

## Can Secondary Associations Enhance Democratic Governance?

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There is no doubt that the problem Joshua Cohen and Joel Rogers have addressed in the opening paper to this volume is a very important one: the failure of strongly market-oriented liberal democratic polities like the United States to develop a system of effective governance through collaboration with sufficiently representative, interest-based secondary associations. Their claim is that secondary associations are neither inclusive enough, nor representative of the major interests in the society that they serve, to be an effective link with the formal structures of political decision-making. Yet such a link would enhance both the quality and the fairness of public policy.

They identify a connection between most of the major failings of the US social and political system and the weakness of secondary associations in democratic governance: limited citizen participation in the formal institutions of democracy; weak and unrepresentative political parties; the excessive influence of exclusive, narrowly self-interested associations in government and policy generally – in particular the over-representation of particular corporate business interests and the weakness of inclusive organizations representing the general interests of employers and organized labor; the exclusion of large sectors of society, specifically unorganized labor, the poor and welfare recipients, from effective political influence; an imperfect and fragmented welfare state; and the absence of effective national policies to enhance economic performance through supply-side measures like training.

This is a daunting list and most of these unsatisfactory features are widely recognized by political commentators and social scientists concerned with reform. Like Philippe Schmitter,<sup>1</sup> Cohen and Rogers are distinctive in their focus on the crucial role of the revitalization of secondary associations in democratization. Many commentators have recognized and lamented the fact that the economic competitiveness of

the United States has suffered from its individualistic social and political culture. Commentators such as Michel Albert<sup>2</sup> have argued that US firms lack the forms of social solidarity characteristic of Japan or the forms of societal corporatism characteristic of Western Europe. However, the problem with such a diagnosis, as Cohen and Rogers recognize it, is that it is difficult to identify existing foci of social solidarity that would enable the United States to evolve in such a direction. The United States is unlikely to evolve spontaneously in such a collaborative/cooperative direction, nor do its political institutions enable it to adopt an external 'model' and convert itself wholesale into a version of Japan or West Germany. Therefore, reforms are needed that are adapted to US conditions as well as a process of active democratic-governmental involvement in reforming its associational culture. Can secondary associations be transformed into a means of more effective and equal interest group representation and, therefore, into a vehicle for more collaborative governance? If they can, this may provide the key to solving some of the problems that beset the United States. Such changes can work only if they are compatible with US political institutions and the continental scale of the US economy.

In an earlier version of their paper Cohen and Rogers gave particular emphasis to an aspect of organizations that appeared to provide the basis for such an active reform strategy by government, that is, their *artificiality*. Associations are not merely the given and spontaneous products of social life; rather, the forms that they take and the powers that they have are in large measure the product of public policy. Therefore, the conditions under which organizations operate, the balance of power between them and the degree to which they compete or cooperate can all be shaped by the deliberate reform interventions of the democratic state. This strong version of the artificiality thesis seems to offer a promising basis for such an active reform strategy, evening up the conditions of democratic representation between associations. If associations were substantially the products of public policy, then they could also be changed by it.

I shall continue to refer to these stronger and starker formulations, since they highlight the problems of a strategy of active state intervention. They define artificiality as follows: 'What we mean by this is that there is no natural structure of group representation that directly reflects the underlying condition of social life.' I would agree wholeheartedly with this statement: social interests are not given, nor are the forms of organization in which such 'interests' are articulated. They go on to argue that the conditions of group formation, intergroup interaction and the resources groups possess 'are in part a

product of opportunities and incentives that are induced by the structure of political institutions and the substance of political choices'. Therefore, groups can be made the objects of public policy: 'a deliberate artifaction of groups, using the tools of public persuasion . . . (taxes, subsidies and sanctions), can be used to encourage those qualities of groups contributing to democratic governance, and to discourage those qualities that infringe it.' They quote E. E. Schattschneider<sup>3</sup> to the effect that the institutions of the political process are as much subject to public choice as substantive policy issues: 'The public has a choice of strategies and theories of political organization as well as a choice of issues. As a matter of fact, the choice of issues is apt to be meaningless unless it is backed up by the kind of organization that can execute the mandate.'

Artificiality, therefore, appears to be a matter of public choice, of political agents executing the mandate of a sovereign people. However, while 'the associative conception recognizes the importance of groups, and the need for congruence of state agendas with group agendas', it 'seeks to alter these agendas, and the structure of group representation, through the use of state powers.' The state is the agency of group transformation, acting on a popular mandate. However, the state is seen to be clearly more than a relay of popular decisions: 'the state, and citizens acting through it, should be alert to the possibilities of such associative solutions to policy problems, and willing to *act on groups* to achieve desired results . . . policy-makers should ask if the problem is one where *properly designed* associations could make a contribution . . .'. The issue here that needs to be emphasized is that state action by policy-makers to act on groups to ensure that they are 'properly designed' will always be something quite different from a simple, popular choice or democratic mandate; it will involve a far more autonomous series of actions by 'policy-makers', who are far more specific agents than a sovereign people.

This stark version of their thesis implies the proposition that if associations are artificial, then they can be re-artificated. The state can choose to change the types of association, their roles and powers. The problem is that this implication of their thesis by no means follows. Artificial associations and organizations created by public policy can prove remarkably resistant to deliberate change and active political re-engineering. Consider the corporation. At one time both US and UK laws were hostile to the widespread granting of corporate powers and privileges; corporations were considered a danger to the interests of individuals and gave undue powers to some citizens to protect their property against risk. In the latter part of the nineteenth

century legal and political opinion changed and corporate status with limited liability became widely available. No one imagines that we could now radically alter the rights of private corporations, removing limited liability or greatly increasing the public responsibilities of corporations, without the most fundamental change in political attitudes and public opinion.

The same may hold true for other aspects of associative life and the capacity of the state to reshape the existing structure of secondary associations. I would claim that the capacity of the sovereign power of the democratic state may be less than they assumed and that there is a tension between two radically different conceptions of democracy in their analysis. The six criteria Cohen and Rogers advance to define democracy – popular sovereignty, political equality, distributive equity, civic consciousness, good economic performance and state competence – encapsulate these two different conceptions. The latter two criteria are not wholly coincident with the first four. Those four relate to a classic radical republican definition of democracy as the majoritarian power of decision of sovereign citizens (subject to the protection of individual rights and minorities). But the concerns for which they raise associative democracy as a solution involve a rather different conception of democracy, which is at best understated in their criteria. That is, the conception of democracy as effective governance based on an adequate flow of information from society to government and the coordination of social affairs through the collaboration of the state with secondary associations representing the major, institutionally constructed social interests.

This latter conception defines democracy not in terms of the rule of majorities but in terms of the *quality* of decision-making which results from the interaction of the state and other social organizations. It is the basis for neocorporatist conceptions of governance and was probably best expressed by Emile Durkheim in his *Lectures on Civic Morals*.<sup>4</sup> For Durkheim the majoritarian principle and formal territorial representation of individual citizens are not the most significant phenomena in defining what is 'democratic' about the modern capitalist state – democracy is a process of effective two-way communication between an independent public power (the state) and organized social groups representing the main occupational interests. In his conception of democracy Durkheim emphasizes the state as a distinct organ of social coordination, *not* of majoritarian decision: 'the state is nothing if it is not an organ distinct from the rest of society'.<sup>5</sup> Only an independent public power can ensure that the state does not become a medium for the conflict of distinct social interests,

in which the majoritarian principle serves merely to enable one set of interests to prevail over another. He argues that accurate information, objectivity and rationality in policy-making are the hallmarks of an effective democracy. Group participation is only effective if the interaction of groups with the state enables public policy to be made on such a basis: 'The more deliberation and reflection and a critical spirit play a considerable part in the course of public affairs, the more democratic the nation'.<sup>6</sup> Communication makes possible enhanced social solidarity because it requires groups to put their objectives in a rational form, capable of mediation by the public power. Groups, therefore, are able to act together. Such enhanced solidarity makes possible effective group coordination through the state; the state is able to act in an informed and efficient way, and thus enjoys consent for its policies.

This view of 'democracy' may appear idealistic if we expect pluralistic political competition to take the form of knock-down, drag-out conflicts between exclusive and self-interested groups. It emphasizes, however, that the state must be more than a medium of decision if effective coordination in the attainment of long-term and common social goals like good economic performance and state competence are to be achieved. This view of 'democracy' emphasizes that the separateness of the state from the organized social interests is a condition for its function as an organ of social solidarity. The state in this conception must be neither captured by certain organized social interests, nor become a mere forum for group conflict and antagonistic bargaining. The state, while distinct, must interact with society and not stand over it as an absolute power. This conception, for all its apparent idealism, does capture the political processes at work in more consensual and collaborative policies, and there is considerable evidence that such group coordination does enhance economic performance. This type of state is a key component in those *political* conditions that enable a balance to be struck between the cooperation and conflict of interest groups, firms and other agencies, such that market societies can produce satisfactory outcomes for both welfare and long-term competitiveness.

It seems to me that this conception of the state as a distinct public power capable of a substantial measure of objectivity in policy-making is implied in Cohen and Rogers's own analysis. On the one hand, this emerges from their emphasis on the need to ensure that the state is not so permeable to outside influence that it cannot be captured by certain powerful, exclusive and narrowly self-interested associations. Associations are not given agencies that emerge from underlying and

natural divisions in social life; rather, they are political *constructs*. That means that they can be crafted by deliberate public policy. As we have seen, such crafting cannot be simply a matter of giving effect to the popular will; it involves a process of 'design' by state agencies.

If we accept that associations are to be *crafted* by public policy, then the question of the *agency* that accomplishes such crafting becomes crucial. Such an agency requires both a measure of neutrality and objectivity to act in the common good. It also requires a measure of legitimacy so that its actions will evoke consent. How can state agencies acquire the competence, neutrality and legitimacy to perform this function of crafting? They must be autonomous enough to act on society and yet must possess sufficient public support that those actions can be sustained. The artfactuality of organizations seems an attractive thesis to a reformer, yet it raises a host of problems. Crafting can be neither the recognition of already given interests by the state nor can it be the creation de novo by the state of secondary associations as forms of social solidarity. Durkheim argues that the state must function as a directive organ of social intelligence if it is to be both an effective and yet not excessively authoritarian means of societal governance: he does not explain how it acquires both the capacity to act on society and the neutrality to do this constructively.

Such a state cannot be subject to citizen sovereignty and the majority principle, for that would undermine its separateness and neutrality. Its agencies and servants must be autonomous enough to function and yet not too independent that it dominates society as an authoritarian power. Can such a state of objective and effective public servants exist? On what basis can it claim to craft group representation in the interests of the whole? The legitimacy of 'majority' support is hardly helpful, since the role of the state is to act on and craft the very associations that serve to create that support. Moreover, the very necessity of crafting arises because the existing associations are deficient in certain important respects: weak political parties, exclusive interest groups, etc. A 'majority' may be regarded as itself an artifact of the very associational structure and culture which is at default. If the state is seeking the support of a 'people's will' independent of the existing secondary associations which act to form it, does it not court the plebiscitarian danger of an over-strong state and associations which are crafted to suit its objectives and therefore provide it with manufactured support? How does the state acquire the independence from an artifactual but deficient 'society' to act in the 'general interest' against narrowly self-interested associations?

I ask these questions in a sharp form, not because I wish to dispute

the thesis that secondary associations are in some substantial degree artifactual, nor because I dispute that the more inclusive and equal representation of the major social interests would be a good outcome. The thesis of artfactuality and the process of reform in the direction of the equalization of the influence of secondary associations both involve a very difficult balancing act. Place too much emphasis on artfactuality and the task of public policy either becomes impossible – the state is acting in a vacuum of legitimacy – or the risks of the state acquiring too much power become too great – it shapes associations to its own purposes.

In fact, the only way out of these dilemmas is to downgrade the thesis of artfactuality a good deal, while accepting that associations are political constructs. The crafting of associations by state agencies can only work if there are existing foci of quasi-constructed and quasi-political group solidarity to work on. The state enters into a partnership with weak organizations to enhance their capacities and it also enables weakly articulated and fragmented interests to acquire a more effective definition and voice. What is entailed here is something radical informers in the United States have often hankered after – a new New Deal, in which a majoritarian democratic decision enables state agencies to have the power to act on the political system in order to enable and empower the weak and excluded. This supposes that the existing system of associations is neither too deficient nor too corrupt to produce such a result.

Serious problems remain, however, even if we entertain the premiss that such an outcome is possible. We accept in this analysis that there are pre-existing (if constructed) foci of solidarity with which a democratically renewed state enters into partnership. If newly enhanced associations (based on pre-existing sources of solidarity) are artfactually generated by state aid, will they not be heavily dependent on state aid in order to function? The problem here is less that of the state crafting associations in its own image, and, therefore, skewing the process of political communication excessively in the direction of the state, than of weakening associations by the very process of strengthening them. If secondary associations become creatures of public policy, then danger lies in their fragility and vulnerability to shifts in public policy.

The only way to avoid this danger is if the state were to engineer an 'irreversible shift in power', simultaneously promoting certain organizations and weakening others in order to undercut their capacity to campaign against this process and win elections. This would court the opposite danger of political mobilization from above,

and would be regarded by the threatened organizations as a 'totalitarian' manipulation of the political process. There is no prospect of such a radical redistribution of power aided by the state in the United States, the established and exclusive parties and interest groups are simply too strong and well resourced. A reform initiative could only proceed and avoid being derailed if the strong and exclusive organizations capable of reversing a 'majority' in favor of such change actually accept the need for a reform which produces a fairer and more open system of associations. The odds of such interest groups doing so, of accepting even modest changes in the status quo, is probably small, however articulate and sustained the advocacy of the collective benefits of such changes. Without such a broad political consensus for reform and the acceptance of common national goals, the fragile new capacities of groups are at the mercy of the formal representative system with all its defects. Thus there may be reversals of policy long before the benefits of such crafting are felt and the 'artifactual' associations are capable of standing on their own feet. The fate of the poverty programs of the 1960s and 1970s is an all too obvious reminder. They were reforms from above and dependent on state bureaucracy. But reforms that aim to produce action and governance from below may be equally vulnerable to failures of implementation of and subsequent changes in state policy.

Durkheim assumed that groups were far from artifactual. He supposed that the state could bring itself into relation with independently solidaristic secondary associations, occupational groups. The objective was to persuade all groups to cooperate and for key groups to come to recognize the futility of non-cooperation. A corporatist state could thus overcome both the pathological tendencies of an unregulated market society and the threat of conflict that arose from such tendencies. In Cohen and Rogers's case the threat is not socialism as it was for Durkheim; rather, it is the continued decay of social solidarity through an excessively anarchic and individualistic capitalism which threatens to destroy the conditions for effective and more equal group representation and which undermines its own international competitiveness in the process. I have tried to show that the problem is that this process of crafting an alternative throws an excessive weight either on the capacity for reform of the state or the possibility of a consensus about the virtues of reform on the part of existing parties and associations. However accurate Cohen and Rogers's diagnosis of the problems may be, however attractive their thesis of artifactuality, it does not follow that a satisfactory political mechanism to solve them is at hand in a liberal capitalist state like the United States.

The nation-state is far from completely losing its salience in the face of globalization and the formation of supranational economic blocs like the European Union.<sup>7</sup> The mechanisms of national economic regulation are changing, but governmental policies to sustain national economic performance can retain considerable relevance, even if their nature, level and functions have changed radically. The problem is that, unlike Keynesianism, the new strategies of regulation are not techniques of macroeconomic management available to every competent state administration in an advanced industrial country. Rather, these new strategies place a premium on the specific inheritance of social institutions and, in particular, on the solidarity and common commitment of effectively organized associations.

Nation-states are no longer (if they ever were) 'sovereign' economic regulators able to alter macroeconomic aggregates at will. Instead, national economic management depends increasingly on the capacities of *political* communities at national and regional level to sustain certain policies: cooperation to enhance supply-side performance, commitment to fiscal policies that enable effective public investment in human capital and infrastructure, restraint in wage bargaining by organized labor and the commitment by a cohesive core of the business community to continued investment in the territory in question. These policies require forms of solidarity between social actors and the capability of organized interests to put long-term, territorially-based outcomes first. Organizations may be both artifactual and the outcome of specific histories, but all states are not equally well endowed in this respect. One must qualify the capacity of states to reverse unfavorable institutional inheritances by means of deliberate public policy. This may be possible – inheritance is not fate – but then again, it may not. The conditions of building the political prerequisites of effective cooperation are not available to all states.

As Scharpf<sup>8</sup> indicates, organized labor has the greatest interest in such collaborative policies. It is collectively less mobile than capital and must regard its own national or regional situations as a community of fate. Where organized labor is both strong enough and able to adopt the necessary policy measures, then it can offer the conditions for an ongoing national or regional pact with capital. Where capital has the minimum solidarity and national commitment to respond, such initiatives by organized labor are capable of creating the political conditions for effective economic partnership. Organized labor has to make three long-term commitments which are difficult to sustain and which put a premium on its capacity for concerted action: the acceptance of tax levels high enough to sustain public spending to

assure economic competitiveness, and in particular investment in human capital; the recognition of the need for ongoing responsibility in wage bargaining to secure price stability and the profitability of firms; and a partnership with management at national and firm levels to promote the ongoing improvement of productivity. In this sense 'social democracy' is a core component of a viable national strategy for economic management in the changed conditions of the post-Keynesian era. States that can draw on and preserve strong social democratic traditions have the best chance of adapting to the changed conditions. As we can see from the cases of Germany and Sweden, such adaptation may prove difficult even where the traditions of cooperation and common action are strong. Other countries, like Japan, have effective – if politically and institutionally divergent – substitutes for social democracy. Certain regions can also develop policies that compensate for the weakness of their national political systems (e.g. the more successful Italian regions), although here too the difficulties of deliberate adaptation are formidable. The countries at the greatest disadvantage are those whose manufacturing sectors lack broad-based competitiveness and which lack the political conditions to compensate for the disintegration effects of internationalization. The UK and the US are obvious examples, and the prospect of their continued economic decline into the twenty-first century must be greater than that of a politically directed process of collaboration to restore competitiveness.

If this gloomy analysis is correct, then its *political* consequences are disturbing. Lack of cooperation between the major social interests and of coordination by the state leads to poor economic performance. Poor economic performance leads to social fragmentation as successful firms, sectors and regions pull away from the national norm and are unwilling, at the price of their own competitiveness, to pay for general programs of economic revitalization or social compensation for the effects of economic decline. Such firms, sectors and regions adhere to exclusive interest organizations and pursue a narrowly protective policy, which aims to direct public policy toward their own advantage. They gain in influence since they have the resources to campaign and the state is fearful to overburden the remaining islands of success. Economic failure leads to social fragmentation, and the consequence is political blockage – consensus policies become impossible as social interests become more and more internally divided and mutually antagonistic. This process is more likely where the political inheritance is one of *laissez-faire* and competitive individualism. The process of fragmentation legitimizes the 'winners'

and stigmatizes the 'losers'. The odds are that the *social* sources of competitive failure are likely to be self-reinforcing and to inhibit an effective political response.

This latter outcome appears more likely than that failure will evoke a radical political response and strong action by the state to change the terms on which associations operate. Moreover, the US political system has specific features which are likely to inhibit effective and sustained state action. The difficulties with a practice of crafting associations toward new focus of democratic governance are that it requires both a strong state and a cohesive political class of representatives and officials. The Federal government seems woefully deficient in this respect. Political parties exhibit weak discipline and are not effective mechanisms to generate carefully constructed policy platforms. The separation of the legislative and executive branches means that cabinet posts are headed by short-term political appointees who are usually not experienced career politicians. The US lacks both a stable and competent political class and an autonomous and experienced administrative stratum.

How, then, should one respond? I am constitutionally hostile to making pessimism the basis for a gospel of political despair. I have two suggestions to make, neither of which will adequately address problems at the national level. Both rely on giving greater scope to associations in democratic governance. The first is to advocate a process of rebuilding associations from below, by political campaigning and voluntary action in civil society. Resources for associations may be unequally distributed, but they do not altogether exclude efforts to construct or rebuild means of campaigning on behalf of the poor and excluded. Voluntary and campaigning associations of this kind are still quite effective in the United Kingdom and they continue to attract able and determined members of the professional classes as leaders and staffers. Churches in the United States are possessed of considerable resources and great public influence. Perhaps they might be vehicles for campaigns to support marginalized constituencies. Such action will be long-term and its outcomes partial, but this kind of voluntary action to craft artifactual associations may create foci for support of a more general politics of reform while also acting in the meantime as agencies for addressing social problems. The second is to work at the regional level and to build on and attempt to generalize the efforts of state and city governments to promote programs of economic revitalization and to create agencies to carry out these programs. Obviously, there are severe budgetary constraints to such programs in the United States and the problems of many localities are

massive, but in the absence of appropriate Federal programs there seems little alternative.

There are rationales for such strategies that are more than a gospel of despair. There is a strong English associationalist tradition which gave precedence to voluntary action in civil society.<sup>9</sup> This tradition overemphasized the organic nature of associations and denied the thesis of artificiality advanced by Cohen and Rogers. However, we need not subscribe to this tradition uncritically nor believe associations are simply spontaneous outgrowths of social life. The great strength of this pluralist and associationalist tradition – represented by such thinkers as J. N. Figgis, G. D. H. Cole and H. J. Laski – was that it was all too aware of the danger of dependence on the state. They were opponents of centralization and bureaucracy. They believed that associations are most effective when they are constructed by citizens rather than by the state, and they challenged the ‘concessionist’ theory of associations as entities that are dependent for their existence on state recognition. As libertarians they feared the dangers of giving more and more tasks to central state agencies and officials. They were aware of both the formidable difficulties of accountability of big government and of the tendencies of a public service state to appropriate and redefine social objectives in its own image and interest.

The voluntarist and libertarian current in associationalism was, however, not inherently hostile to extended cooperation between associations or to the coordination of social activities through the interaction of associations and (decentralized and more accountable) state agencies. The problem is that those most open to such conceptions tended to see such processes in terms of a guild socialist society. That was utopian then and beyond credibility now. But this current of associationalism is a valuable corrective to certain aspects of the corporatist conception of the role of associations in democratic governance. It makes clear against Durkheim – that the idea of the state as a ‘distinct organ’ of the community and separate from it – has real dangers, unless the state is pluralized and decentralized as far as is practicable. Against the theorists of societal corporatism, it warns of the dangers of inclusive ‘peak’ organizations with strong disciplinary powers, unless they are constrained by active and democratically self-governing subsidiary organizations below them.

As it happens this voluntarist and libertarian current of associationalism, which emphasizes self-governing organizations freely formed of citizens, is in many ways more compatible with the individualistic tendencies of ‘Anglo-Saxon’ politics than is the more centralist and

statist conceptions of Durkheim or the neocorporatists. This may seem to be making a virtue out of necessity, but, given the inherent difficulties of reform from above, it is worth considering the prospects for revitalization from below. Such prospects are far from rosy. One cannot imagine that voluntary action in civil society can address all the problems of national economic performance, but at least it can mitigate the consequences of such problems for marginal groups and serve as an advocate of their concerns. Given that ambitious programs of crafting associations through the state are unlikely to be realized, such a strategy has the merit that the partial successes it achieves will be real ones.

## Notes

1. P. Schmitter, ‘Corporative Democracy: Oxymoronic? Just Plain Moronic? Or a Promising Way out of the Present Impasse?’ mimeo, Stanford University 1988.
2. Michel Albert, *Capitalisme contre capitalisme*, Paris: Seuil 1991.
3. E. E. Schattschneider, *The Semi-Sovereign People*, Hinsdale, IL: Dryden 1960.
4. E. Durkheim, *Professional Ethics and Civil Morals*, London: Routledge & Kegan Paul 1957.
5. *Ibid.*, p. 82.
6. *Ibid.*, p. 89.
7. P. Hirst and G. Thompson, ‘The Problem of Globalization: International Economic Relations, National Economic Management and the Formation of Trading Blocs’, *Economy and Society*, vol. 21, no. 4 (1992), pp. 357–96.
8. F. Scharpf, *Crisis and Choice in European Social Democracy*, Ithaca, NY: Cornell University Press 1991.
9. P. Hirst, *Associative Democracy*, Amherst, MA: University of Massachusetts Press 1994; P. Hirst, ed., *The Pluralist Theory of the State: Selected Writings of G. D. H. Cole*, J. N. Figgis & H. J. Laski, London: Routledge 1989.