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The Policy Process in the Modern Capitalist State

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theories of the power structure in this chapter, beginning with a definition of the state and a description of its functions.

WHAT IS THE STATE?

The state can be defined both in terms of the institutions which make it up and the functions these institutions perform. State institutions comprise legislative bodies, including parliamentary assemblies and subordinate law-making institutions; executive bodies, including governmental bureaux and departments of state; and judicial bodies – principally courts of law – with responsibility for enforcing and, through their decisions, developing the law. There are variations between political systems in the extent to which legislative, executive and judicial institutions are separate from one another or overlap. In the United Kingdom there is considerable overlap between the Cabinet, Parliament and the House of Lords as the highest branch of the judiciary, while in the United States, the Presidency, Congress and the Supreme Court are distinctive institutions, kept apart by the separation-of-powers principle. To support and maintain legislative, executive and judicial institutions, all political systems employ police and armed forces to guarantee internal and external security.

State institutions are located at various levels – national, regional and local. Peripheral institutions vary considerably in the degree of freedom they enjoy from central agencies. The autonomy of peripheral bodies is important not least because this will influence whether central policies are implemented at the local level. The growth of state intervention has tended to increase the powers of central institutions, although there are important variations between political systems on this point. The existence of state agencies at different levels means that consideration must be given to the role of the local state as well as to the role of the national state. We examine theories of the local state later in the chapter, noting in particular Cawson and Saunders' (1981) argument that different agencies of the state may be subject to different political influences.

The bodies which make up the state perform several func-

2 The Role of the State

The state in contemporary society has a profound impact on people's lives. From the moment of birth to the instant of death, the destinies of individuals are regulated and controlled by government agencies to an extent previously unknown. Yet state intervention is not a completely new phenomenon. Even in the nineteenth century complaints were voiced in Britain about the growth of regulation by the state, and what is distinctive about the modern state is the character and scope of its intervention. As Saunders notes, the state's 'character has been increasingly positive and directive while its scope has broadened to encompass areas of economic activity which have traditionally been considered private and thus inviolable' (1980, p. 140).

The growth of state intervention in advanced industrialised societies has been accompanied until recently by a curious neglect on the part of social scientists of the role of the state and its relationship to groups and individuals. To a considerable extent, mainstream approaches within established disciplines such as political science have concentrated on examining phenomena such as voting behaviour, electoral systems and pressure groups while ignoring the wider context within which these phenomena are located. In the authors' view it is necessary to give the state a central position in policy analysis. The case for doing so has been expressed clearly by Wolfe who has asserted, 'If state power is ever to be understood, the term itself must be brought back into existence; to resurrect the state is to make a political declaration about the centrality of organised political power in modern societies' (1977, p. ix). We therefore focus specifically on the role of the state and

tions. The main role of the police and armed forces is the maintenance of law, order, and peace. These functions are clearly fundamental to the persistence of stable relationships within a society, and they were among the earliest responsibilities taken on by the state. Indeed, it can be argued, following Weber (see Gerth and Mills, 1948), that having a monopoly of the legitimate use of force is what distinguishes state from non-state institutions. Equally important as the maintenance of internal and external security has been the state's role in protecting property rights, and its intervention, through the creation of judicial machinery, in establishing a system for dispensing justice between citizens. Until the twentieth century the state impinged on individuals mainly through its control, regulative and judicial activities. Only in relatively recent times has the state become heavily involved in the provision of services and in the operation of the economy. One of the consequences of state intervention in service provision and economic management has been the need to increase and extend the powers of taxation in order to finance state activities.

Although there are moves in a number of political systems to reverse these developments by cutting taxation and privatising functions previously performed by the state, it remains the case that individuals are affected in almost all aspects of their lives by what the state does. In contemporary terms, two areas of state intervention are of particular importance. First, there is the range of public services often referred to as 'the welfare state'. This area of intervention is manifested in the provision of services such as education, public health, pensions, income maintenance and housing. Second, following the widespread adoption of Keynesian economic management policies, the modern state has become more closely involved in regulating the operation of the economy. State intervention in this area ranges from facilitating industrial development through subsidies and tax concessions, to direct involvement in the productive process through public ownership of certain industries.

The last point draws attention to the fact that the political activities of the state are inextricably bound up with economic developments within society. From an historical perspective,

much of the growth of state intervention can be explained in terms of changes in the economy. For example, in Britain in the nineteenth century the Factory Acts which regulated working conditions were a response to perceived deficiencies in the way in which factory owners organised production processes. When attention was drawn to the existence of harmful and damaging working environments, the state intervened to curb the unbridled enthusiasm of entrepreneurs and introduced some measure of protection for industrial workers. Again, in the twentieth century the apparent failure of private enterprise and market mechanisms to maintain high levels of employment has resulted in state intervention in the economy through such measures as demand management, public works programmes, and state ownership of industry in an attempt to create jobs. It should not be concluded from these comments that there is a direct and deterministic relationship between changes in the economy and state intervention. Clearly, no such relationship exists in practice, and economic changes have to be perceived and acted upon before there is any possibility of state intervention. Nevertheless, what the state does will be influenced in important respects by economic factors.

One of the issues this raises is the relative influence of state and societal factors in explaining the development of public policy. Nordlinger (1981) argues that the four main bodies of theory which have tackled this issue have all given 'society-centred' answers. Thus, pluralism emphasises the constraints imposed on the state by a wide range of groups and maintains that public policy is largely a reflection of the preferences of these groups; neo-pluralism or elitism stresses the power exercised by a small number of well-organised societal interests and notes the ability of these interests to achieve their goals; Marxism points to the influence of economic interests on political action and sees the state as an important means of maintaining the dominance of particular social classes; and corporatist theories also point to economic changes in industrial society as having a major impact on the role of the state and its interaction with outside groups. Nordlinger contends that none of these theories gives 'state-centred' explanations of public policy sufficient prominence. To explore these ideas

in more detail, and to test the validity of Nordlinger's arguments, we will examine the different theories in order to understand better how the state operates in contemporary society.

PLURALIST THEORY

The political systems of western industrialised societies are often described as democratic. As Parry has noted,

'Democracy' and 'democratic' have become in the twentieth century words which imply approval of the society or institutions so described. This has necessarily meant that the words have become debased in that they have almost ceased without further definition to be of any use in distinguishing one particular form of government from another (1969, p. 141).

Parry goes on to comment that the classical liberal theory of democracy, represented by writers such as Mill and Rousseau, emphasises the importance of widespread political participation on the part of individuals. Inspired by Greek models of democracy, both Rousseau and Mill stress the need for direct and active involvement by citizens if democratic government is to be achieved. More recent theorists in the liberal tradition have played down the importance of participation, and have pointed instead to the role of regular competitive elections in democratic governments. Schumpeter (1947) exemplifies this body of work, defining democracy as 'that institutional arrangement for arriving at political decisions in which individuals acquire the power to decide by means of a competitive struggle for the people's vote' (p. 269).

Later contributions to the reinterpretation of democracy point to the representation of opinion through pressure groups as well as open elections as a key feature of democracies. Thus, it is argued that the pressure groups which have grown up alongside the formal institutions of government have come to play an important part in representing the views of specific interests. In the British context, Beer (1965) has

noted the development of a collectivist theory of representation legitimising a much greater role for groups than earlier conceptions of representative government. Beer argues that as governments sought to manage the economy they were led to bargain with organised groups of producers, in particular worker and employer associations. Governments of both political parties sought the consent and cooperation of these associations, and needed their advice, acquiescence and approval. Similarly, the evolution of the welfare state stimulated action by organised groups of consumers, such as tenants, parents and patients. The desire by governments to retain office led them to consult and bargain with these consumer groups in an attempt to win support and votes. Beer's thesis has been developed in the work of Richardson and Jordan (1979), who have argued that Britain is a 'post-parliamentary democracy' in which policies are developed in negotiation between government agencies and pressure groups organised into policy communities. According to Richardson and Jordan, pressure groups influence public policy from the point at which issues emerge onto the agenda to the stage of implementation.

In the United States the activities of groups are seen as central in the pluralist theory of democracy whose foremost exponent is Robert Dahl. Pluralist theory, which Dahl also terms polyarchy, argues that power in western industrialised societies is widely distributed among different groups. No group is without power to influence decision-making, and equally no group is dominant. Any group can ensure that its political preferences and wishes are adopted if it is sufficiently determined. The importance of pluralist theory is demonstrated by the fact that, implicitly if not always explicitly, its assumptions and arguments now pervade much Anglo-American writing and research on politics, government and the state.

Dahl's major empirical study was an analysis of power in the town of New Haven, reported in his book *Who Governs?* (Dahl, 1961). What Dahl did in New Haven was to select a number of key political issues and examine who won on those issues. One of the criteria used in identifying key issues was that there should be disagreement among two or more actors

about what should be done. An issue was key, in other words, if there was open conflict. After studying a number of such issues, including public education and urban redevelopment, Dahl concludes that no one person or group was dominant in New Haven. Different interests were active on different issues, and there was no consistent pattern of success or failure. Indeed, one of the points Dahl notes is that interests opposed on one issue might join together on another. The only actor consistently involved was the Mayor, but he was by no means dominant.

Building on the New Haven case study, Dahl and colleagues such as Nelson Polsby (1963) developed the more general theoretical position known as pluralism. This position does not hold that power is equally distributed. Rather, the theory argues that the sources of power are unequally though widely distributed among individuals and groups within society. Although all groups and interests do not have the same degree of influence, even the least powerful are able to make their voices heard at some stage in the decision-making process. No individual or group is completely powerless, and the pluralist explanation of this is that the sources of power – like money, information, expertise and so on – are distributed non-cumulatively and no one source is dominant. Essentially, then, in a pluralist political system power is fragmented and diffused, and the basic picture presented by the pluralists is of a political marketplace where what a group achieves depends on its resources and its ‘decibel rating’. The idea of politics as a marketplace in which leaders compete for votes is taken forward in the work of Downs (1967) who uses economic theory to analyse political behaviour.

The role of government agencies is viewed differently by different writers in the pluralist tradition. While some writers argue that government is neutral and acts essentially as a referee in the struggle between groups (Latham, 1952), the dominant theme in the work of Dahl is that government agencies are one set of pressure groups among many others. According to the latter interpretation, government both pursues its own preferences and responds to demands coming from outside interests. One point to note about modern pluralist analyses is that the state as such is rarely investigated.

As Wolfe notes, over time ‘political science became the study, not of the state, but of something at a less rarefied level called government’ (1977, p. xii).

ELITE THEORY

Elite theory challenges the view that power is distributed in the manner described by the pluralists. Drawing on the work of the classical elite theorists, Pareto and Mosca, later writers such as C. Wright Mills have pointed to the concentration of political power in the hands of a minority of the population. Pareto and Mosca argue that the existence of a political elite is a necessary and indeed inevitable feature of all societies. As Mosca states,

Among the constant facts and tendencies that are to be found in all political organisms, one is so obvious that it is apparent to the most casual eye. In all societies – from societies that are very meagrely developed and have barely attained the dawnings of civilisation, down to the most advanced and powerful societies – two classes of people appear – a class that rules and a class that is ruled. The first class, always the less numerous, performs all political functions, monopolises power and enjoys the advantages that power brings, whereas the second, the more numerous class, is directed and controlled by the first, in a manner that is now more or less legal, now more or less arbitrary and violent (1939, p. 50).

The classical elitist thesis maintains that political elites achieve their position in a number of ways: through revolutionary overthrow, military conquest, the control of water power (a key resource in oriental societies), or the command of economic resources. In the modern state, the position of elites is related to the development of large-scale organisations in many areas of life, with the result that there are different kinds of elites, not just those holding formal political power. Bottomore makes a distinction between the political elite which is made up of ‘those individuals who actually exercise power in a society at any given time’ and which ‘will include members of the government and of the high administration, military leaders, and, in some cases, politically

influential families of an aristocracy or royal house and leaders of powerful economic enterprises', and the political class, comprising the political elite but also leaders of political parties in opposition, trade union leaders, businessmen and politically active intellectuals (1966, pp. 14–15). Defined in this way, the political elite is composed of bureaucratic, military, aristocratic and business elites, while the political class is composed of the political elite together with elites from other areas of social life. What this suggests is that elite power may be based on a variety of sources: the occupation of formal office, wealth, technical expertise, knowledge and so on. To a certain extent, these resources may be cumulative but power is not solely dependent on any one resource.

In the twentieth century, the growth of large firms, the establishment of trades unions, and the development of political parties – all institutions in which effective power rests with an oligarchic leadership – underlines the significance of organisational control and institutional position as key political resources. Of particular importance in this context was the creation of bureaucratic systems of administration to carry out the increasing responsibilities taken on by the state from the nineteenth century onwards. As Weber notes, bureaucracies have both positive and negative aspects: positive in that they offer an efficient way of organising administration; and negative because they open up the possibility of power being vested in officials who were accountable neither to the public nor politicians (1947). The growth of bureaucracies may, in Weber's view, lead to control of the economy by bureaucrats. These themes are discussed more fully later in the chapter in relation to corporatist theories of the state, and in the following chapter.

Modern elite theory is well represented by C. Wright Mills (1956). In a study of the USA in the 1950s, Mills draws attention to institutional position as a source of power, and suggests that the American political system is dominated by a power elite occupying key positions in government, business corporations and the military. The overlap and connection between the leaders of these institutions helps to create a relatively coherent power elite. The elitist conclusions of Mills were paralleled by studies of local politics in the USA in the

1950s, in particular in the work of Floyd Hunter (1953). Hunter's study of Atlanta, Georgia, which was based on an analysis of the reputation for power of local leaders, uncovered an elite made up mainly of businessmen, bankers and industrialists. However, Hunter's work has been criticised by a number of writers, not least because of doubts about the reliability of the reputational method in identifying power relationships. It was because of these doubts that Dahl, Polsby and other writers in the pluralist tradition undertook their own empirical studies, analysing political activity on key issues rather than focussing on power reputation.

As we have noted, the conclusions of these studies were in conflict with the findings of Hunter. Yet the pluralists have themselves been criticised for ignoring the possibility that power may be exercised other than on key issues. The attack has been led by Bachrach and Baratz (1970), and we will be discussing their important analysis of power and nondecision-making in Chapter 4. The main point to note here is their argument that power may be used to control the political agenda and confine discussion to safe issues. If this is accepted, then the methodology adopted by writers like Dahl, involving the study of who wins in conflicts over key issues, may ignore important aspects of power. One of the implications of Bachrach and Baratz's work, which has been described as the neo-elitist critique, is that the distribution of power may be less pluralistic than Dahl maintains.

The issue which this raises is when does pluralism end and elitism begin? It has been suggested that the existence of elites is not incompatible with pluralist democracy because competition between elites protects democratic government. In other words, regular elections based on competition between the leaders of political parties, together with participation by pressure group elites in between elections, and interaction between these elites and the bureaucratic elites, are the ways in which democracy operates in the modern state. The fact that different elites operate in different issue areas is a protection against domination by one group. According to this interpretation, the structure of power in western industrialised countries can be described as democratic elitism, involving not only competition between elites but also their

circulation and replacement.

Elite theory, in both classical and modern guises, represents an important alternative to pluralism. Yet, while some writers have attempted to reconcile elitism and pluralist democracy, others have used the findings of elitist studies to argue that the power elite is but a ruling class by another name. That is, it is suggested that institutions may well be run by minority groups, but that these groups come from similar social backgrounds and are therefore exercising power in the interests of a dominant class. This is one of the points made by Miliband in his analysis of the role of the state in capitalist society (1969). The similarity in social background between state officials and the bourgeoisie is part of the evidence Miliband invokes to challenge pluralist interpretations of the power structure. In place of these interpretations, Miliband sets out an analysis based on the ideas of Marx. We will now consider the Marxist perspective on the role of the state in more detail.

MARXIST THEORY

In his book, *The State in Capitalist Society*, Miliband takes as his starting point not the political process itself but the form of economic organisation or the mode of production. In advanced western industrialised societies the capitalist mode of production dominates, giving rise to two major social classes – the bourgeoisie and the proletariat. Miliband's analysis of the distribution of income and wealth, and changes in this distribution over time, demonstrate the continued concentration of wealth in a small section of the population. The question Miliband then asks is whether this economically dominant class exercises decisive political power. In other words, he explores the relationship between economic power and political power.

Taking their cue from Marx, writers like Miliband argue that the state is not a neutral agent, but rather it is an instrument for class domination. Marx expressed this view in the *Communist Manifesto*, where he wrote that 'The executive of the modern State is but a committee for managing the

common affairs of the whole bourgeoisie' (quoted in McLellan, 1971, p. 192). Miliband suggests three reasons why the state is an instrument of bourgeois domination in capitalist society. First, there is the similarity in social background between the bourgeoisie and members of the state elite, that is those who occupy senior positions in government, the civil service, the military, the judiciary and other state institutions. Second, there is the power that the bourgeoisie is able to exercise as a pressure group through personal contacts and networks and through the associations representing business and industry. Third, there is the constraint placed on the state by the objective power of capital. Another way of putting this is to say that the freedom of action of state officials is limited, although not eliminated, by their need to assist the process of capital accumulation, which stems from their dependence on a successful economic base for their continued survival in office. In these ways, Miliband contends, the state acts as an instrument which serves the long-term interests of the whole bourgeoisie. As a result his approach has come to be known as 'instrumentalism'.

The argument can be taken a stage further by examining the functions of the state in capitalist society. In broad terms it can be suggested that the capitalist state's main function is to assist the process of capital accumulation. This means creating conditions in which capitalists are able to promote the production of profit. At the same time the state acts, as we have argued, to maintain order and control within society. In specific terms, assisting accumulation means providing physical resources such as roads and industrial sites, while maintaining order is carried out both through repressive mechanisms like the police and through agencies such as schools which perform an important legitimisation function. The accumulation process is further assisted through state intervention in the provision of services such as housing and health to groups in the working population. One of the functions of these services is to reduce the cost of labour power to capital and to keep the work force healthy.

O'Connor (1973) classifies these different forms of state expenditure as social investment, social consumption and social expenses. Social investment increases labour produc-

tivity through the provision, for example, of infrastructure and aid to industry; social consumption lowers the cost of reproducing labour power as, for example, in the provision of social insurance; and social expenses serve to maintain social harmony. In practice, nearly all interventions by the state perform more than one of these functions. O'Connor's typology is valuable in relating state intervention to underlying economic and social processes, but the typology is not by itself intended to provide an answer to the question: whose interests are served by state activity?

O'Connor's own analysis suggests that state expenditure serves the interest of monopoly capital, and that the state is run by a class-conscious political directorate acting on behalf of monopoly capitalist class interests. In a similar vein, Gough (1979) makes use of O'Connor's typology to show how the modern welfare state serves the long-term interests of the capitalist class. Thus O'Connor and Gough are broadly sympathetic to Miliband's perspective on the role of the state. Yet Miliband's thesis has itself been criticised by other Marxists, and it is worthwhile considering some of these criticisms as they have a direct bearing on the question of the relationship between economic power and political power.

Miliband's main protagonist has been Poulantzas, who has maintained that Miliband accepts too readily the concepts and framework of the pluralists. As Poulantzas argues,

Miliband sometimes allows himself to be unduly influenced by the methodological principles of the adversary. How is this manifested? Very briefly, I would say that it is visible in the difficulties that Miliband has in comprehending social classes, and the State as *objective structures*, and their relations as an *objective system of regular connections*, a structure and a system whose agents, 'men', are in the words of Marx, 'bearers' of it — *träger* (1973a, pp. 294–5).

What Poulantzas seeks to demonstrate is that the class background of state officials is not important. The key is the third set of factors in Miliband's analysis, the structural constraints placed on the state by the objective power of capital. It is these constraints, Poulantzas contends, the 'objective relation' between the bourgeoisie and the state, which explain the political supremacy of the economically dominant class. For

Poulantzas, then, the state is not, as we suggested earlier, a collection of institutions and functions, but a relationship between classes in society.

In his later analysis in *Marxism and Politics* (1977), Miliband takes forward the discussion in *The State in Capitalist Society*, and goes some way towards meeting Poulantzas's criticisms, placing rather more emphasis on structural constraints. However, he in turn criticises Poulantzas, accusing him of determinism. Miliband contends that the structuralist argument 'deprives "agents" of any freedom of choice and manoeuvre and turns them into the "bearers" of objective forces which they are unable to effect' (1977, p. 73). In contrast to the structuralist approach Miliband wishes to argue that although the state in capitalist societies is a class state, it has some autonomy from the bourgeoisie. This autonomy helps explain why, for instance, the state may carry out reforms in the interests of the proletariat.

This again raises the thorny question of the relationship between economic power and political power. In Marx's work there is explicit acknowledgement that the relationship is not simply deterministic, and that the state may enjoy some independence from the bourgeoisie. His discussion of Bonapartism in France and Bismarck's rule in Germany, and the analysis of the coming to economic power of the bourgeoisie in England while the landed aristocracy retained political power, demonstrate this. Miliband takes up this theme by noting the later growth of Fascism in Italy and Germany, and by pointing to different forms of the capitalist state, including bourgeois democracy and authoritarianism. The key to understanding these developments, argues Miliband, is that all capitalist states have relative autonomy from the bourgeoisie (1977, Ch. IV).

Like Miliband, Poulantzas uses the concept of relative autonomy to explain the disjunction between economic power and political power. One of the points Poulantzas stresses is that the bourgeoisie or capital is divided into different interests, or fractions, and as well as acting in a reformist manner to help the proletariat, the state may also act against the interests of a particular fraction of the bourgeoisie. Thus

relative autonomy allows the state to intervene not only in order to arrange compromises vis-à-vis the dominated classes, which, in the long run, are useful for the actual economic interests of the dominant classes or fractions; but also (depending on the concrete conjuncture) to intervene against the long term economic interests of *one or other* fraction of the dominant class: for such compromises and sacrifices are sometimes necessary for the realisation of their political class interests (1973, p. 285).

It should be noted that the concept of relative autonomy presents a number of problems. In particular, although it provides an adequate description of how the state in capitalist society actually operates, it does not furnish a satisfactory explanation of state activities (Saunders, 1981a). To explain the activities of the capitalist state requires the identification of criteria for locating the limits of dependence by the state on the bourgeoisie and the conditions under which state agencies are able to operate autonomously. Neither Poulantzas nor Miliband is able to deal adequately with this issue. As a result, there is a need to treat the claims of Marxist theories of the state with some caution.

Despite their differences, both Miliband and Poulantzas see the capitalist state as one of the main means by which class domination is maintained. In this respect, they represent a radically different approach both to the pluralists – who tend to see government as one set of pressure groups among many others – and to the elitists, who argue that the state elite is powerful but not tied to a particular class within society. For the elitists, the state elite is able to achieve independent power because of its control of organisational and political resources. This argument finds echoes in the fourth theory we consider, corporatism, which gives much greater emphasis to state autonomy and dominance.

CORPORATIST THEORY

One of the principal exponents of corporatism, Jack Winkler, has argued that the state in capitalist society has come to adopt a more directive and interventionist stance as a result of a slowing down of the process of capital accumulation (1976).

Winkler points to industrial concentration, international competition and declining profitability in the United Kingdom economy as examples of significant changes in the economic system which have prompted the shift towards corporatism. In his writings Winkler stresses the economic aspects of corporatism, seeing it as a system of private ownership of the means of production combined with public control. According to Winkler, examples of corporate involvement by the state in the United Kingdom are provided by the development of policies on prices and incomes and the attempt during the 1970s to develop planning agreements with industry. These policies were worked out by the state in collaboration with business and trade union elites. However, Winkler does not specify precisely the role of the state in a corporate economy, nor does he discuss in detail the sources of state power. What seems clear, though, is that the state is not controlled by any particular economic class or group, but plays an independent and dominant role in its relationship with labour and capital. In this sense, Winkler's thesis has earlier parallels in Weber's arguments about the ability of bureaucracies to exercise power.

The political history of corporatism in Britain has been outlined most fully by Middlemas (1979). Middlemas argues that a process of corporate bias originated in British politics in the period 1916 to 1926 when trades unions and employer associations were brought into a close relationship with the state for the first time. As a consequence, these groups came to share the state's power, and changed from mere interest groups to become part of the extended state. Effectively, argues Middlemas, unions and employers' groups became 'governing institutions' (1979, p. 372), so closely were they incorporated into the governmental system. By incorporation, Middlemas means the inclusion of major interest groups into the governing process and not their subordination. The effect of incorporation is to maintain harmony and avoid conflict by allowing these groups to share power.

Middlemas's thesis has close parallels in the work of Schmitter who analyses corporatism as a system of interest representation. Schmitter defines the ideal type of corporatism as

a system of interest representation in which the constituent units are organised into a limited number of singular, compulsory, non-competitive, hierarchically ordered and functionally differentiated categories, recognised 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 (1974, pp. 93-4).

In Schmitter's analysis there are two forms of corporatism: state and societal. State corporatism is authoritarian and anti-liberal and describes the political systems of Fascist Italy and Nazi Germany. In contrast, societal corporatism originated in the decay of pluralism in western European and north American political systems. Schmitter hypothesises that in the latter systems changes in the institutions of capitalism, including concentration of ownership and competition between national economies, triggered the development of corporatism. The need to secure the conditions for capital accumulation forced the state to intervene more directly and to bargain with political associations. The emerging societal corporatism came to replace pluralism as the predominant form of interest representation. Schmitter sees corporatism as an alternative to pluralism and clearly the pattern of interaction which Middlemas describes bears a close resemblance to Schmitter's definition.

In the United States the relevance of the corporatist thesis has been questioned by observers such as Salisbury (1979) who have argued that Schmitter's model of societal corporatism does not fit the American experience. A different stance is taken by Milward and Francisco (1983) who note important trends towards corporatism in the United States. According to Milward and Francisco, corporatist interest intermediation occurs around policy sectors based on government programmes. In these sectors, state agencies support and rely on pressure groups in the process of policy formulation. The result is not a fully developed corporate state but rather 'corporatism in a disaggregated form'. In Milward and Francisco's view, neither federalism nor the separation of powers has precluded the development of corporatist policies because corporatism is based on policy sectors which cut

across both territorial boundaries and different parts of government.

It is apparent even from this brief discussion that corporatism is viewed in different ways by different writers. Theorists such as Winkler define corporatism mainly as an economic system to be compared with syndicalism, socialism and capitalism. In contrast, Schmitter, Middlemas, and Milward and Francisco discuss corporatism as a political system or subsystem. Reviewing these different approaches, Panitch (1980) argues for a limited definition of corporatism. In his view, corporatism is not a total economic system, as Winkler argues, but rather a specific and partial political phenomenon. More concretely, corporatism is 'a political structure within advanced capitalism which integrates organised socio-economic producer groups through a system of representation and cooperative mutual interaction at the leadership level and mobilisation and social control at the mass level' (p. 173).

Wolfe (1977) is another writer who sees corporatism developing in response to the crises of late capitalism. Noting the tension between the demands of accumulation and the need for legitimation within capitalism, Wolfe argues that political alternatives have been exhausted and that one response to government overload is a corporatist organisation of the state. In Wolfe's analysis this could involve, among other things, the economy being under the domination of monopolies making private investment decisions; the state planning apparatus working closely with these monopolies to further their investment decisions; representatives from trades unions acting as consultants to planning agencies; and the institution of price and wage controls. Both Wolfe and Panitch suggest that corporatist political structures function mainly in relation to economic policy-making and not in other areas of state activity.

This approach bears similarities to the work of Cawson (1978), Saunders (1980) and Cawson and Saunders (1981). These writers maintain that corporate relations tend to characterise the politics of production, while competitive politics dominate the politics of consumption. Interestingly, Cawson and Saunders argue against a single theory of the state. Rather, they suggest that different agencies of the

capitalist state are subject to different political influences, and this is important in highlighting the fact that the state may not be a unified set of institutions. In the British context, corporatist policies have developed at national and central levels because of the concentration of economic and productive policy-making activities at these levels. The power of state elites has come to be exercised in collaboration with business and union elites. At local level, competitive or pluralist politics have developed because local agencies of the state are mainly responsible for services and policies concerned with consumption. While economic policies are usually determined through negotiations between representatives of class interests, consumption policies are more generally the product of non-class-based struggles. Here then is an attempt to bring together elements from different theoretical approaches as a way of analysing the operation of the state in capitalist society.

The analysis of Cawson and Saunders draws attention to the debate about the local state. An increasing body of work has examined the operation of the state at the local level, and each of the theories examined here has been applied to both central and local levels. Indeed, many of the most important contributions by political scientists and sociologists to the discussion of the role of the state have their origins in empirical studies of local political systems: Hunter's (1953) work in Atlanta, Dahl's (1961) study of New Haven, and Bachrach and Baratz's (1970) analysis of Baltimore are three American examples; Newton's (1976) case study of Birmingham, Cockburn's (1977) work in Lambeth and Saunders' (1980) study of Croydon are English counterparts. Each of these studies lends support to one or other of the theoretical approaches discussed here.

As far as the corporatist tradition is concerned, it is also useful to consider Pahl's (1975) work on urban managers in the United Kingdom. Pahl's thesis is that the distribution of resources in urban systems is influenced by urban managers, that is bureaucrats, local politicians and other local elites with control over resource allocation. In its later development (Pahl, 1977), this thesis emphasises also the role of the economy in influencing resource distribution, seeing the

urban managers as performing a mediating function between the central state and the local population and between public and private sectors. As such, the urban managerialist thesis is almost indistinguishable from corporatism, and indeed Pahl collaborated with Winkler in developing the idea of the corporate economy. Pahl's work, and that of Saunders, suggests that it is important to examine in specific terms the operation of the state at the local level rather than to assume that the local state will function in the same way as the national state.

The corporatist thesis has been criticised by Marxists who have taken Winkler and others to task for failing to develop an adequate theory of the state. Thus, Westergaard argues that in Winkler's analysis the state 'figures in a curiously disembodied form' and 'its ability to put the powers which it has acquired to uses of its own is only asserted, not demonstrated' (1977, p. 177). Westergaard goes on to maintain that the principles which guide corporatism are merely those of capitalism, and that corporatism is not a distinctive economic system. For his part, Winkler does not argue that corporatism favours redistribution or equality, nor does he quarrel with the view that the state acts to restore private profitability and to enhance capital accumulation. Where Winkler and other writers in the corporatist tradition take issue with the Marxists is in their analysis of the role of the state and its autonomy. The corporatist thesis is that the state has moved from a position of supporting the process of capital accumulation to directing that process. In making this shift, new patterns of relationships have developed between the state and the major economic interest groups, and the state, although constrained by these interests, has autonomy deriving from its command of legal, organisational and other resources. It is this autonomy which enables the state to act in the interests of capital, labour and other interests as appropriate. To return to O'Connor's typology of state expenditures, it can be suggested, following Saunders (1981b), that social investment operates mainly to support capital while social consumption functions in the interests of other sections of the population. Above all, it is the independence of the state which is stressed by the corporatists.

This point is also emphasised by Nordlinger. As we noted

earlier in the chapter, Nordlinger maintains that state-centred explanations of public policy need to be given greater prominence. His thesis is that

the preferences of the state are at least as important as those of civil society in accounting for what the democratic state does and does not do; the democratic state is not only frequently autonomous insofar as it regularly acts upon its preferences, but also markedly autonomous in doing so even when its preferences diverge from the demands of the most powerful groups in civil society (1981, p. 1).

Nordlinger develops this thesis by identifying three types of state autonomy. Type 1 autonomy exists when the state acts on its own preferences when they diverge from societal preferences; type 2 autonomy obtains when state and societal preferences diverge and public officials act to bring about a change in societal preferences; type 3 autonomy describes the situation in which state and societal preferences are nondivergent and it is just as plausible to argue that state preferences influenced societal preferences to produce convergence as vice versa.

Nordlinger's analysis is valuable in making the case for the state and public officials to be given a more prominent place in explanations of government action. However, it must be questioned whether existing theoretical perspectives downgrade the role of the state to the extent that he argues. As we have noted, pluralism tends to see government agencies as one set of pressure groups among many others; elitism points to the power of public bureaucracies alongside other elites; Marxism notes the relative autonomy of the state and its ability to act against the wishes of the bourgeoisie; and corporatism highlights the increasing independence of the state. Nordlinger recognises these arguments, but maintains that each theory is predominantly society-centred. We would dispute this, noting that corporatism in particular recognises the importance of state action.

CONCLUSION

In this chapter we have reviewed four main theoretical

approaches to understanding the role of the state. In reality, of course, each approach carries within itself a number of contradictions and alternatives, as, for example, in the debate between Miliband and Poulantzas in the Marxist school. The body of work with which we have greatest sympathy is that represented by Cawson and Saunders. We agree with their view that to search for a single theory of the state is less useful than adopting a more eclectic approach which draws on the strengths of different theories. As Alford has noted, the difficulty with single bodies of theory, or single paradigms, is that 'Each paradigm has a tendency to claim more explanatory power than it possesses and to extend the domain of its concepts to answer those questions it is actually unable to deal with' (1975b, p. 152).

In conclusion then let us spell out the key points we wish to draw from each theory. The strength of Marxist analysis is in focussing attention on the economic context of political activity. By reminding us that the state in western industrialised societies functions in a capitalist economy in which the goal of capital accumulation is fundamental, Marxist theory avoids the trap of analysing political behaviour in isolation from factors which have a significant influence on that behaviour. However, the major difficulty with Marxist approaches is their treatment of the relationship between economic power and political power. While it is clear that the state in capitalist society is not completely independent of economic interests, it is equally apparent that the capitalist state is not merely an instrument of class domination and that it can and sometimes does serve non-bourgeois interests. Marxist theory fails to provide an adequate explanation of independent action by the state, and it gives insufficient attention to the way in which political power may derive other than from economic power. In any case, it is not necessary to subscribe to Marxist theory in order to be able to recognise the influence of the bourgeoisie. Lindblom's (1977) analysis of the privileged position occupied by business corporations in the capitalist state is an excellent example of a study in the non-Marxist tradition which is able to challenge the dominance of pluralist assumptions in much contemporary political science. Lindblom argues that business corporations

enjoy a privileged position because government officials regard the functions performed by businesses as indispensable. It is this that gives businesses an advantage over trades unions and other interests. Accordingly, fundamental issues are never raised, and those issues that are contested cover a relatively narrow range.

There are clear echoes here of corporatist and elitist theories. The particular value of corporatism is in explaining the role of the state and the form of interest intermediation in relation to the economy and issues of production. The value of elitism is in arguing that political power may derive from a variety of sources, and that in all political systems a minority of the population is likely to exercise that power. The central role played by elites – bureaucratic, business, trade union, intellectual, professional and so on – is apparent not just in the area of economic policy-making, but also in respect of welfare services and consumption policies. On issues of consumption a more pluralistic pattern of political activity exists with the leaders of interest groups negotiating policies with bureaucratic elites in a system which may be described as democratic elitism or biased pluralism (see, for example, Newton, 1976; and Simmie, 1981).

One of the important points this draws attention to is the relationship between elites and non-elites, and the impact of the state on individual citizens. This point is taken up in the work of Jessop (1982) who, in an extensive review of contemporary Marxist theories of the state, maintains that the state must be analysed as a set of institutions involving conflicts between a range of interests, not just social classes. Jessop draws particular attention to the relationship between state officials and citizens as a source of potential conflict. These relationships may take a number of forms, for example as between taxpayer and tax collector, tenant and housing official, and pensioner and social insurance officer. While Jessop points to the role of the state in mediating class relations, he argues that an adequate theory of the state needs to consider non-class-based struggles. This is a view we would endorse, and we return to consider these issues in later chapters.

3 Bureaucracy and the State

INTRODUCTION

In order to explore further the nature of the state and its role in the policy process we need to give attention to questions about the role of the state apparatus or bureaucracy. Alongside, and connecting with to various degrees, the debate about the nature of the state is a debate about the nature of bureaucracy. The different theories of the state take, or imply, different positions on the role of bureaucracies in capitalist societies. Pluralists tend to see bureaucracies as agencies which both pursue their own interests and respond to pressure placed on them by outside groups and individuals. Elitists argue that bureaucracies are an important source of power alongside other large-scale organisations. Marxists view bureaucracies mainly as a means by which dominant class interests are maintained, although recent Marxist theory does recognise the scope for independent bureaucratic action through the notion of relative autonomy. Corporatists hold that bureaucracies play a dominant role in the policy process in modern capitalist societies. Among these theorists, there is an important distinction between the elitists and corporatists who in essence derive their inspiration from Max Weber and who point to the increasing importance of bureaucracies, and Marxists who argue that bureaucracies are principally instruments of class domination. Marxists maintain that in capitalist societies the institutions of the state will to a large extent be controlled by the bourgeoisie, and many of the earlier Marxists argued that administration would be unproblema-