inequalities in social and economic resources so great as to bring about severe violations of political equality and hence of the democratic process' (1985, p. 60).[3]

The nature of these violations, however, goes beyond the creation and immediate impact of economic inequalities. For the very capacity of governments to act in ways that interest groups may desire is constrained, as many Marxists have argued and as neo-pluralists like Charles Lindblom also now accept (Lindblom, 1977; cf. Dahl, 1985, p. 102). The constraints on Western governments and state institutions – constraints imposed by the requirements of private accumulation – systematically limit policy options. The system of private investment, private property, etc., creates objective exigencies that must be met if economic growth and stable development are to be sustained. If these arrangements are threatened, economic chaos quickly ensues and the legitimacy of governments can be undermined. In order to remain in power in a liberal democratic electoral system, governments must, in other words, take action to secure the profitability and prosperity of the private sector: they are dependent upon the process of capital accumulation which they have for their own sake to maintain. Lindblom has explained the point well:

> Because public functions in the market system rest in the hands of businessmen, it follows that jobs, prices, production, growth, the standard of living, and the economic security of everyone all rest in their hands. Consequently government officials cannot be indifferent to how well business performs its functions. Depression, inflation, or other economic disasters can bring down a government. A major function of government, therefore, is to see to it that businessmen perform their tasks. (Lindblom, 1977, pp. 122–3)

A government's policies must follow a political agenda that is at least favourable to, i.e. biased towards, the development of the system of private enterprise and corporate power.

[3] Dahl made the same point about 'bureaucratic socialism' without, however, developing it at any length (1985, p. 60).

Democratic theory is thus faced with a major challenge, a challenge far greater than de Tocqueville and J. S. Mill imagined, and far more complex than the classic pluralist theorists ever conceived. Political representatives would find it extremely difficult, if not impossible, to carry out the wishes of an electorate committed to reducing the adverse effects on democracy and political equality of corporate capitalism. Democracy is embedded in a socioeconomic system that systematically grants a 'privileged position' to business interests. According to Dahl, this ought to be a concern to all those interested in the relation between the liberties that exist in principle for all citizens in a democracy and those that exist in practice. A commitment to democracy can only be sustained in the contemporary era, he contended, if one recognizes that self-government cannot be fully achieved unless there is a major transformation in the power of the corporations. This, in turn, entails recognition of the superiority of the right to self-government over the right to productive property (Dahl, 1985, p. 162). The fulfilment of the promise of political liberty requires the establishment of a widespread system of cooperative forms of ownership and control in firms; that is, the extension of democratic principles to the workplace and to the economy in general (see Dahl, 1989, chs 22–3). Dahl's proposals for overcoming the economic obstacles to democracy will be returned to later (see ch. 10 below). The point to stress here is that in the view of neo-pluralists like Dahl and Lindblom, interest groups cannot be treated as necessarily equal, and the state cannot be regarded as a neutral arbiter among all interests: the business corporation wields disproportionate influence over the state and, therefore, over the nature of democratic outcomes.

The above considerations suggest the need to examine more closely the actual functioning of state institutions. It would not be surprising if sectors of the state – above all, the less accountable sectors like defence – were locked into the interest structure of a number of major manufacturers (see Duverger, 1974). But it would be quite wrong to suggest, neo-pluralists emphasized, that democratic institutions are controlled *directly* by the various economic interest groups with which they interact. In pursuing their own interests (e.g. the prestige and stability of their jobs, the influence of their departments), 'state managers' are more than likely to develop their own aims and objectives. Political representatives and state officials can constitute a powerful interest group, or a powerful set of competing interest groups, concerned to enhance (expand) the state itself and/or to secure particular electoral outcomes. Democratic politicians are engaged not only in satisfying the demands of leading groups in civil society, but also in pursuing political strategies which place on the agenda certain issues at the expense of others; mobilizing or undermining particular sectors of the community; appeasing or ignoring special demands; and stimulating or playing down electoral matters (see Nordlinger, 1981). In the context of these processes, neo-pluralists recognized the complex possible ramifications and dangers of the development of entrenched political interests and bureaucratic structures which always make it necessary to analyse 'who actually gets what, when and how' (see Pollitt, 1984). Despite the prominence granted to business interests, neo-pluralists have been careful not to portray a settled or fixed picture of the forces and relations underpinning contemporary

democratic politics. They have retained some of the essential tenets of classic pluralism, including the account of the way liberal democracy generates a variety of pressure groups, an ever shifting set of demands and an ultimately indeterminate array of political possibilities. In addition, they have continued to affirm liberal democracy as a crucial obstacle to the development of a monolithic, unresponsive state: competitive political parties, an open electoral sphere and vigilant pressure groups can achieve, they hold, a degree of political accountability that no other model of state power can match. Model VI presents a summary of the classic pluralist and neo-pluralist positions.

What exactly democracies are and what exactly they ought to be are issues which have become perhaps more complicated with the passage of time. The trajectory of pluralism illustrates this well; theories of the character and desirable nature of democracy have been successively altered. Within pluralism, many of the central questions about the principles, key features and general conditions of democracy are now more open to debate than ever before. The same can be said, it is interesting to note, about developments in rival theoretical perspectives, especially neo-Marxism.

Accumulation, legitimation and the restricted sphere of the political

There are two significant theoretical strands in political studies which have extended the critique of pluralism: neo-Marxist developments in state theory and appraisals by social scientists of the significance of 'corporatist' tendencies in modern political institutions.[4] In setting out these developments below in broad outline, I shall not only examine their contributions to the discussion of pluralism and democratic theory, but also highlight the controversies among the leading authors. The main focus will be on the neo-Marxist discussion of the state, since, for my purposes here, it is of greater interest than the corporatist contribution. However, there is a discussion of the latter towards the end of the chapter, before a consideration of some of the outstanding issues posed by pluralism and its critics.

Throughout the 1960s and 1970s there was a notable revival of interest in the analysis of democracy and state power among Marxist writers (see Jessop, 1977; 1990, for a survey). As chapter 4 sought to show, Marx left an ambiguous heritage, never fully reconciling his understanding of the state as an instrument of class domination with his acknowledgement that the state might also have significant political independence. Lenin's emphasis on the oppressive nature of capitalist state institutions certainly did not resolve this ambiguity, and his writings seem even less compelling after Stalin's purges and the rise (and fall) of the Soviet state (see ch. 8 below). Since the deaths of Marx and Engels, many Marxist

[4] By 'corporatist' tendencies is meant here the progressive emergence of formal and/or informal, extraparliamentary arrangements between leaders of key labour, business and state organizations to resolve major political issues in exchange for the enhancement of their corporate interests (see Schmitter, 1974; Panitch, 1976; Offe, 1980, 1996a).

In sum: model VI

Pluralism

Principle(s) of justification

Secures government by minorities and, hence, political liberty

Crucial obstacle to the development of excessively powerful factions and an unresponsive state

Key features

Citizenship rights, including one-person-one-vote, freedom of expression, freedom of organization

A system of checks and balances between the legislature, executive, judiciary and administrative bureaucracy

Competitive electoral system with (at least) two parties

Classic pluralism	***Neo-pluralism***
Diverse range of (overlapping) interest groups seeking political influence	Multiple pressure groups, but political agenda biased towards corporate power
Governments mediate and adjudicate between demands	The state, and its departments, forge their own sectional interests
Constitutional rules embedded in a supportive political culture	Constitutional rules function in context of diverse political culture and system of radically unequal economic resources

General conditions

Power is shared and bartered by numerous groups in society	Power is contested by numerous groups
Different types of resource dispersed throughout population	Poor resource base of many groups prevents their full political participation
Value consensus on political procedures, range of policy alternatives and legitimate scope of politics	Uneven distribution of socioeconomic power provides opportunities for and limits to political options
Balance between active and passive citizenry sufficient for political stability	Unequal involvement in politics: insufficiently open government
International framework upholding the rules of pluralist and free-market societies	International order compromised by powerful multinational economic interests and dominant states

writers have made contributions of considerable importance to the analysis of politics (for instance, Lukács, Korsch and Gramsci explored the many complex and subtle ways classes sustain power), but it was not until the 1960s that the relation between state and society was fully re-examined in Marxist circles. The earliest of this work emerged as an attack on empirical democratic theory. It is useful, therefore, to start with this attack. The neo-Marxist 'alternative' to liberal democracy, to the extent to which one was explicitly developed, will be examined later, particularly in the following chapter.

Ralph Miliband provided a major stimulus to neo-Marxist thought with the publication of *The State in Capitalist Society* (1969). Noting the increasingly central position of the state in Western societies, he sought, on the one hand, to reassess the relationship Marx posited between class and state and, on the other, to evaluate the classic pluralist model of state–society relations which was then the reigning orthodoxy. Against those who held that the state is a neutral arbiter among social interests, he argued: (1) that in contemporary Western societies there is a dominant or ruling class which owns and controls the means of production; (2) that it has close links with powerful institutions, among them political parties, the military, universities and the media; and (3) that it has disproportionate representation at all levels of the state apparatus, especially in the 'command positions'. The social background of civil servants and public officers (overwhelmingly from the world of business and property, or from the professional middle classes), their special interests (a smooth career path), and their ideological dispositions (wholly accepting of the capitalist context in which they operate) mean that most, if not all, state institutions function as 'a crucially important and committed element in the maintenance and defence of the structure of power and privilege inherent in . . . capitalism' (Miliband, 1969, pp. 128–9). The capitalist class, Miliband insisted, is highly cohesive and constitutes a formidable constraint on Western governments and state institutions, ensuring that they remain 'instruments for the domination of society'. However, he maintained (defending what was earlier called Marx's position 1) that in order to be politically effective, the state must be able to separate itself routinely from ruling-class factions. Government policy may even be directed against the short-run interest of the capitalist class. He was also quick to point out that under exceptional circumstances the state can achieve a high order of independence from class interests: for example, in national crises.

In putting forward these arguments, Miliband was making a number of points – above all, about the political centrality of those who own and control the means of production – which were some years later to be considered plausible, as we have already seen, by neo-pluralists. But his unremitting emphasis on class as the central structural determinant of democratic politics and state action marks his position off from the later contributions of thinkers like Dahl: the emphasis on the capitalist class suggests an 'affinity' but not an 'identity' between perspectives, because neo-pluralists retain Weber's stress on the interrelated but to a significant degree independent dynamics of class relations and political processes (cf. McLennan, 1984, pp. 85–6). Nicos Poulantzas, Miliband's main neo-Marxist critic, developed a number of arguments which highlight even more sharply the gulf between these perspectives.

Poulantzas sought to clarify further Marx's position 1 (with its emphasis on scope for autonomous state action). He rejected what he considered Miliband's 'subjectivist' approach: his attempt to explore the relations between classes and the state through 'inter-personal relations'. As Poulantzas wrote: 'The *direct* participation of members of the capitalist class in the state apparatus and in government, even where it exists, is not the important side of the matter' (1972, p. 245). Much more important are the 'structural components' of the capitalist state which lead it to protect the long-term framework of capitalist production and to neglect wider issues of accountability.

In order to grasp these structural components, it is essential, Poulantzas argued, to understand that the state is the unifying element in capitalism. More specifically, the state must function to ensure (1) the 'political organization' of the dominant classes which, because of competitive pressures and differences of immediate interest, are continually broken up into 'class fractions'; (2) the 'political disorganization' of the working classes which, because of the concentration of production, among other things, can threaten the hegemony of the dominant classes; and (3) the political 'regrouping' of classes from non-dominant modes of production which, because they are economically and politically marginal, can act against the state (Poulantzas, 1973, pp. 287–8).

Since the dominant classes are vulnerable to fragmentation, their long-term interests require protection by a centralized political authority. The state can sustain this function only if it is 'relatively autonomous' from the particular interests of diverse fractions. But what exact autonomy a state has is a complicated matter. The state, Poulantzas stressed, is not a monolithic entity capable of straightforward direction; it is an arena of conflict and schism, the 'condensation of class forces' (Poulantzas, 1975). The degree of autonomy states acquire depends on the relations among classes and class fractions and on the intensity of social struggles. Insistent, at least in his early work, that power is 'the capacity to realize class interests', Poulantzas contended that state institutions are 'power centres', but classes 'hold power'. Relative autonomy 'devolves' on the state 'in the power relations of the class struggle' (Poulantzas, 1973, pp. 335–6).

Thus, the modern liberal democratic state is both a necessary result of the anarchic competition in civil society and a force in the reproduction of such competition and division. Its hierarchical bureaucratic apparatus, along with its electoral leadership, simultaneously seeks to construct and represent national unity – the 'people–nation' – and atomize and fragment the body politic (at least that part of 'the body' which potentially threatens the existing order) (Poulantzas, 1980). The state does not simply record socioeconomic reality, but enters into its very construction by codifying its form and reinforcing its forces.

There are, however, difficulties in Poulantzas's formulation of the relationship between classes, political power and the state. For he at one and the same time granted a certain autonomy to the state and argued that all power is class power.[5] Apart from such inconsistencies, he severely underestimated the state's

[5] In his last book Poulantzas took steps to resolve these problems: *State, Power, Socialism* (1980) was his most successful work. However, I do not think it fully surmounted the problems, although it contributed some important insights.

own capacity to influence and respond to social and economic developments. Viewing the state solely from a 'negative' perspective – that is, from the point of view of how far the state stabilizes capitalist economic enterprise, or prevents the development of potentially revolutionary influences – led to a peculiar de-emphasis of the capacity of the working classes, and of other groups and social movements, to influence the course and the organization of the state (see Frankel, 1979). To the extent that the state actually participates in the 'contradictions of class relations', it cannot merely be 'a defender of the status quo'. Further, Poulantzas's emphasis on the state as the 'condensation of class forces' meant that his account of the state was drawn without sufficient internal definition or institutional differentiation. How institutions operate and the manner in which the relationship among elites, government officials and parliamentarians evolves were neglected.

Invigorating the debate in neo-Marxist circles about democracy, class and state power, Claus Offe challenged – and attempted to recast – the terms of reference of both Miliband and Poulantzas (see Frankel, 1979; Keane, 1984b). For Offe, the state is neither simply a 'capitalist state' as Poulantzas contended (a state determined by class power) nor 'a state in capitalist society' as Miliband argued (a state that preserves a degree of political power free from immediate class interests). Starting from a conception of contemporary capitalism which stresses its internal differentiation into a number of sectors, Offe maintained that the most significant feature of the state is the way it is enmeshed in the contradictions of capitalism. In his account, there are four defining features of this situation.

First, privately owned capital is the chief foundation of economic enterprise; but economic ownership confers no direct political power. Second, the capital generated through private accumulation is the material basis upon which the finances of the state depend, these finances being derived from various modes of taxation upon wealth and income. Third, the state is dependent upon a source of income which it does not itself directly organize, save in nationalized industries. The state thus has a general 'interest' in facilitating processes of capital accumulation. This interest does not derive from any alliance of the state with capital as such but from the generic concern of the state with sustaining the conditions of its own perpetuation. Fourth, in liberal democratic states, political power has to be won by gaining mass electoral support. This political system helps mask the fact that state revenues are derived from privately accumulated wealth upon which the state, above all, relies.

The consequence of these characteristics of the capitalist state is that it is in a structurally contradictory position. On the one hand, the state must sustain the process of accumulation and the private appropriation of resources; on the other hand, it must preserve belief in itself as the impartial arbiter of class interests, thereby legitimating its power (Offe, 1984). The institutional separation of state and economy means that the state is dependent upon the flow of resources from the organization of profitable production. Since in the main the resources from the accumulation process are 'beyond its power to organize', there is an 'institutional *self-interest* of the state', and an interest of all those who wield state power, to safeguard the vitality of the capitalist economy.

With this argument, Offe differentiated his position from both Miliband and Poulantzas (and came close to the neo-pluralist view). As he put it, the institutional self-interest of the state 'does not result from alliance of a particular government with particular classes also interested in accumulation, nor does it result from any political power of the capitalist class which "puts pressure" on the incumbents of state power to pursue its class interest' (Offe and Ronge, 1975, p. 140). On its own behalf, the state is interested in sustaining accumulation.

The nature of political power is determined in a dual way: by formal rules of democratic and representative government which fix the institutional form of *access* to political power, and by the material content of the accumulation process which sets the *boundaries* of successful policies. Given that governments require electoral victory and the financial resources to implement policy, they are forced increasingly to intervene to manage economic problems. The growing pressure for intervention is contradicted, however, by capitalists' concern for freedom of investment and their obstinate resistance to state efforts to control productive processes (seen, for example, in efforts by business to avoid 'excessive regulation').

The modern state, therefore, faces contradictory imperatives: it must maintain the accumulation process without undermining either *private* accumulation or the belief in the market as a fair distributor of scarce resources. Intervention in the economy is unavoidable and yet the exercise of political control over the economy risks challenging the traditional basis of the legitimacy of the whole social order: the liberal belief that the collective good lies in private individuals pursuing their goals with minimal interference from an 'even-handed' state. The state, then, must intervene but disguise its preoccupation with the health of capital. Thus, Offe defined the liberal democratic capitalist state '(a) by its exclusion from accumulation, (b) by its necessary function for accumulation, (c) by its dependence upon accumulation, and (d) by its function to conceal and deny (a), (b) and (c)' (Offe, 1975, p. 144).

It is intriguing that while neo-pluralists have not been preoccupied with the kinds of issue raised by point (d) of Offe's definition, points (a)–(c) could be accepted readily by many neo-pluralist thinkers. The positions of Lindblom, Dahl and Offe converged on a number of fundamental issues: the dependence of Western democratic polities on privately generated resources; the degree to which liberal democratic states support (are necessarily biased towards) 'the corporate agenda'; and the extent to which the functioning of democracy is limited or constrained by private possession of the means of production. Although Offe ascribed a central role to the state as a mediator of class antagonisms and placed more emphasis on class than either Lindblom or Dahl would have accepted, they all also affirmed the view that 'state managers' can enjoy some independence from immediate economic and social pressures; that is, that the state cannot be understood exclusively in relation to, or reduced to, socioeconomic factors.

However, the prime emphasis of a great deal of Offe's work during the 1970s and early 1980s was on the state as a 'reactive mechanism'. He argued that if his definition of the modern state was valid, then 'it is hard to imagine that any state in capitalist society could succeed in performing the functions that are part of

this definition simultaneously and successfully for any length of time' (Offe, 1975, p. 144). In order to examine this hypothesis, Offe investigated the nature of state administration and, in particular, its capacity for effective administrative action. The problems of administration are especially severe, Offe suggested, since many of the policies undertaken by contemporary governments do not simply complement market activities but actually replace them. Accordingly, Offe argued, in an interesting parallel to the corporatist view, that the state often selectively favours those whose acquiescence and support are crucial to the untroubled continuity of the existing order: leading corporate groups and organized labour. He contended, furthermore, that the representatives of these 'strategic forces' increasingly step in to resolve threats to political stability through a highly informal, extraparliamentary negotiation process (1979, p. 9). Thus, the liberal democratic state, in its bid to maintain the continuity of existing institutional arrangements, will tend to favour a compromise among powerful established interests: a compromise, however, that is all too often at the political and economic expense of vulnerable groups, for example the young, the elderly, the sick, the non-unionized and the non-white (see Offe, 1984, 1985, for a further discussion). The conditions of what I earlier called limited or non-participation of a large range of people are reproduced systematically, in Offe's view, as a result of the state's concern to sustain the overall institutional order in which capitalist mechanisms occupy a prime place.

There are many significant implications of Offe's analysis, including his view that key political problems are only 'solved' in modern capitalist democracies by either suppressing them or displacing them into other areas. Some of these implications will be examined in the following chapter, which focuses on theories of the 'crisis of democracy'. What need special emphasis here are the advantages of Offe's work over that of Miliband and Poulantzas as a contribution to the analysis of contemporary liberal democracies. Offe's emphasis on the way the state is enmeshed in class antagonisms surmounts some of the limitations of Miliband's and Poulantzas's 'negative' view of the state as functionally interlocked with the needs of capital or the capitalist class. Offe's work highlights the way that the state is pushed and pulled by a variety of forces into providing a range of policies and services which benefit not only capital but also some of the best organized sectors of the working class. The history of the labour movement is the history of a constant effort to offset some of the disadvantages of the power differential between employees and employers. In response, the state has introduced a variety of policies which increase the social wage, extend public goods, enhance democratic rights and alter the balance between public and private sectors. Offe's work clearly recognizes that social struggle is 'inscribed' into the very nature of the state and policy outcomes. While the state is dependent on the process of capital accumulation, the multiplicity of economic, social and electoral constraints on policy means, Offe rightly pointed out, that the state is by no means an unambiguous agent of capitalist reproduction. The democratic state's partiality and dependence can to a degree be both offset and masked by successive government attempts to manoeuvre within these conflicting pressures. In addition, Offe's emphasis on the frequent cost of this manoeuvring to the most vulnerable in society is, I believe,

significant. To the extent that these issues can be placed at the heart of an 'empirical democratic theory', a basis is created for a more defensible account of the operations of existing democracies.

But Offe skewed his understanding of democracy and the state by underestimating the capacity of political representatives and administrators to be effective agents of *political strategy*. Although he formally recognized this capacity, he did not give it sufficient weight. His tendency to explain the development and limitations of state policy by reference to functional imperatives (the necessity to satisfy capital and labour, accumulation and legitimation) encouraged him to play down the 'strategic intelligence' which government and state agencies often display, and which is particularly apparent in a historical and comparative appreciation of the *diverse patterns* of state activity in liberal capitalist societies (see Bornstein et al., 1984; P. Hall, 1986). An additional shortcoming, related to this, involves his neglect of the different forms of institutional arrangement which constitute 'democracies' in different countries.[6] How these arrangements are reproduced over time, and how and why they differ from one country to another, with what consequences, are important considerations for any adequate assessment of democratic models (see Potter et al., 1997).

The changing form of representative institutions

One group of political analysts has attempted to overcome some of these gaps in democratic theory by studying the emergence of corporatism (see Schmitter, 1974; Panitch, 1976; Middlemas, 1979; cf. Jessop, 1990; Pierson, 1991). Although most 'corporatist' thinkers have overgeneralized the significance of their findings, it is useful to highlight the latter briefly, as they suggest a number of noteworthy trends. First, changes in the economy in the twentieth century have given rise to ever more concentrated economic power, which has often enabled private capital to gain the upper hand in struggles with labour. Faced with a recalcitrant labour force, capital can always move its centres of investment, making jobs more scarce and weakening the capacity of labour to press demands. Partly in response to the power of capital, and partly as a result of the sheer complexity of a modern economy, the labour movement has itself become more concentrated, more bureaucratized and more professionalized. Powerful organizations of both capital and labour have emerged to confront one another in the market place, each able and willing to disrupt the plans of the other. Before these developments there *was* a multiplicity of economic and social groups vying for political influence, as classic pluralism imagined, but there is no more. Any models in democratic theory which suggest that diverse interests are pursued, as a leading exponent of corporatist theory put it, by 'an unspecified number of multiple, voluntary, competitive, non-hierarchically ordered and self-determined . . . categories', are no longer valid (Schmitter, 1974, p. 93; see Held and Krieger, 1984, pp. 12–14).

[6] Many of these shortcomings have been addressed by Offe himself in his more recent writings (see, for example, 1996a, 1996b). These works examine the development of European democratic polities, West and East, shedding new light on the nature and prospects of democratic politics.

In the context of rising expectations and demands, especially in the first two decades following World War II, the ability of capital and labour to disrupt economic growth and political stability (by, respectively, withholding investment or taking strike action) posed ever more serious management problems for the state. But while class forces influenced state action, they never controlled the latter. Instead of the picture of classes dominating politics offered by Marxists, corporatist theorists focused on the centralized power of organized interest groups, and the attempts by the state to overcome the problems they generated by an *inventive* strategy of *political integration.* Thus, contemporary corporatism has been defined as:

> a system of interest representation in which the constituent units are organized into a limited number of singular, compulsory, 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. (Schmitter, 1974, pp. 93–4)

Corporatist arrangements generally refer to 'tripartite' relations between organizations of employers, labour and the state, steered ultimately by the latter.

In the corporatist account, the directive capacities of the state have increased, allowing it to construct a framework for economic and political affairs. In return for direct channels of bargaining with state officials – a 'representational monopoly' – leaders of key organized interests (for example, the Trades Union Congress in Britain) were expected to deliver support for agreed policies and, if necessary, keep their own members firmly in line. The politics of negotiation became systematized along stricter, more formal lines, although most of the discussion between parties took place informally, behind closed doors and out of public view. A few key organizations participated in the resolution of pressing questions in exchange for relatively advantageous settlements for their members. Corporatist arrangements were, then, political strategies for securing the support of dominant trade unions, business associations and their respective constituencies.

There are several different accounts of the above developments to be found in the corporatist literature (e.g., Winkler, 1976; Schmitter, 1979; Panitch, 1980). In the context of this chapter, the differences between these accounts are, however, not as significant as the general political consequences that are said to follow from tripartite relations: the new political structures which crystallized with the 'post-liberal, corporate capitalist era'. Three central claims are pressed. First, it is argued that traditional representative political institutions have been progressively displaced by a decision-making process based on tripartism. The position of parliament as the supreme centre for policy articulation and agreement has been eroded; the passage of a bill through parliament is more than ever before a mere process of rubber stamping. Second, it is contended that parliamentary or territorial representation is no longer the chief way in which interests are expressed and protected. Although classic modes of representation remain (in the form of members of parliament, etc.), the most important work of

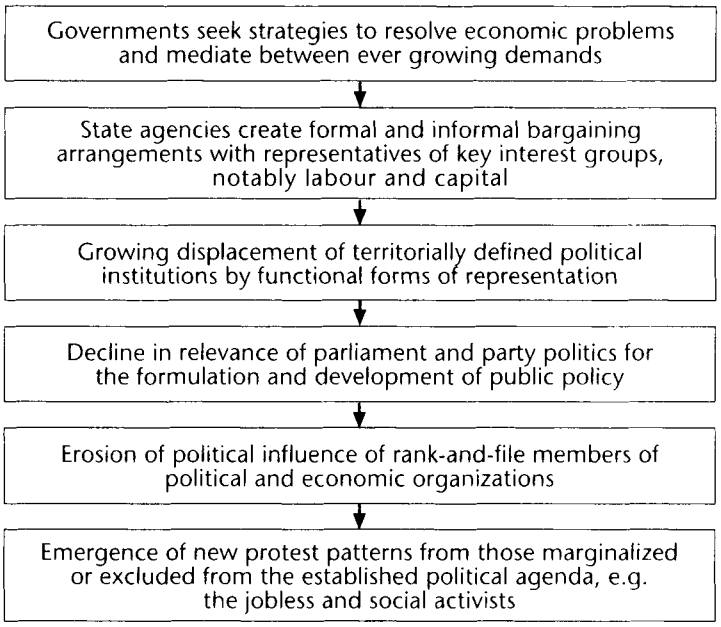

Figure 6.1 Corporatism and the erosion of parliament and party politics

political and economic management is carried out by functional representatives, i.e. by delegates from corporations, unions and branches of the state. Extraparliamentary political processes have steadily become the central domain of decision-making. Third, it is maintained that the scope for involvement in policy development by territorially based representatives, let alone by ordinary citizens, has declined steeply. Political participation becomes the preserve of organizational elites. In short, the sovereignty of parliament and the power of citizens are undermined by economic changes, political pressures and organizational developments. New 'flexible' avenues of negotiation replace the more complicated mechanisms of lawmaking and public authority. Those marginalized by these processes may object (e.g. the jobless and social activists of diverse kinds), sparking off 'unofficial' protest movements, but in general corporatist thinkers have tended to assume that the new institutional procedures forge a unity among the key societal factions. The major steps in the corporatist view are set out in figure 6.1.

The trends highlighted by corporatist thinkers are certainly noteworthy. The participation of organized interest groups in the governing process has major implications for democracy in the West (see Middlemas, 1979, p. 381). In focusing on the emergence of patterns of extraparliamentary negotiations about public issues, corporatists usefully shed light on one set of factors which help explain the limited effectiveness of formal representative structures, and the much discussed restricted scope of parliamentary bodies. If there has been a weakening of the sovereignty of the people, it would surely have to be explained in part by the terms of reference of corporatist thinkers. But several qualifications are in order.

To begin with, the idea that there was once a relatively unrestricted sphere of parliamentary discussion and initiative, now much denuded, should be treated with caution, as most political theorists from Marx to Weber, Lenin to Dahl, have done. It is clear that parliaments have always operated within a substantial range of constraints. The latter may indeed have changed over the years, but it would be very hard to justify the view that the effectiveness and authority of representative institutions have been particularly weakened in recent times. In addition, while corporatist theory has exposed some significant changes in the operations of post-war governments, few areas, if any, outside macroeconomic policy have been the subject of tripartite agreements; and even within macroeconomic policy very little besides incomes policies has fitted the 'corporatist' account. There are few sound reasons for supposing that functional representation has actually replaced the role of parties and parliaments. Moreover, to the extent that corporatist arrangements have developed, they have remained fragile because they require the presence of a relatively rare set of conditions which secure the integration of labour, including:

1 an attitude within the labour movement which favours 'cooperative management' over structural or redistributive measures in macroeconomic policy;
2 the presence of relevant state institutions for tripartite management initiatives;
3 the institutionalization of trade union power within a coordinated working-class movement;
4 sufficient centralization for decisions by labour confederations to be binding upon individual industrial unions;
5 adequate elite influence within unions to ensure rank-and-file compliance with agreed policies. (Adapted from Held and Krieger, 1984, p. 14)

Broad corporatist arrangements have taken hold in only a few countries, notably Austria, the Netherlands and Sweden; many of the conditions remain unmet elsewhere and in some countries like Britain only a few have been met for the shortest time (see Lehmbruch, 1979; cf. Williamson, 1989).

The prospects for the development of tripartite relations were brightest during the period of economic expansion from the 1950s to the early 1970s. The prosperity of these years certainly helped encourage the view that all key interests could be accommodated in the politics of the postwar era. Economic growth meant that management and labour, along with administrators of policy, might find scope for manoeuvre and a basis for satisfaction or future satisfaction. By contrast, the severe economic difficulties experienced in many countries from the mid-1970s to the late 1980s brought sharply into focus the limited common ground between labour and capital, and the poor prospects for the realization of institutions premissed upon the existence of a willingness to negotiate and compromise on core economic questions. In recognition of this, it is hardly surprising that the major concern of much later democratic theory shifted dramatically – to the 'crisis of democracy' (see ch. 7 below).

Attempts at constructing corporatist arrangements may themselves have contributed to some of the pressures that faced democracies from the mid-

1970s. The favouritism towards certain powerful or dominant groups expressed by corporatist strategies weakens the electoral/parliamentary support of the more vulnerable groups, which may be required for governments' stability. By placing certain issues high on the political agenda, tripartism leads inevitably to the marginalization or exclusion of others. More fundamentally, the attempt to enforce such strategies may erode respect for, and the acceptability of, institutions that have traditionally channelled conflict, e.g. party systems and conventions of collective bargaining. Thus, new arrangements may backfire, as some corporatist theorists have indeed suggested, encouraging the formation of opposition movements based on those excluded from key established political decision-making processes, e.g. ordinary workers, those concerned with environmental issues, anti-war campaigners, the women's movement activists and those in regional or nationalist movements (see Offe, 1980).

For corporatist arrangements to have fundamentally altered the character of democracy, they would probably have had to ensure not only a symmetry of power between the dominant organized interests – which would allow genuine bargaining – but also some way of involving in the process of decision-making all relevant interests and points of view. This they certainly have not done. To the extent that they represent a new form of representation, they mark an interesting but limited development in the theory and practice of democracy in capitalist society. However, the presence of corporatist institutions is certainly another factor to be considered, and certainly another force which further removes from ordinary citizens any substantial control over social, economic and political affairs.

Democratic theory is in a state of flux. There are almost as many differences among thinkers within each of the major strands of political analysis as there are among the traditions themselves. Many non-Marxists have come to appreciate the limitations placed on democratic life by, among other things, massive concentrations of ownership and control of productive property. The best of recent Marxist work has undertaken a reappraisal of liberal representative institutions and affirmed that state activity has to be partly understood in relation to the dynamics of electoral processes, changing patterns of interest constellations and the competitive pressure of groups, not all of which stem from class. In addition, there are interesting points of convergence in the normative aspirations of neo-pluralists and neo-Marxists. Although the former affirm the abiding importance of representative democracy, they concede that democratic life is unacceptably impaired by large concentrations of private economic power. Until recently, Marxists have not generally been prepared to rethink their commitment to the politics of Marx's classic vision (model IV, p. 120). But this has now changed. Partly in response to the state's growth in Western and Eastern Europe and the challenges to this, again, in West and East, there has been a reassessment by some Marxists of the liberal democratic emphasis on the importance of individual liberties and rights, as well as of groups and agencies organizing their activities independently of state or party control. The significance of certain liberal democratic innovations has, as chapters 7 and 8 will show in more detail, been more fully appreciated.

However, even the best contemporary models of democracy share a number of limitations which stem from their focus on, above all, state–economy relations. While Marxists have extended the concept of politics to embrace the power relations of production, none of the traditions has adequately examined those vicious circles of limited or non-participation in politics anchored in relations of sexual and racial domination, or pondered the implications of the work of figures like Wollstonecraft for democratic theory (see pp. 49–54). This partiality and one-sidedness mean unquestionably that the insights of contemporary models of democracy remain limited. Marxism, pluralism and the other non-Marxist approaches heretofore examined all appear to be premissed on a conception that the political coincides with the public sphere of state and/or economic relations, and that the latter is the proper domain of political activity and study. Accordingly, the world of 'private' relations, with its radically asymmetrical demands and opportunities for citizens, is excluded from view. How exactly one overcomes this deficiency, as one must, while reconciling some of the most important insights of the leading traditions of democratic theory remains an open question.