Review Article

Interest Groups and Politics in Western Europe
The Neo-Corporatist Approach

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In the mid-1970s new attention was directed at interest group politics in democratic settings. Much of the new interest centered on the seeming development of new corporatist forms of interest group/government interaction in advanced industrial democracies. Initially, scholars applied neo-corporatist interpretations they had developed earlier in studying Latin America and the Iberian peninsula to western Europe.\(^1\) Others broadened their studies of elite accommodation in "consociational democracies" such as Holland and Austria to other western democracies.\(^2\) Political scientists found growing signs of collaboration between government and groups in the making and applying of public policy in western Europe. The study of interest groups, at least in their neo-corporatist configuration, became fashionable once again. By the 1981 annual meeting of the American Political Science Association, there were three panels devoted specifically to neo-corporatism and another half dozen panels included at least one paper dealing with some aspect of neo-corporatism. After nearly a decade of research on neo-corporatism in western Europe, it is appropriate to assess the contribution of this work to the development of a middle-range theory and to the bridging of the gap between theory and empirical study.
Neocorporatist Theory

One of the most difficult problems in approaching the theory-building dimension of the literature on neo-corporatism is that of identifying the specific object of the theory. Philippe Schmitter, among the most important of neo-corporatist theorists, acknowledges differences over the basic nature of the concept and suggests that one way to avoid confusion would be to label them “corporatism_1” and “corporatism_2”. Unfortunately, there are more than two versions of what corporatism involves. The preponderant view is that corporatism is a form of interest representation rivaling other means of group politics such as the traditional pluralist view of interest groups. Schmitter prefers the term “interest intermediation” over interest representation because he questions whether formal interest associations transmit the preferences of their members and whether such representation is the major task of these groups. For him and many others the focus is on the mode of structuring such efforts at the “representation” of functional interests in a western industrial society. Some extend this notion of corporatism as a form of interest representation to a more extensive system of political participation where citizens delegate their participatory rights to the leaders of established and centralized groups. Corporatist structures for them are “representational bodies” that supplement or more likely replace other representational forms such as political parties or parliaments. Indeed, the rise of corporatism is sometimes explained by the failure of other representational bodies, especially parties, “to perform as agents in the formation of the political will of the people.” In a time of troubled and failing parties, corporatism permits “an end run around the seeming chaos of multiparty systems.”

Another school of corporate theory has a still broader phenomenon in mind than simply a form of representation. For these theorists, western European corporatism is a form of policymaking. Gerhard Lehmbruch stipulates that liberal corporatism for him is an institutionalized pattern of policy formation. Its alternatives are not other forms of participation or interest representation but other policymaking models such as party government. It features a high degree of collaboration among organized and centralized groups in shaping and implementing public policy, especially public economic policy. While there may be some overlap between the representation notion of neo-corporatism and the policymaking version, they are not intrinsically linked. Some even contend that in certain countries the representational form of neo-corporatism is undeveloped but that one can nevertheless find substantial evidence of neo-corporatist policymaking.

There is a still broader view of contemporary western European neo-corporatism among those who view it as an “economic system in which the state directs and controls predominantly privately owned business. . . .” Corporatism refers to an economic system with a highly bureaucratized, interventionist state. It is contrasted with other economic systems including laissez-faire capitalism and socialism. In some of these economic versions of neo-corporatism, the main feature is the manipulation of groups within the system by the state and/or business interests. Some of these observers of corporatism end up with a concept very close to Lenin’s
notion of "state capitalism" as their corporatist society. The representation dimension of corporatism may still be present, but it is only one, and often a minor, feature of the corporatist economic system.

Still others view corporatism as a device for managing conflict in advanced capitalist societies. It is a political, institutional, and ideological response to stress in economic affairs which channels conflict into forms that are more easily contained. Some narrow the concept while still retaining the focus on conflict management. They see European corporatism as a form of labor/management relations with the trade unions more disadvantaged in this system than the employers. In Marxist versions, corporatism becomes a tool of social control to emasculate trade unions and working-class movements. Finally, some scholars see corporatism as a type of decentralization replacing or supplementing the shifting of government tasks to geographically based units. Under this interpretation of corporatism there is a "devolution of public policymaking and enforcement on organized private interests." Specific government authority is devolved or "hived off" to functionally based, independent boards and agencies. All of these notions of neo-corporatism, of course, differ from the traditional uses of corporatism to describe an overall type of political system as an alternative to democracy or monarchy.

The two most common conceptualizations are Schmitter's view of neo-corporatism as a mode of interest intermediation and Lehmbuch's interpretation of corporatism as a form of policymaking. Schmitter regards this as "productive confusion" and attempts to clarify the interrelationship between these two forms of corporatism with a four-cell table. This table suggests that corporatist forms of interest intermediation may coexist with pluralist (Schmitter's term is "pressure")

**Figure 1 Types of interest intermediation and modes of policy formation**

<table>
<thead>
<tr>
<th>Pressure</th>
<th>Concertation</th>
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<tbody>
<tr>
<td>Pluralism</td>
<td>Examples: embryonic Italian policy cooperation between unions and the state; Swiss Vernehmlassung</td>
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<tr>
<td>Interest intermediation Through:</td>
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<td>Corporatism</td>
<td>Examples: classic American pressure politics; French labour politics</td>
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<td>Examples: Austrian Paritätische Kommission; Swiss social peace treaty; Swedish Harpsund democracy</td>
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forms of policymaking and that pluralist interest intermediation may be found with corporatist policy formation ("concertation"). For Schmitter this establishes that the two ways of looking at corporatism are not tautological or empirically identical. Beyond this, however, the relationship between these various cells is not clarified. The table may offer an explanation of the instability of corporatist trends in those European countries where pluralist interest representation is mixed with corporatist policy formation and vice versa. It does not clarify the relationship that exists between these two forms of corporatism. Does one contribute to the other? Do they have similar causes? What are the reasons for the mixed cases? Finally, the four-cell table is oversimplified since there are other alternative policymaking processes than "pressure" (pluralist) and "concertation" (corporatist). Even if Schmitter's attempt to reconcile interest intermediation and policymaking views of corporatism were successful, there are still other conceptualizations of the term which must be accounted for. There has been no attempt to reconcile these two conceptualizations with the other views such as corporatism as a form of conflict management, or as an economic system, and so forth. These other conceptualizations may be less common but they still confuse discussions of corporatism.

With this diversity of views on how to conceptualize neo-corporatism, there is little wonder that the term itself lacks clarity. The most frequently used definition in contemporary political science is that offered by Schmitter in 1974. It concisely stated a number of conditions characteristic of corporatist politics.

Corporatism can be defined as a system of interest representation in which the constituent units are organized into a limited number of singular, compulsory, non-competitive, 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.

This definition provides definite traits of corporatist interest representation that can be used as guides to identifying corporatism on the basis of empirical evidence. Unfortunately, Schmitter seems to have retreated from this clear definition. His latest restatement of the definition lacks the precision of the earlier version and is characterized by conditional and negative phraseology.

Monopolies of interest representation exist and are important. Hierarchies emerge among associations and they may subordinate and coordinate the activities of whole economic sectors and/or social classes. Membership in associations is not always voluntary. Interest associations may play an active role in identifying and forming those interests. Interest associations may actively and coercively govern the behavior of their members, especially through devolved responsibility for the implementation of public policy. The state may not be either an arena for which interests contend or another interest group with which they must compete, but a constitutive element engaged in defining, distorting, encouraging, regulating, licensing, and/or repressing the activities of associations. Interest associations are not always autonomous entities pressuring the state from without and seeking access wherever they can find an opportunity, but they may be at least partially heteronomous with
respect to public authorities and can be brought through selective institutional channels into a co-responsibility for public policy formation, not to mention, again, policy implementation.17

This much vaguer definition would be much more difficult to use in empirically testing for corporatism or other forms of interest representation. Ten years of discussion of neo-corporatism seems not to have clarified the definition of the term but to have muddied it up.

As confusing as this lack of a precise definition for corporatism may be, an even more serious problem is the uncertainty over what corporatism describes. Is it supposed to explain interest representation, public participation in politics, the functioning of the economic system, the policymaking process, conflict management, labor/management relations, or whatever? Authors differ on this, and the same author sometimes uses corporatism with different conceptualizations in mind at different times. Lehbruch's solution to this dilemma is to accept them all and to label corporatism as a pluri-dimensional concept.18 He denies that such conceptual pluralism is the result of "idiosyncratic theorizing and semantic ambiguity." Rather, the various conceptualizations refer to different dimensions of a highly complex phenomenon.

For this multi-dimensional view to be valid, the various conceptualizations would have to be mutually compatible. But they obviously are not. For example, those who see corporatism as a form of economic system see it as an alternative to market capitalism while those who view it as a form of managing labor/management relations see it as operating within a capitalist economic system. If corporatism is a form of representation that has replaced faltering parliaments and parties, it is difficult to use it to evaluate corporatist policymaking that coexists symbiotically with party government or a corporatist incomes policy subsystem that "depends heavily on the parliamentary party system."19 The pluri-dimensional notion of corporatism would also lead to its facing a myriad of alternative partial or complete conceptualizations ranging from laissez-faire capitalism to interest group pluralism to party government to class conflict to geographic decentralization and so on. This list of disparate and unrelated concepts that are alternatives to corporatism in its various uses illustrates the difficulty of seeing corporatism as a replacement for them all.

If we put aside these problems and assume that the varying conceptualizations are compatible, the pluri-dimensional notion of neo-corporatism would shift from middle-range theory to the level of a general theory of politics. Neo-corporatist theory in this broader sense becomes simply a new variant of the old group theory of politics which purported to explain all political phenomena in terms of groups. With such a shift would come all the theoretical problems that prompted a shift away from general theorizing: tautological definitions, abstract generalizations, too great a distance between theory and empirical data to permit verification and testing. As a middle-range theory, the popularity or faddish appeal of neo-corporatism led to its wide use in explaining unrelated phenomena. Where they are all lumped together, as Lehbruch proposes, the outcome is no longer middle-
range theory but a macro-theory that lacks the unity and compactness of earlier
general theories such as systems theory or structural-functionalism.

It is probably best to discount the ambitious and ill-advised extension of neo-
corporatist theories to all sorts of political phenomena and instead to focus on
neo-corporatism as a middle-range theory of interest representation. This is the
most widely used conceptualization of neo-corporatism, and thanks to the efforts of
Schmitter and others, it is the most highly developed approach to neo-corporatist
theory. Even in this more narrow view, neo-corporatist theory faces some impor-
tant conceptual problems. Foremost among these is the uncertain relationship
between neo-corporatism and traditional interest group pluralism. Schmitter sees
neo-corporatism as an alternative to pluralism. While the two notions of interest
representation share a number of basic assumptions, pluralism and corporatism are
distinct systems of interest representation. Indeed, Schmitter’s definitions of corpo-
ratism and pluralism are based on a dichotomy between these two forms of interest
representation. Lehbruch shares this view describing the two pure types as polar
opposites. Others, however, see corporatism as a variety of pluralism. Schmitter
points out that ideological objections to the term corporatism, because of its
association with fascist regimes during the 1930s and 1940s, lead Scandinavian
political scientists to describe the corporatist features in their countries as pluralist
variations. There are some who are less reticent about the use of the corporatist
label but who nevertheless prefer to interpret corporatism as a “species of textbook
pluralist society.”20

The relationship between corporatism and pluralism is crucial because the most
important prediction to come out of neo-corporatist theorizing is the contention that
there is a trend toward the transformation of pluralist forms of interest representa-
tion into corporatism in modern industrial democracies. If neo-corporatism is sim-
ply a variation on the pluralist pattern of interest representation, this prediction
loses much of its significance. As neo-corporatist theorists have moved away from
abstract definitions of pluralism and corporatism in terms of dichotomous values in
order to examine the real world, they acknowledge that these definitions are ideal
types not found in their pure forms in the real world. Thus, the presumed polar
opposite forms of interest representation turn out to exist alongside each other in
the same country with some groups using corporate forms of action and other
groups using pluralist forms. Certain groups, such as labor unions and employers’
associations are particularly open to the use of the corporatist approach; others,
especially non-producer groups, continue to use pluralist methods. The same
groups may at one point use corporatist forms only to use pluralist forms at another
time or place. Corporatist interest representation is particularly common in some
issue areas, such as incomes policies and economic planning, while pluralism
prevails in other issue domains. To cope with these mixed patterns that exist in the
real world, theorists claim that corporatism and pluralism are the ideal types on a
continuum with the actual practices somewhere between. Corporatism thus be-
comes “an axis of development” instead of a situation or condition.21 Since corpo-
ratism and pluralism are hypothetical ideal types, they cannot be “disconfirmed” by
empirical research. The fact that one finds a mix of some corporatist features tells
us little since the various theories do not establish cutoff points on the continuum or the minimum requirements for corporatism or pluralism. The belief that the trend toward corporatism is irreversible, stated vigorously by Schmitter, for example, in his latest contribution, obviates the search for the point in the evolution where pluralism ends and its corporate polar opposite begins. Except for this assurance that corporatism will eventually prevail as the dominant form of interest representation, neo-corporatist theorists give few hints on where groups and issues currently resisting corporatist tendencies fit into their theories or even on the theoretical basis for the benchmarks that will ultimately determine the attainment of corporatism. All would probably agree that "a few cases of 'corporatist' organizations or 'corporatist' decision making do not make a system of interest representation, not to say a political system, corporatist,"22 but exactly when should we apply this label? There is no clear answer to this important question in corporatist theory.

Not all writers agree that there is a trend toward corporatism. Panitch and Sabel stress the instability of corporatist structures and their vulnerability to breakdown when workers and their representatives chafe under the restrictions of corporatism. Renewed labor militancy will inevitably occur, destroying the consensus on which corporatism rests, and trade union leaders will withdraw from the corporatist structures or face replacement from within their dissatisfied ranks. Others suggest that employers' groups too may seek to pull out of corporatist bodies. Benjamin sees corporatism as only a transitional form of postindustrial societies. The postindustrial era will be an age of political participation when citizens no longer agree to delegate their participatory responsibilities to groups.23 Most proponents of corporatist theory, however, see an irreversible trend which may be slowed by revolts or temporary withdrawals, but these obstacles are not "capable of countermanding the trend."24 Despite these and other challenges, most of the principal writers defend the strength of the corporatist trend: "neo-corporatism is still very much among us and is likely to stay."25

Another area of theoretical problems is the place of the state in corporatist theory. By definition, under corporatist forms of interest representation the state recognizes, if it does not create, representational monopolies of interest groups in exchange for certain state controls over the groups' leadership recruitment and interest articulation. The explicit acknowledgement of the state as a principal actor is seen by some as a clear advantage for corporatist theory as opposed to the neglect of the state in pluralist theory, especially in the extreme form of group theory. After admitting this involvement of the state, however, few corporatist theorists carry it further to investigate how the state recognizes monopolies or what concessions it extracts in western Europe. In fact, there is an anti-state strain to corporatist thought in that corporatism is often seen as "a product of government's need to avoid acting. . . ."26 In the "intermediation between states and groups," neo-corporatist theory concentrates on the groups and ignores the state.

Marxist critics claim that the role of the state, especially its coercive power over trade unions involved in corporatist situations, is slighted in neo-corporatist theory.27 Perhaps more important, neo-corporatist literature is usually vague on the nature of the state and its actual activities. A very basic question left unanswered in
most discussions of neo-corporatism is, what is the state. Is it the parliament and government, elected public officials, the bureaucracy, or some combination of these? Alfred Diamant argued persuasively that corporatist writers have neglected the role of state bureaucracies in interest intermediation and policy formation. Bureaucrats are viewed as automata who fulfill faithfully the desires of whatever political forces prevail at a given time. Empirical studies of bureaucracies suggest that such a view of bureaucracies as passive bodies is incomplete or completely inaccurate. Neo-corporatist theories neglect other dimensions of the state in addition to bureaucracies. Little is postulated about the relationship between parliament and government on the one hand and the corporatist structures on the other. Lehmbuch notes the symbiotic relationship between party government and corporatist bodies but does not really explore this. Beer suggested that certain issues, especially those dealing with managing the economy, were more amenable to his early version of neo-corporatism which he called collectivist politics; other issues, especially those dealing with the provision of social benefits, were more often resolved in party politics. Others have suggested that governments and parliaments decide broad orientations leaving the technical details to be defined through the collaboration of interest groups and government. Neo-corporatist writers have not followed up on these distinctions; there is an assumption that, if not now, eventually all policies will fall into the hands of corporatist bodies.

Above all, corporatist theory underestimates the ability of the state, and particularly elected leaders, to act autonomously. It is the public officials who create corporatist bodies, establish their mandates, control their memberships, appoint in most cases their chairmen, and dissolve them. Elected officials can and do ignore the advice and even some decisions of corporatist bodies when these acts are not in harmony with the officials' views on the matter. Skillful political leaders balance the demands of different groups in and out of corporatist structures to maximize their freedom of action. Corporatist theory, while acknowledging the state as an actor, suggests a far less active role for the state than is probably the case.

As it has developed so far, neo-corporatist theorizing has yet to produce a significant middle-range theory of interest groups. First, neo-corporatism is not sufficiently comprehensive to serve as a theory of interest group politics. It neglects and sometimes omits entirely non-producer interest groups and their efforts to influence politics. It concentrates on certain kinds of policies, especially economic planning and incomes policies, to the exclusion of other, equally or more important policy domains. Second, good middle-range theory posits certain interactions among key variables. Much of what passes for theory-building in neo-corporatist writing is little more than attempts to define key terms with far less attention to explaining how these terms are related to each other. From reading the various contributions to neo-corporatist theory, one can cull a large number of hypotheses or propositions, but they are not linked to one another or presented in a systematic way. These propositions are scattered, isolated, and quite often contradictory. More often than not they are casually offered, rather than carefully formulated as hypotheses to be tested. Finally, good middle-range theory ought to offer some explanations and predictive potential. Most neo-corporatist theorizing falls far short.
of either of these goals, reflecting instead a variety of ideological and normative viewpoints on the nature of interest group representation.

Empirical Studies of Corporatism in Western Europe

Much of the early writing on neo-corporatism was devoted to defining the terminology and conceptualizations. Now there is a small but growing body of literature using neo-corporatist theories as a basis for systematic data-gathering and factual studies in western European countries. As Lehmbuch acknowledges, only systematic and cumulative empirical research "can tell us whether we have been engaged in a blind alley or in a productive innovation." Several contributors to the volumes under review have made the transition from theory-building to theory-application in empirical research on neo-corporatism and have provided important contributions to our understanding of the evolving patterns of interest group/government interaction in industrialized democracies.

Sources of corporatism in western Europe Those who have looked at the historical background find Europe a fertile field for corporatism. Medieval corporatist forms and mercantilism provide precedents and in some cases structures or institutions for modern corporatism. Nineteenth-century political thinking contributed also to a receptive setting. Many European political philosophers reacted against excessive individualism and turned to organic theories of society. They were nostalgic for the older values of a natural social harmony where all groups had a part to play in society and where all could gain more from cooperation than from competition.

Despite this favorable environment of traditions and ideas, most insist that neo-corporatism is not a product of a particular political culture. Schmitter refers to the wealth of corporatist ideas in the European heritage but points out that corporatism is "very weakly legitimated by the political cultures" in western Europe. Instead, the direct cause of contemporary neo-corporatism is found in the nature of the modern industrial democracy's involvement in managing the economy. The collaboration of government, business interests, and trade unions is essential if economic policies are to be attuned to the real world and if they are to be successfully implemented. The growth of corporatism is traced to the need for consensus on economic policies among the state, business groups, and trade unions. Some insist that the development of neo-corporatism is a means of permitting the state to serve as guarantor of capitalism. Marxist interpreters see neo-corporatism as a protective mechanism of advanced capitalism that shields capitalist forces from trade unions and even from the state. Neo-corporatism permits the organization of the capitalist economy to insulate itself and the state from traumas such as depressions and rampant inflation. Others stress the role of European neo-corporatism as a means of reducing governmental overload since corporatism promotes the ability of the government to satisfy groups demanding economic or welfare services.
While there is broad agreement on the favorable European climate for neo-corporatism and on the economic imperatives behind corporatist expansion, there are divergent opinions on the specific conditions that lead to the adoption of corporatist structures. Several see corporatism as most advanced where the working class is best organized. A well-organized and centralized labor movement is seen both as compelling business groups to organize and unify themselves for negotiating strength and as permitting labor leaders to assure rank-and-file acceptance of compromises with other elites.

Others see the nature of the political party system as crucial in the evolution of corporatist structures. Many assert that the presence in office of Social Democratic parties is an indispensable condition of corporatism in contemporary western Europe. The presence of a “friendly” party in government facilitates the entrance of working-class movements into corporatist structures. Others see the nature of the party system, such as the presence or absence of older dominant parties and especially the number of parties, as related to the emergence of corporatism. European neo-corporatism is thus a device for coping with the difficulty of forming majority coalitions in multiparty systems.

In even broader interpretations, the conditions for neo-corporatism are found in the overall nature of the political regime. Many see corporatism as likely only when the political system is highly centralized, thus permitting the development of hierarchical interest groups and assuring the enforcement of the elite’s agreements on the whole unit. Kocka links the emergence of corporatist forms in pre-World War II Germany to the backwardness of the German state between 1914 and 1923. The prevalence of bureaucratic and feudal forms in Germany permitted “modern” neo-corporatist structures to emerge there earlier than elsewhere in Europe. Berger also sees the regime’s overall nature as a key factor and points to the transition from a parliamentary to a presidential system as contributing to neo-corporatism in France.

However important these systemic conditions may be in preparing the way, the triggering mechanism for the emergence of neo-corporatism is often found in specific policy processes. Incomes policies are such a crucial issue area because their adoption and implementation are so clearly dependent on the voluntary compliance of the affected businesses and trade unions. For government successfully to impose wage and price controls it must have the collaboration of monopolistic groups representing workers and employers. Indeed, some argue that the adoption of an incomes policy is the vital step in the development of neo-corporatist patterns in a given country. Other policy decisions, such as the adoption of the French agricultural orientation law, incorporated specific groups into the governmental decision making process.

Beyond the general agreement that government management of a modern industrial economy produced a climate favorable to the emergence of neo-corporatism, the search for the causes and conditions of neo-corporatist structures in western Europe goes on. There have been many hypotheses, usually based on case studies of a single issue or group in a specific country. There have been fewer attempts to test these hypotheses in other issue areas or countries. There is considerable uncertainty about which hypotheses are idiosyncratic to the issue or country and
which ones are more general. Even broadly accepted propositions are sometimes challenged. For example, the general belief that trade union participation is a crucial condition does not seem to hold for Japan, where corporatism is claimed to exist without the labor movement.35

The effects of corporatism on interest groups Trade unions attract a great deal of attention from neo-corporatist writers. Farmers' associations and business groups receive very much less study36 and non-producer groups (consumers, women, environmentalists, educational groups, youth organizations, veterans' groups, and advocates of special issues or causes) are totally ignored in neo-corporatist writings. Greater attention is devoted to trade unions because of traditional scholarly interest in the labor movement but also because trade unions are often seen as likely to be at a greater disadvantage in corporatist structures than would be business groups or the state. Scholars are thus interested in why they would enter into such arrangements.

There are a variety of explanations of the interest of trade unions in participating in corporatist structures. Often political motives, such as the desire to support a sympathetic Social Democratic government, motivate trade union involvement. Labor leaders may also agree to participate because they see opportunities for assuring that the viewpoint of their membership is considered in the policy process. In other instances, trade unions join to get their share of the spoils as groups divvy up public resources. It is widely observed that trade unions seek to gain or protect social welfare advantages through corporatist associations. There are also organizational benefits to participation. Streeck's close study of the German trade unions links organizational strength as manifested in membership growth, increased revenues, better trained and more professional staffs, and centralized hierarchy to the extension of corporatism.37 Unions are also aware that the growing political dependence of private enterprise upon government means that to protect the influence that they have won in the factories they must also act in the political arena. Thus, even Communist-controlled unions in Italy are inclined to agree to corporatist involvement.38 Keeler argues that the principal French agricultural unions accepted corporatist involvement in part because it gave them an additional tool to isolate and neutralize rival farmers' groups.39 Others are less sanguine about the consequences of corporatism on the internal strength of interest groups. Sabel, for example, claims that involvement in corporatist arrangements promotes the vulnerability of trade unions to dissent from their rank-and-file members.40

Some critics of western capitalism expect corporatism to facilitate the exploitation of the working class. The state will use corporatist structures to repress rank-and-file action and to insulate the union leadership from the reactions of their members. However, Schmitter contends that there is little evidence to indicate that the working class in strongly corporatist states is any more exploited than in states where corporatism is less well developed.41 Indeed, the performance of neo-corporatist states in maintaining high levels of employment and in guaranteeing welfare benefits seems to suggest that the workers profit from European neo-corporatism.
Consequences of neo-corporatism on the governability of western European democracies

We noted that one explanation for the spread of neo-corporatism is the desire of governments to respond to the problems of governability in advanced industrial democracies. Neo-corporatist theories discount the role of party system decline or legislative/executive stalemate as sources of problems with governability and instead place the blame on interest group/government interaction. For Schmitter, the nature of interest intermediation is even more important in determining political stability than the magnitude of the country's social problems. He finds a "strong positive relationship between a societal corporatist mode of interest intermediation and relative governability." 42 Especially where combined with a class-based party system, societal corporatism is associated with relative ruliness on the part of the citizenry, governmental stability, and fiscal effectiveness.

Several writers have attempted to demonstrate the efficacy of neo-corporatist practices in promoting stability and governability in western Europe. Using the degree of corporatism as the independent variable, they examine a series of problems which have tended to overload or strain the governments of industrial democracies. The results have usually suggested that neo-corporatist structures do indeed promote governability. Schmitter finds that European states with strong corporatist features have a greater capacity to control the labor market by keeping wage increases limited in exchange for maintaining high levels of employment. 43 In comparison with several other independent variables he finds that corporatism is the best single predictor for differential rates of unemployment. More broadly, he sees neo-corporatism reducing cyclical fluctuations in the economy within certain limits. Wilensky goes further in arguing that strongly corporatist states are better able to avoid welfare/tax backlashes than are less corporatist states.

Not all observers are as sanguine about the effects of corporatism. Marxists insist that the corporatist remedy is but a temporary palliative that cannot overcome historical forces that will ultimately destroy capitalism. They and others claim that corporatist arrangements are inherently unstable and will be disrupted by working-class rank-and-file revolts against the compromises of their leaders. Wassenberg draws on experience in the Netherlands to claim that corporatism does not resolve conflict but rather displaces it. 44 He sees corporatism as succeeding in reducing conflict at the "meso" level of complete industries or regions, but only by shifting conflict to the macro level of national politics or to the micro level of individual corporate entities and establishments. Accommodation at the middle level among representatives from private and public bodies only exacerbates the conflict between management and labor and between the groups' leaders and their followers.

More generally, critics question the ability of interest groups to build consensus as well as parties or parliaments do. Interest groups face the dual challenges of avoiding compromises that would lead militants within their organizations to mobilize against the leadership and of avoiding excessive militancy that would deprive their members of the benefits that compromise can bring. Feldman's study of interest groups in prewar Germany suggests that liberal or societal corporatism will itself become overloaded where it becomes the substitute for a parliamentary
system.\(^45\) This overload paves the way for a transformation from liberal or societal forms to authoritarian corporatism.

Among those who see neo-corporatism as contributing to greater stability, many nevertheless profess their dislike for this form of interest group/government interaction. They see neo-corporatist stability and governability as “purchased at the price of organizational sclerosis, rigidification of differentials, perpetuation of inequalities, and most of all, disregard for the individualistic norms of citizen participation and accountability characteristic of a liberal democratic order.”\(^46\)

**A critique of empirical applications of neo-corporatist theory** LaPalombara complained in 1968 about the widening chasm between the lofty generalizations of macrotheories and fact-gathering activity on narrow-gauge problems. Just as neo-corporatist theory has not escaped the problems of excessive abstractness despite its purportedly middle-range position, so too attempts to use it as an orientation for empirical research have often focused on narrow, not necessarily representative case studies of particular issues or groups. The number of empirical studies of neo-corporatism is small but growing. Neo-corporatist theorizing preceded the empirical research. This is not undesirable since the theory builders were offering hypotheses to be tested empirically later on. They supported their belief that neo-corporatism was emerging with scattered references to facts and illustrations but they were not making thorough efforts to prove the presence of neo-corporatism. However, the long gestation period of the theory seems to have led researchers to assume that the presence of neo-corporatism had already been established. They thus have overlooked the need to test empirically for system-wide corporatism and instead have accepted the earlier illustrations as proof of the presence of corporatism. For their research they have turned to narrower empirical studies. There are very few serious examinations of the extent of corporatist features at the level of the overall political system. Rather than carefully probing whether neo-corporatism is in fact present, they study what causes groups to enter into corporatist relationships. The issues that are examined are interesting and important: Why do trade unions participate in corporatist structures? What are the effects of corporatism on unions? How do corporatist structures affect governability? And how does corporatism influence a country’s economic performance or its social welfare programs? While these issues are important, they beg the question of whether or not corporatism actually exists in the real world and, if it is simply an “axis of development,” how much corporatism is present in any given country or countries.

A further explanation for this concentration on narrow, less complex aspects of corporatism may be found in the difficulty of measuring various corporatist features. Some scholars admit frankly the problem of testing for neo-corporatism. Harrison explains that corporatism is “a structural variable which may be observed and described, though not, in most respects, strictly measured.”\(^47\) No doubt the confusion over the conceptualization and definition of the term complicates the task of finding it in the real world. Even when one focuses on specific features such as
representational monopolies or institutionalized group participation in government decision making there are problems of finding indicators and measuring them. For example, the absence of reliable data on membership in employers’ associations forces the use of labor union membership as a gauge of membership levels in other organizations on the assumption that where workers are well-organized the employers will be so too. Often surface indicators are misleading. In Britain, for example, the Trades Union Congress does not have a representational monopoly even though it brings together nearly all the labor movement in a single organization. Its internal cohesion is so weak and competition within its ranks so strong that it is not really a united body. In contrast, the Danish trade union movement is decentralized into a multitude of independent organizations but still is united and non-competitive in operation. With qualitative judgments so important, "... not only internal measurement but even rank-ordering of nations on a scale of 'organizational participation in government' is rather difficult. Hence, less demanding levels of measurement, such as dichotomy into 'high' and 'low'-ranking countries, may be preferred, but even here the data are not readily available." The resulting general evaluations are highly subjective and debatable. Thus, one author ranks Switzerland as highly corporatist, and another argues that Switzerland is "not a very good case for corporatism." Some claim that Britain is (or was before Thatcher) corporatist, while others see it as an example of weak corporatism.

Problems of data collection and the personal interests of researchers have resulted in a concentration of neo-corporatist inquiries on a few groups and issues. There are many studies of western European trade unions explaining why they enter into corporatist arrangements and how their organizations and cohesion are affected by these ties. Other types of interest groups attract much less empirical research; some groups, especially the non-producer groups, are nearly completely neglected. Issue-oriented neo-corporatist studies also suffer from the same problem of spotty coverage. As we have seen, incomes policy is the "core" issue of neo-corporatism. Other issues less frequently examined in neo-corporatist studies include industrial policies, economic planning, and social welfare programs. Many important arenas of government action are totally ignored by neo-corporatist writers: energy policy, defense and foreign policies, law enforcement, human rights, educational and cultural policies, transportation, public works, decentralization and regionalization, health programs, and so on. The focus of research on these few issues and groups is not justified by theoretical or empirical arguments that they are representative of the whole range of interest group politics or that they are more important than the neglected ones. There is sometimes the assumption that neo-corporatism will spill over or "creep" from incomes policy and economic planning and from producer groups into the other issue areas and groups. How this will occur is rarely explained nor has the proposition of a spill-over effect been tested empirically.

Curiously, many of the neo-corporatist studies reflect a pre-occupation with formal political institutions. Corporatism is ascribed to those countries where certain institutional forms emerge and flourish: tripartite committees or boards, concerted action bodies, economic and social councils, and/or government-sanctioned
chambers. Little effort is made to study the actual operation of these bodies, many of which have only paper existences, and even less attention is paid to the evaluation of the political impact of their actions. For example, the Dutch Social and Economic Council is often cited as an important indication of the corporatist tendencies in the Netherlands. A closer look at this body’s actual influence suggests that it thrived in the immediate postwar era but in recent years has lost much of its prestige and authority.54 Similarly, in nearly every account of French interest groups, reference is made to the thousands of committees and councils bringing together interest group spokesmen and government bureaucrats which have been created since the Second World War. Few go on to acknowledge that many of these bodies meet rarely or not at all and that none has much influence over major policy options.55

Neo-corporatist research has also overlooked the role of the state. The definition of neo-corporatism postulates that the state accords recognition to “representative” bodies, granting them privileged access to the policymaking process. In return, the state acquires influence over the selection of leaders and the definition of the groups’ goals. A few studies impute government control over trade unions through neo-corporatism but provide little factual documentation in western Europe. Beyond this, the role of the state in the internal affairs of the groups is largely unexamined and the use of supposed licensing powers unresearched. Several European governments subsidize recognized interest groups by underwriting their leadership training programs or by providing salaries for their leaders. The amounts of money involved are sometimes important but there has not been a study of whether governments use these subsidies as a control mechanism. Just as neo-corporatist theory neglects the state, so too empirical research has ignored this important feature of corporatism.

In summary, the advantage of middle-range theories, such as interest group theories, is that they are supposed to be closer to the real world. They ought to be better guides to empirical study and to be capable of validation or invalidation by the data generated by such research. Unfortunately, despite its middle-range objective, neo-corporatist theory has not lived up to this potential. It has been so abstract that it seems to serve poorly as a guide to factual study. Conceptual and definitional problems make measurement difficult. The preoccupation with trade unions and incomes policies leave large portions of interest group politics untouched by neo-corporatist researchers. Perhaps more importantly, the theoretical assumption that neo-corporatism is the wave of the future encourages researchers to assume its presence rather than to prove it empirically.

Concluding Comments

Even with its shortcomings, neo-corporatist theory represents one of the few responses to the fifteen-year-old appeal for new middle-range theory-building. There are few other examples of middle-range theory that have attracted as much attention or as much empirical work as has neo-corporatist theory. It has made the
study of interest groups intellectually fashionable again and has promoted research on these often overlooked political actors. It encourages those studying interest groups to go beyond the usual concern with the internal organization of the group to explore its relations with the state and its impact on policymaking. For example, political scientists and sociologists have given exceptional attention to labor movements but they have usually studied the internal organization and rivalries of the trade unions. The popularity of neo-corporatist theory promotes the study of unions as policymakers and implementers.

What is needed at this point is a series of country-level studies of interest group politics in western Europe in order to evaluate the extent of pluralism, corporatism, or other forms of interest group/government interaction present in these industrialized democracies. Before we go further in probing the causes of corporatism or its consequences on policy or on the participating groups, we ought to find out if corporatism accurately describes the nature of interest group politics in any western European country or if it is only a pattern of interest group/government interaction that is found in certain policy areas, among some groups, at certain times. Such country-level assessments of the amount of corporatism might also help us to evaluate the claims that there is a trend toward corporatism in modern democracy.

A second area of needed emphasis in interest group studies is more comparative research. Even thorough studies of a single country may not help in determining the nature of interest group politics. For example, Austria is reputed to be highly corporatist but it is difficult to establish this without comparing Austrian practices with those in other countries to see if they are indeed more corporatist than elsewhere. In addition, the single-country empirical studies already completed have produced a plethora of propositions about the causes, nature, and effects of corporatism. It is difficult to determine if these propositions are inherent features of corporatist politics everywhere or whether they are idiosyncratic features of the country under study. To sort the general features from those that are specific to a single country, comparative studies are needed in which interest group politics in several countries are examined using a common framework and the same measures. Often empirical research has produced conflicting propositions. For example, Streeck argues on the basis of West German experience that neo-corporatism produced union growth while Regini claims that growing union strength fostered neo-corporatism in Italy. Comparative studies should help to clear up some of these opposing hypotheses.

Despite the obvious need for the comparative study of interest group politics, very few exist and those that do are narrow, issue-specific case studies rather than more general assessments of the overall pattern of interest group/government interaction. It is true, as Lehmbuch points out, that such comparative research is difficult given the present state of neo-corporatist definitions and measures. It may be that this comparative research would only permit the attachment of "more" or "less" or "none at all" labels as evaluations of the degree of corporatism in the overall pattern of the various countries' interest group politics. Even these qualitative measures would be an improvement over the hunches and impressions that
form the basis of current judgments on the extent of corporatism, pluralism, or other forms of interest group interaction.

The abundant writing on neo-corporatism offers uncommon opportunities for the development of middle-range theory and for its application in significant empirical research. On the other hand, it may turn out to be an intellectual blind alley leading nowhere if neo-corporatism turns out to be limited to a few groups, certain issues, and particular or passing circumstances in some countries. Country-level studies and comparative studies of the overall pattern of interest group politics, not just of those groups or issues best fitted for corporatism, will help determine which is the case.

NOTES


31. Schmitter, “Reflections on Where the Theory of Neo-Corporatism Has Gone,” p. 266.
38. Regini, “Changing Relationships Between Labour and State in Italy.”
40. Sabel, “The Internal Politics of Trade Unions.”
42. Schmitter, “Interest Intermediation and Regime Governability.”
44. Wassenberg, “Neo-Corporatism and the Quest for Control.”
47. Harrison, Pluralism and Corporatism, p. 185.
Frank L. Wilson

51. Hanspeter Kriesi, "The Structure of the Swiss Political System," in Lehbruch and Schmitter, eds.,
Patterns of Corporatist Policy, p. 155.
52. Winkler, "Corporatism;" and Pahl and Winkler, "Corporatism in Britain;"
54. Wassenberg, "Neo-Corporatism and the Quest for Control," p. 106.
55. See Frank L. Wilson, "Alternative Models of Interest Intermediation: The Case of France," British
56. Examples of comparative studies include Wilensky, The "New Corporatism"; Schmitter, "Interest
Intermediation and Regime Governability;" and Schmidt, "Does Corporatism Matter?"