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Towards the Post-Corporate State?

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Many studies of the relationship between the state and interest organizations conclude that the state is captured by sectoral interests. The state is not autonomous in a capitalist society. However, does the neo-corporatist practice necessarily imply a captured state? The author examines the dependencies of the state on functional groups and proposes that corporatism in fact makes it a stronger and more autonomous state. Further, different criteria of autonomy are discussed. The public interest is explored through the concept of communicative action. Finally, the author tries to delimit the concept of autonomy in analysing some recent trends of development in Norwegian public policy.

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In Norway, as in the rest of Scandinavia, this has become a statement of conventional wisdom because sectoral interests in these countries are given direct access to political decision-making through representation in official boards and committees. This, in addition to hearing, i.e. affected groups are consulted before decisions are made, constitutes the so-called corporate channel of influence. Following the famous statement of Stein Rokkan (1966) that 'Votes count, but resources decide' Norwegian scholars have contended that,

> The Parliament (Stortinget) has become a spectator. If one is to understand the functions of the politico-administrative system in our country, the constitution is the last document one should read (Hernes 1980).[2]

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However, such conclusions are seldom based on systematic studies of the effects of corporate arrangements on state structures, but rather confined to the development, organization and scope of such practices. The real

impact of this arrangement on state autonomy remains obscure. In this article I raise the following questions: How do we actually know that corporate arrangements have undermined the autonomy and authority of the state, and that sectoral interests have taken priority over common objectives in public policy? What is the underlying concept of the state interest and what are the criteria of the 'autonomous state'? Pointing to conspicuous features of public policy in the late 1980s, I ask if we are experiencing a more autonomous state.

The Captured State

The modern state is grounded on the principle of *sovereignty*, which means it does not compete for political authority with any other power group in society. This principle is secured through the democratic constitution that renders it representative of all the citizens and gives the state a monopoly on the legitimate use of force within its territory (MacIver 1926; Weber 1978). The current relationship between state and society confers upon the polity the right to impose its will on the whole community via laws that are binding. Political theorists of the modern state – Hobbes, Locke, Rousseau and Hegel – hinge on the concept of sovereignty, the unity of power and the primacy of legislative power, which are more or less just blueprints of what ought to be (Bobbio 1987). Because, as Marx (1975) pointed out, this formal autonomy is not worth much as long as the state is bound to respect and uphold private property rights. It gives the owners of capital a privileged position in society as the state needs their compliance for the functional well-being of the economy (Lindblom 1977). Business is the state's most crucial partner. The state needs the participation of business but exercises no effective means of enforcement. It cannot command business to invest; it can only stimulate and allure by the help of positive incentives and appeals.

In order to come to grips with this situation the modern welfare state has incorporated interest groups through corporate arrangements. The large interest organizations, employer and employee organizations, participate directly in political decision-making through boards and committees. These organizations are licensed by the state and 'granted a deliberate representational monopoly' (Schmitter 1979, 139). They have gained a quasi-legal status as implementing authorities.

These organizations control the key resources of capital and labour, and must 'be placed in a quite different category from virtually all others in their ability to exert pressure on governments or simply frustrate their initiatives' (Goldthorpe 1984, 324–325). The state incorporates the presumed antagonistic interests of labour and capital in the policy process and warrant that their interests and viewpoints be given due consideration.

State intervention in this way stabilizes the market and compensates its dysfunctions without imposing decisive control over the problem-generating forces of a market economy, such as the private-property institution, the connection between income and labour which is indispensable in a competitive economy. Thus, there is a *class bias* in the corporatist arrangement, and it imposes more far-reaching restrictions on labour than on capital (Offe 1981, 153; cf. Offe 1984a, b; Panitch 1986; Prezeworsky 1985). Trade unions are always the junior partner (Grant 1985, 24), and the state has abdicated its sovereignty.

The crucial question is how to justify the fact that the state grants particular interests direct access to the decision-making process. The corporate channel of influence limits state actions in scope and legitimacy. The state in fact gives some of its citizens two votes. It seems to be in no position to take account of what is in the *general interest* of the society. It binds itself to favour the interests of the market participants. The neo-corporatist practice of monopolistic, centralized interest organization in concentration and bargaining is organized around the tripartite relationship of employers, workers and consumers oriented towards profit, salaries and prices respectively (Anderson 1979). The state is reduced to one partial interest among others, and the consumer interest equals the common interest. The polity is bound to accept compromises that are the negotiated outcome of interest constellations beyond public control. It thereby yields its assumed autonomy and authority. This also leads to legitimation problems as new groups demand rights of participation. I return to this point later. However, this situation that poses legitimation problems on the established arrangement is new and does not constitute the general background of the neo-corporatist arrangement.

The Self-Restrained State

As a matter of fact the state has – since the Second World War – succeeded in harmonizing the conflicts of the market in a positive-sum game. Growth and employment was secured through Keynesian economic policies – countercyclical spending and taxation – and corporatist decision-making processes. The 'class war' is institutionalized and the interest groups given a public status (Offe 1981). Neo-corporatism may be seen as a rather unintended outcome of a series of disparate interest conflicts and policy crises (Schmitter 1985) but constitutes a highly specialized means of implementation and legitimation of public policy. The modern state herewith has enhanced its steering capacity. The state manages to control or influence private decisions by promoting the *concertation of different interests* which would otherwise compete in ways detrimental to the achievement of governmental objectives (Lehmbruch 1983). In this way the state

achieves common goals more efficiently as affected groups become responsible for unpopular regulations. The state imposes restrictions on the market participants. Both the incorporated groups and the state benefit from this arrangement. If we may neglect the problem of equal representation for a moment, we are also entitled to regard this arrangement as in the economic interest of the general public. In fact, the corporate channel of influence increases or at least ensures the autonomy of the state within the limits that a privately organized economy imposes on its actions. The neo-corporatist arrangement contributes to a *strong state*. The state is not simply devalued and colonized by private interests, but may be seen to have differentiated its internal structure in order to counterbalance a turbulent environment in a functional way.

Generally, the state has remained an actor that channels demands in the organized triangle of trade unions, capital owners and public administration (Beyme 1985). It is not just a 'defenceless recipient of pressure, but actively intervenes in shaping the process of interest conflict intermediation . . .sometimes. . .through overload and weakness' (Beyme 1983, 176), but always in order to exaggerate its own strength. In Norway the state may be seen as the strong partner. For example, the state decides on the terms of reference of the committees, appoints members of boards and decides who is affected and then to be consulted. In fact, sometimes the state does not pay any attention to interest groups, and even opposes strong organizations (cf. Egeberg 1981; Olsen 1988a).

Further, there is no evidence that the outcome of this arrangement is a priori unfair just because of interest incorporation. We do not actually know whether the politicians *agree* with the interest organizations on policies. To verify that the arrangement favours the interests of some in society at the expense of others, we have to know the level of conflict, the use of threats, the options and the compromised alternatives. How much strategic interaction takes place, what is the scope of manipulation versus that of real arguing and dialogue, and so on? We do not only have to document interest incorporation and the formal structure of decision-making, but we have to study actual decision-making processes and examine the actual universality of the concrete, political decisions. Do actual decisions conflict with publicly defined interests; do they really confer privileges to certain groups? If the corporatist arrangement in fact may contribute to a strong state, it is nevertheless obscure just what the interests of the state are.

Politics as a By-Product

Corporatism is a way of organizing the relations between the polity and the economy, but for what purpose? It may be contended that although

the corporatist arrangement is not the result of deliberate design, it still has positive consequences for the state interest. It helps in maintaining the external and internal order of society, it enhances efficiency in decision-making. However, this is merely to say that the state's goal is to reproduce itself and that it needs legitimacy and power to achieve functional equilibrium. As a functional entity the state clearly has an interest in reducing the complexity of its environment, but the state consists of actors with options and capacity to choose. Politics is consequently not to be reduced to the functional needs of governmental organization. If we say that the state's interest should be the public interest, then, what does constitute the public interest?

> Does it reflect a democratic consensus, the interests of the most powerful economic interests, or some other interests which the state encompasses? In other words, legitimacy like power and influence, is not an end in itself, but a base for achieving a particular social order (Williamson 1989, 132).

The theoretical perspective of neo-corporatism has brought the state back into political analysis, but has not given it a precise meaning. Mostly it has remained a residual phenomenon. However, this defect of neo-corporatist theory reflects the general problem of modern political science in conceptualizing the role of the state and that of the public interest. The conventional theories explain authoritative decision-making with reference to the distribution of resources in society, by the interests of strong groups or as a kind of aggregation of a multitude of preferences. These reductionist and contextual perspectives are common to all empirical theories of politics such as group-pluralism, system-functionalism, neo-corporatism, Marxism and so on (Evans et al. 1988; March & Olsen 1989; Nordlinger 1981).[3] They all understand politics as a *by-product* of other self-sustaining processes. In these theories the state is conceptualized as a functional unit dependent on and governed by other institutions, preferences and interests.

Since the state as a meaningful concept disappeared from modern political science in the 1950s (Easton 1953), the analytical challenge consists in explaining decisions that in no reasonable way may be said to mirror the interests of mighty groups or the preferences of participants. For the purpose of analysis we may distinguish, in principle, between two conventional but competing conceptual strategies in studying politics: both display limited perspectives on state autonomy, enabling us to put forward a third perspective.

A Rational-Choice Model of Autonomy

The action-theory tradition such as rational-choice theory, social-exchange theory and game theory all focus on how decision-making actors are busy

in realizing egocentric goals, maximizing utility and reducing costs. They all have a *utilitarian core* in assuming actors with given and well-ordered priorities and with capacity to choose rationally between alternatives. This goes without neglecting the contribution of game theory, as a branch of decision theory, assuming that decisions must be made not only in the face of uncertainty but also while taking into account the presence of other decision-makers, some or all of whose interests may be opposed to those of ego (Elster 1977; Rapoport 1960). The decision-makers are generally conceived as isolated actors facing an external situation consisting of empirical constraints, other actors' strategies, laws and norms that constitute the restraints of an opportunity situation. The fundamental deficiency of this approach is the neglect of normative commitment and *consensual actions*. More specifically, these theories have not solved 'Hobbes' problem of order': Why do people comply to decisions that are not in their own interest? (Eriksen & Weigård 1986; Haga 1988; Parsons 1937). In this perspective we understand politics as the compromised outcome of competing groups and political actors acting strategically to satisfy their voters, clients, members or their own interests. Politics is reduced to the capabilities of individual actors, their cognitive capacities, preferences and interests. This kind of *methodological individualism* contains no categories for dealing with the possibility that the state has its own interests. The state's interests are reduced to the preferences of its principal agents, politicians and civil servants (Nordlinger 1981). It is therefore hard to explain decisions that differ from the conceived preferences of the participants.

In this perspective the state 'collapses' into a complex net of organizations, administrative procedures and subgroups of interest coalitions. There is no possibility of identifying an overarching structure with its own purpose, rationality and aim. Of course, this conceptual strategy has explanatory potentials, while it becomes understandable why certain policies actually are adapted. However, it is not convincing as it becomes unintelligible why people do consent to decisions from which they in no way benefit. And if we do not believe in indoctrination or manipulation, power or force in accordance with Machiavelli and Hobbes, as the reason why people comply, this explanatory strategy has its obvious limits. How do we explain that the state acts in its own way and that groups affected negatively do not oppose?

Functional Subsystems

The other main conceptual strategy in political science answers that the polity as a subsystem of society needs to obtain functional autonomy *vis-à-vis* interest groups and voters. Here the focus is on the processes and

functions the system has to undertake if it is to maintain its borders. Systemic homeostasis is threatened by the activity of other systems. The system may be overloaded and perverted by externalities and constraints. In this way the political system is often conceived to be trapped by its environment.

Analytically, however, there is more to gain in examining how the system stabilizes itself through its complex relations with the environment. It buffers the environment (Thompson 1976), it plans or structures opinions and produces loyalty (Luhmann 1975) – in short, its environments are enacted (Weick 1979). Systems are generally to be conceived as *autopoietisches entities* constituted by autonomy, self-reference and circularity (Maturana & Varela 1980): the political system depends on many types of environment and its relations to them are decided internally. The environment of the political system consists of different kinds of public arenas and other organized subsystems that call for a complex set of programmes to constitute the required options and possibilities for the system to maintain its borders (Luhmann 1981).

The analytical deficiency of system functionalism in this regard concerns its conception of the political institutions as *border-maintaining systems*. It interprets all activity as having to do with survival and equilibrium. The rationality of politics is to make collective, binding decisions. The criteria of success becomes reduction of 'noise', the balancing of books and the procurement of compliance (cf. Parsons 1963), i.e. to create demands for the solutions offered by the systems and support and loyalty for actual programme of goal fulfilment. In this perspective there is no other standard of rationality than reduction of complexity, and no other measure of autonomy than *functional interdependence* and steering capacity. Functional autonomy is both a prerequisite for and the objective of government, and the polity is not devoted to any higher goals than the balance of budgets.[4]

Neither the atomistic, utilitarian tradition of *action theory* nor the behaviourist and functionalist tradition of *systems theory* display an adequate concept of political rationality or state autonomy. They both treat not only the resources and institutional environment, but also the very interests and values of political actors as *exogenous*, i.e. as determinants of choice situations that shape political events devoid of any conscious reflection and communicative deliberation. From these two conceptual strategies we may extract two theses of state autonomy:

(1) The polity is 'autonomous' when its representatives are not severely restrained by external forces in achieving their goals and it increases autonomy by attending to the immediate interests and preferences of its constituting actors.
(2) The polity is 'autonomous' when it manages to govern the present

complexity. In order to maximize autonomy or equilibrium it differentiates itself, for example, through organizational devices.

States, governments and civil servants have their own structural interests in ensuring their territory, the reproduction of public offices and in protecting the existing norms and practices, which analytically have to be separated from the public interest (cf. Schmitter 1985). There are many methodological problems in empirically distinguishing the public interests from those of its principal agents and functional needs. However, we may address this problem as a question of procedure taking the autonomy of the polity to mean the institutional possibilities to deliberate upon the common interest of society.

A Discourse Model of Autonomy

Modern political science is propped with documentation of the captured state. The polity is influenced, 'perverted' and even colonized by special interests. Then, what is the autonomous state, what is the contrafactual standard that renders such findings intelligible? Distinguishing between two forms of barriers of the state we start with the way the state may be limited by *external forces* such as other nations, feudal rights and social privileges, mighty interest groups and the like. These barriers explain how the state may be limited in realizing its projects by external impediments. The traditional perspectives seem adequate for these kinds of situations.

However, *internal barriers* may also exist, such as misconceptions of the decision-makers that has to do with irrational motives, ideology (i.e. false consciousness), lack of information, lust for power, etc. that hamper the search for rational solutions. Incompetence, nepotism, bribery and misgovernment also characterize politics and infringe not only upon the state's ability to realize its projects, but also upon the very possibility to form policies of its own.

Political democracy represents a framework for moulding the public will and for testing leigitimacy. Democracy implies equal rights and possibilities to participate and deliberate upon the public good. The citizens are considered competent to make enlightened decisions about public issues, or about the terms for delegating authority (Dahl 1985). Free and unbound discussion between affected actors is not only a democratic means of securing everybody's ability to state preferences and fight for their interests. It is the only way a collectivity can get to know its common interest in that the actors themselves argue through real discourses about what is desirable, just and right (Eriksen 1990). It is a way of reaching consensus on normative questions and to find which interests are legitimate. According to Habermas this is due to the capabilities of a free discussion, i.e. a discussion where

all other kinds of force are excluded except 'the forceless force of the better argument'. In such a discussion we have to presume that everybody is interested in reaching mutual understanding and consensus, that everybody is free and equally competent and that in case of better arguments the participants admit mistakes and change their opinion. It is through such a discourse that norms can be validated: norms that regulate interests are valid when, and only when, everyone affected is recognized and when the consequences and by-products which follow from norm-conformative actions are accepted voluntarily by everybody (Habermas 1983, 103). Legitimate decisions, then, are what can be made valid for every one affected without side glances to particular interests and needs.

Social scientists tell us that these situations are not very often realized in the real world. The ideal conversations nevertheless function as a yardstick that we refer to in order to justify solutions, examine the rationality of consent and the legitimacy of power. And strategic actions too need some sort of mutual understanding and authentic communication – e.g. a constitution – in order to prevent a *bellum omnium contra omnes* (a war of everybody against everybody).

This perspective does not neglect the existence of compromises and conflict. It only implies that decisions reached by log-rolling and bargaining and through majority vote must meet some standard or norm that can be defended in public, in order to achieve a minimum of legitimacy. Compromises appear more reasonable the more they express *generalizable interests*. Solutions that are quite arbitrary and contingent lack the authority of reason and will be opposed more easily.

In this perspective autonomy means ability to realize or actualize the ideas, principles and norms constituting the institution (cf. Walzer 1983). Modern political institutions embed the idea of free citizens deliberating, within legal procedures and through representatives, on what would be in the interest of everybody. Ideally speaking, an autonomous state is a state that is not hampered in defining and realizing the public will. The criterion of political autonomy is decisions taken by rational considerations alone, i.e. where side constraints and sanctions are excluded. The operative standard, then, is not that all issues are fully debated and consensus reached, but that we cannot imagine better decisions if the discussions were to last longer and involve more participants. Concerning this, it is necessary to stress that a more autonomous state does not mean neither *the strongest interests' state* (cf. Olson 1977), nor an unqualified concept of the public interest, i.e. a concept where the state's structural or functional interest equals the public interest (cf. Hegel 1821; Schmitt 1932). The public interest is the outcome of communicative deliberations where everybody in principle may participate in the formation of the public will and keep the decision-makers informed and responsible. The third thesis of autonomy,

then, may be framed in this way:

(3) An autonomous polity takes account of what is a reasonable policy for settling conflicts and meeting future exigencies in order to secure a 'rationally conceived' definition of the public interest.

The Norwegian Case

A few Norwegian examples may indicate that the state has been striving for increased autonomy over recent years. But what kind of autonomy?

First, we are witnessing a process of *rolling back the state* – privatization, deregulation and the expanded role of voluntary social welfare. This is a process not only at the symbolic level. It was started by the Labour government a few years ago and is speeded up by the centre-right government now in charge. In particular, we observe this is industrial policy, where the direct involvement in key industries is being put to an end. Further, there are widespread reforms for decentralization to the subnational level that increases not only local autonomy and participation, but especially the efficiency of central government. Local governments are given extended responsibility to make their own priorities within clear-cut frames. Bloc grants, in particular, render local governments responsible and relax the stress on the state.[5] Finally, we observe reorganization processes within the governmental structure itself that make its subunits more functionally autonomous. The subunits are increasingly governed by frameworks and general norms rather than through direct instructions and hierarchy. This is particularly conspicuous in public education and research organizations where delegation, extended local decision-making and management by objectives are introduced to avoid the malfunctions of central government.[6] The state rationalizes its own governmental structure (NOU 1989:5).

These examples may be seen as rational strategies of the government to enhance its steering capacity. The state is delegating authority and responsibility. This may be seen as an answer to the challenge from the political right. The state has to cut expenses and get rid of burdensome tasks in order to prevent tax increases. For quite some time the slogans have been privatization, efficiency and a better organized state. Regarding these examples the concepts of rational-choice theory and systems theory will do. The government tries to obtain autonomy by reorganization both internally and externally, making its task environment more independent, responsible and predictable. This process may be due both to the political considerations of strategic actors and to the criteria of functionality, i.e. the balance of books, in itself. However, looking closer at the political agenda this is not all there is to say about autonomy.

The Public Interest

Norway, one of the outstanding examples of corporatist intermediation, experienced what is called a process of *reparliamentation* from the 1970s as Parliament regained some of its 'dispossessed' authority. A growing number of problems were to be solved directly by Parliament. The committees, the Cabinet and the party caucuses declined in importance. This is due to a situation of minority or coalition government, the infirmity of the peaceful coexistence of labour and capital, new social movements and shifting political alliances and new norms and values emerging (cf. Olsen 1983). Are there any substantial results of this process?

Incomes policy provides one example. In 1988 and 1989, collective wage bargaining resulted in a law that set aside the traditional model of income settlement. The government accomplished control over central factors in economic life which was seen to destroy productivity, making the Norwegian economy lag behind in international competition compared with the average OECD level. In 1988 and 1989 the Labour government succeeded in defining the situation as almost a national crisis and appealed for moderation. The interest organizations, especially the Federation of Trade Unions, LO, was moved by this appeal. The analytical challenge, then, consists in explaining why both the Norwegian Labour Party that initiated the proposal, and the Federation of Trade Unions that accepted it, did such a thing that had negative consequences for their members' interests, at least in the short run. Or as the former leader of the Conservative Party put it:

> I am impressed by the stand that LO took on moderation in the wage negotiations this year. And the government fought a tough fight although they knew this would benefit neither itself nor the party in an already difficult situation (Erling Nordvik, *Aftenposten*, 9.4.88).

Regarding this, recall the traditional intimate relations between the Labour Party and the LO that, I think, were decisive for the success of the corporatist arrangements in the long post-war period. Traditionally, the unions in Norway exhibit social-democratic virtues of solidarity and justify their claims not only via productivity, resources and capacity to strike a deal, but also relative to other comparable groups. They often plead for central bargaining (versus decentralized bargaining) in order to level out income differences. Not only group interest but a side glance to social goals and the public interest guide their actions. In addition, the power argument is evident, they belong to a party in office and their membership may be utilized when necessary to blot out negative alternatives.

However, the fragmentation of the labour movement, a rising number of independent unions, unemployment, the increasing gap between those employed and those unemployed, expanding wage differences, the black

labour market and changed political schisms make the prospects for trade-union solidarity rather bleak. To speak with Lenin they seem to recur to 'trade unionism'. In this situation it becomes an urgent political task to control the interest organizations. The problem of interest incorporation is often pointed to in political rhetoric and ever more politicians seem to plead for a weakening of their influence. But do they succeed?

As early as the beginning of the 1980s the government told the different ministries to examine the need for the committees constituting the collaboration between state and interest organizations. Stressed in particular was a stronger weight on the terms of reference, the preceding and the time schedule, 'which may indicate a wish for stronger governmental control' (Olsen 1984, 107).[7]

Parallel to this urge for a decline in functional representation and stronger governmental control, we experience increased attention on collective issues such as disarmament, ecology and immigration. Environment is a particularly hot issue. Topics like waste and pollution – not only the ozone layer and the greenhouse effect but ecology in general – are now prominent on the political agenda. Norway is known to be the country with a prime minister who heads the World Commission on Environment and Development – the Brundtland Commission. Our government boasts of a leading position in taking measures to preserve the environment. It has urged for a general prohibition of all fluorocarbon releases into the atmosphere that destroy the ozone layer. Nearly every political party before the election in 1989 had environmental issues as peak claims. They now compete to be the most committed on fighting pollution. There seems to be universal consensus of environmental issues as one of the main threats to our future. However, if this turns out in real political measures, how do we explain it?

The Primacy of Politics

This new agenda is not easily explained by pointing to the preferences and interests of strong actors or to technical criteria of a well-functioning political system. Environmental policies, for example, are not simply explained as adaptation to the demands of pressure groups, because such policies are not in the (economic) interest of mighty groups. These policies indicate a strong commitment to the common interest of society, and are accomplished through more information, extended public debates, the work of committed politicians and citizens' initiatives.

In justifying policies we always have to appeal to common interests, what would be in the interest of everyone, or what is needed in order to help the worst off (Rawls 1971). Conventional social and political science to a great degree understands this as empty rhetoric, i.e. as a way of concealing what is really going on – a prominent example is Edelman (1964). This

may often be the case, and to distinguish between strategic interaction and authentic communication is not easy, although we should, for the sake of the actors involved, try to understand action as motivated by consensual goals rather than in the first place diagnose it as strategic and manipulative (Eriksen 1987). However, these last examples are less exposed to such analytical difficulties. They point to the need for regulating and moderating sectoral interests. These issues point to the need for restricting excessive demands, levelling out of wages and regulating prices. And these issues motivate us to question why the dominant economic organizations should have that much political influence. In time of fiscal austerity the increased need for debates on priority setting accentuates the same. Environmental problems are the prototype of issues that call for genuine collective action because it is in everybody's interest to make others pay such costs while we all benefit from its pay offs (cf. Olson 1965). To turn such free-rider situations of distributions to collective actions involves not only information of what would benefit us all in the long run, but also a *moral understanding* that renders each of us equally responsible (and threatened). To accomplish this, extended public debates are the only method available.

There is no other alternative although it is frequently maintained that the complexity of modern society calls for specialized discussions by professionals. The basic problems now facing our societies call for a communicative or *holistic approach* because today everything seems to be connected and dependent on everything else (Commoner 1972). These problems are not likely to be decomposed, divided and reduced to a set of specified subproblems that may be handled by the instrumental rationality of given professional and technical procedures (Dryzek 1987). Not even conventional problems like inflation and unemployment can be given an independent solution by economists. Politics now stands in need of an elaborated approach involving different kinds of rationality – instrumental, normative and aesthetic – and a more inclusive view of interests. What is the general interest of all the actors? What is a just distribution of income, education and welfare? What is the proper treatment of the sick and disabled? What is the ethical limit of medical technology? What does a humane natural environment consist of? These and other related questions need serious treatment by the political generalist arguing in public. The role of interest groups and specialized professionals needs to be restricted.

However, some general trends of development in the modern welfare state support the assumption of a post-corporate state.

The End of Neo-Corporatism?

Firstly, as the Keynesian way of governing the economy pays off less

there is less need for a decision-making system that is conditional upon this practice. This decision-making system today begets steadily more counterproductive results: the problems of society are no longer congruent with the solution programmes offered. This is due to the fact that the corporatist arrangement is no longer able to assign efficient means – ends calculations, or control big groups of people.

Secondly, the state is exposed to new demands for participation from hitherto unrecognized groups. As long as the main problems of society concern welfare, productivity, growth and distribution these new groups represent no real threat. But considering the political agenda in the late 1980s, consisting of fiscal austerity, unemployment and environmental issues, it is hard to deny other groups access to the functional channel of representation. The incorporation of occupational groups and consumer interests does not ensure a due consideration of these emerging issues. Rather than incorporating new groups, which will lead to loss of efficiency in decision-making and to governmental expansion to qualitatively new domains of civil society (Eriksen & Hernes 1989), the rational answer is political debates, which put the 'general interest' in focus. Further, inclusion of new groups in order to increase the legitimacy of the system and to enhance steering capacity is a problem as these groups do not possess the resources of their functional counterparts. Voluntary organizations fighting for, say, peace, democracy, equality, environment and abortion represent no real threat to public authority as they control unimportant resources from a steering point of view. Usually, they occupy no vital positions in society and have small administrative resources.

Their ability to compromise, give and take is also limited. They are committed to moral issues that cannot be quantified like wages, labour and profit. In short, the conditions for exchange are basically asymmetrical and do not satisfy the moral principle of exchange on an equal footing. In addition, these are issues that concern every member of the polity and consequently require collective decision-making.

Thirdly, this model of governing does not only run into legitimation and functional limits, but increasingly into freedom problems as the state ever more has to obtain integration with the help of legal and professional measures. The state is not only regulating economic activities, but also what we may call lifeworld problems (Habermas 1981, II). In recent years there has been talk of the emergence of a 'new welfare state' in Scandinavia (Friedman et al. 1987; Wolfe 1989). Unlike the earlier version, the new one is concerned with the intimate sphere of social life. Increasingly, the modern welfare state is not only distributing material goods and guarding the autonomous institutions of society, but is becoming the authoritative interpreter of the good life. The 'state machinery' is now an instrument for the interpretation of meaning. It canonizes certain views of the good

life legitimized and implemented by professional therapists and expertise organs (Berg-Eriksen 1986; Lash 1982, 1983). In Norway, tendencies towards the *expansion of governmental control* are seen in the escalation of legal regulation of family relations and especially in (paternalistic) social policies (Eriksen 1988). This, I think, partly caused the 'right-wing wave' in Norwegian politics, and it reduces the support of the neo-corporatist arrangement.

Fourthly, we may also add the shifting norms and post-materialistic values. Work as the key category for understanding society has diminished. Work, socioeconomic status and class is no longer the (only) source of status and identity (Offe 1984a). We are witnessing a pluralization of lifestyles that bursts the established programme for governing resting upon material values, the protestant ethic and fixed patterns of behaviour. We are experiencing a post-industrial society and a weakening of the work ethic (Bell 1972; Dahrendorf 1983; Gorz 1981). The labour market is not any longer the sole arena for allocating values and for self-realization in civil society.

The positive effects of interest intermediation is not to be neglected. The previous success of this arrangement was due to the politicization of the labour unions and their capacity for solidarity in collective action. Regarding this, there are today some conspicuous examples of interest organizations being more responsive to societal needs. They seem themselves to be in need of legitimacy and are forced to appeal to the public interest and increasingly have to show that they really are committed to the public interest. For example, both the Federation of Trade Unions (LO) and the Employers' Federation Organization (NHO) now actively take a stand on environmental issues that may cause loss of jobs and falling profits.

Many factors and processes put the corporatist arrangement under stress. There are both convergent and dispersing trends of development. For example, the interest organizations may be more important as the role of the parties is weakened. However, today nobody seems to be in a position to dictate means–ends relationships based on objective knowledge of causal links. Nobody can claim a privileged position in decision-making out of bare interests and nobody possesses accurate techniques for governing. The state cannot any longer trust the corporate arrangement to secure the government's interest or, even less, realize the public will. Perhaps, we are not witnessing the end of organized capitalism (Lash & Urry 1987; Offe 1985), but a reorganization process (Olsen 1988a; Schmitter 1988). The post-corporate state may represent *a new order* evolving out of different and ambiguous processes. Unorganized capitalism once again seems a futile alternative.

Concluding Remarks

Many of the recent developments in public policy may be reconstructed as functional adaptation. The modern welfare state seems *overloaded* (Crozier et al. 1975), it faces more tasks and problems than it can possibly deal with. Rolling back the state is a way of reducing overload and cutting expenses. The modern welfare state, however, documents *moral learning*, it treats people more equally with regard to their basic needs, and ensures, relatively, a more solid basis for political participation and democratic consensus. The welfare state is to a certain extent indispensable and irreversible in that the moral norms by which it is lead cannot easily be done away with or substituted by others just out of pure expediency. Such reversing processes will probably lead to loss of motivation, anomia and to legitimation problems. Moral norms cannot be used as strategic means for other goals, they have to motivate in themselves. The reorganization of the governmental structure and privatization, i.e. transferring former public functions to the market, are strategies that have obvious limits in that not all services can be commodified and not all problems of government are remediable through managerial techniques.

The main barrier towards an enlightened public and an autonomous state still resides within the organization principle of the economy that renders the state dependent upon the investors' prospects.[8] But then we need to understand why it becomes possible for the state to act in opposition to mighty interests. And in what way does the polity have higher goals than just quiescence and efficiency?

The concept of the autonomous state does not imply a polity decoupled from society, as just a functional entity, but a state that is not seriously hampered in defining and realizing the public interest. Of course, this is not the present situation of modern states where the struggle for power is a conspicuous feature of the polity. These three perspectives on autonomy are not mutually exclusive but reflect the complexity and the many-sided functions of a modern polity where empirical constraints, time and schedule imperatives make efficient decision-making of utmost importance. That is to say, a modern polity must be able to make a decision and implement it although it is a suboptimal solution. Even a bad decision is sometimes better than no decision. However, if a governmental structure survives for a longer period of time, there has to be at least some substantial rationality in its undertakings. And in so far as political power in these countries does not rest on brute force or bare manipulation, we need to develop analytic tools that render it comprehensible that one can motivate for collective action just by good arguments, not only by sanctions.

The task of political science in this regard is to develop a concept of *power* as a steering media that renders it understandable why power may

be applied to some functions with positive results while it has certain dysfunctions in other areas. What are the limits of power functionally and normatively? This is intrinsic to the autonomy of the polity, as we should know what and what does not belong to the state.

NOTES

1. The extent of the literature on corporatism and the state is impressive; see Grant (1985), Streeck & Schmitter (1985), Cawson (1986), Atkinson & Coleman (1988), Williamson (1985, 1989), Cox & O'Sullivan (1988).
2. In Norway the corporatist blending of state and society was documented through the comprehensive Norwegian research project on power, MAKTUTREDNINGA, which showed how the parliamentary chain of power is being broken (Olsen 1978), and how society's control systems are being perverted (Hernes 1978). The project in fact concluded by pointing to the need for a 'new constitutional debate' (NOU 1982: 3).
3. To speak with Rousseau these perspectives only cope with 'the will of all', cf: 'There is . . . a great deal of difference between the will of all men and the general will; the latter considers only the common interest, while the former takes private interest into account, and is no more than a sum of particular wills' (Rousseau 1761, 34).
4. In this perspective the main functions of the modern state may be said to be:

   (a) pattern maintenance, the way the state has to preserve the norms and values of society;
   (b) power both over its own population and *vis-à-vis* other states;
   (c) the pursuit of wealth and prosperity for the population (Deutsch 1986).

5. Cf. reports to the Storting no. 26 (1983–84) and 29 (1988–89).
6. Report to the Storting no. 28 (1988–89).
7. It may be noted that in the oil sector the state has not very much relied on corporatist bargaining (Olsen 1988b, 24; 1989). Norway, which is known as 'the land of the thousand committees' (taken literally), has lost its reputation as the following table illustrates:

   The number of special committees (råd og utvalg) which works in association with the Norwegian central administration:

Year	1966	1977	1980	1982	1984	1986	1987	1989
	952	1155	1087	1061	931	903	847	809

   (Source: Report to the Storting no. 7 (1986–87) and no. 7 (1989–90)

8. A point neglected is the degree to which states become dependent upon external forces. As nations increasingly become subdued to international market fluctuations and to the pollution and foreign policy of other countries, we may say that states perhaps have regained autonomy internally, but they steadily lose autonomy externally as they increasingly have to adapt to supranational forces.

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