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CORPORATIVISM

Despite a centuries-long debate on corporativist forms of political representation and statehood, the concept of corporativism (corporatism) is still elusive, owing to insufficient definition and ideological controversy. This entry discusses the definition and the basic idea of corporativism with reference to its historical roots in the Middle Ages and its subsequent developments up to the 19th and 20th centuries. The more recent Catholic element and the secular one are also presented. Finally, the authoritarian features of corporatist rule, especially in Latin America but also in other parts of the world, are discussed.

The Notion

In its most basic meaning, corporativism refers to a political power structure and practice of consensus formation based on the functional representation of professional groups. Associations of farmers, craft workers, industrialists, laborers, lawyers, doctors, or the clergy (churches) act as self-governing bodies on their own behalf and as intermediaries between the government and their members. Political status and rights are attached to occupation and group membership and, thus, differ from those of modern citizenship and equal representation of individuals in parliaments related to a certain territory. The concept of corporativism dates back to the medieval estates and guild system. It found renewed attention among romanticist philosophers in the Germanic world during the 19th century as a remedy against social uprooting in the wake of industrialization and class conflict. The Catholic social teaching has drawn inspiration from corporativist ideas, as have a number of authoritarian regimes in Europe and South America. As a political ideology, corporativism has been fiercely rejected by liberals as a movement that would elevate collectivist corporate bodies to the cornerstones of politics and the economy while denying individual representation, civil liberties, free competition, and democracy. Socialists and Communists fought the idea as a particularly oppressive variant of capitalist class rule that would eliminate the Left and control the working-class masses with a carrot-and-stick

approach. Not the least, it was the modern state itself and its ideal of universal citizenship, territorial instead of occupational representation, and indivisible sovereignty that ran counter to the establishment of corporate power holders acting as intermediaries between governments and segments of the society. Nevertheless, modern welfare states bear some features of corporativism and neo-corporatist policy making that have become manifest in networks and negotiations between state administrations and powerful corporate actors such as business associations or labor unions in fields such as industrial and social policy. In contrast to such current patterns of corporatist policy making, the term *corporativism* (corporatism, *corporativismo*, *corportativisme*, and *Korporativismus*) denotes a specific political philosophy and controversial ideology as well as a political regime type.

The Model and Idea of Corporativism

For centuries, debates on corporativism referred—directly or indirectly—to the medieval guild system. Being collective bodies (Latin *corpora*), medieval guilds served manifold economic, social, cultural, religious, and not the least political functions for their professional membership. Among them one finds the setting of standards for quality, prices and wages, education and work, caring for widows and orphans, representation on town councils, serving in courts and town militia, and maintaining charitable institutions such as hospitals, orphanages, poorhouses, and more. With the rise of the modern state and capitalist economies, those tasks became subject to royal law, state administrations, or markets. The decline of medieval corporativism began at the turn of the 14th century. It was driven not by absolutist claims to sovereignty at first but by recurrent pestilence, severe famine, and extreme weather as well as the spread of Renaissance humanism and Reformationist ideas about religion, science, and society that began to shake the old corporate order of the High Middle Ages and paved the way for a growing emphasis on individualism, centralized territorial rule, and secular supremacy.

Medieval Corporativism

Elements of corporativism appeared in many different sites of medieval political philosophy, though Johannes Althusius (1563–1638) was the first to formulate a comprehensive theory of a corporativist or, in his words, "consociationalist" constitution where the medieval order had already lost ground against new thoughts of monarchic absolutism and indivisible territorial sovereignty. Antony Black refers to Althusius as being one the "few great theorists of corporatism" (Black, 1984, p. 141), providing us "with perhaps the most substantial exposition of guild ideas ever known" (p. 131). The universal commonwealth (*consociatio universalis*), Althusius proclaims, has to be understood—in his own words—as "an association inclusive of all other associations (families, collegia [guilds], cities, and provinces) within a determinate large area and recognizing no superior to itself" (Althusius, 1603/1964, chap. 12). In conceiving the social contract as a real pact among corporate legal entities that compose society, Althusius differed from his near-contemporary Thomas Hobbes, who thought of a single agreement, entered into by individuals, who commit themselves to an absolute subjection to a common power: "one Man or one Assembly of men, that may reduce all their Wills, by plurality of voices, unto one Will" (*Leviathan*, Part II, chap. 17). Althusius had a notion of shared sovereignty that stands in deep contrast not only to Hobbes's unitarism but also to Jean Bodin's doctrine of monarchical sovereignty. Due to his emphasis on corporative autonomy, the subsidiarity principle, and the multilevel character of his constitutional system, Althusius is now reputed for being an early-modern protagonist and forerunner of federalism.

Corporativism has been criticized for its emphasis on collective, instead of individual, autonomy. While this is true for authoritarian concepts connected with various semicorporativist but in fact centralist regimes of the 19th and 20th centuries, early-modern "corporativist" thinkers like Althusius and Marsilus of Padua fought not only for a decentralized polity but also for popular sovereignty. In formulating that the sovereign rights of the people were inalienable, unassignable, and imprescriptible, Althusius rejected Bodin's notion of sovereignty according to which the people enter into the social contract with the monarch as a collectivity and not as free individuals. This is not surprising if one considers that medieval corporations, both in constitutional theory as in the

everyday life of guilds and communes, was marked by a constant tension and interplay between the claims of individuals and those to be found on the level of corporations and their interrelations—a factually conflict-ridden power structure that fed unitarian anticorporativist political sentiments in the long run.

In serving the public and private needs not only of corporate status groups but also of communities at large, medieval corporativism ideologically aimed at an organic whole and, thus, was devoid of modern differentiations such as those between the collective and the individual, government (state) and society, politics and religion, or the public and the private sphere. The antimodernist overtone of corporativism derives from its organicist idea of segmenting society into an articulate multiplicity of interrelated semiautonomous corporations regulated by the principle that men should live freely only in the narrow sphere of their God-given social status.

Challenging the Liberal Paradigm

The medieval model of a static organic order received new attention from philosophers and state theorists during the 19th century. The dark side of rapid industrialization, together with the decay of traditional social security mechanisms and an emerging class conflict, resulted in intellectual attempts to find alternatives to the individualist market-liberal paradigm. Corporativist ideas came up again after the French Revolution, particularly regarding its failures and disappointments of widespread beliefs in a republican solution. They have to be seen as an attempt to reconstruct intermediary corporations as moral institutions to support communitarian politicization and individual orientation in times of rapid social change and as a barrier against social uprooting. Corporativist thoughts in the works of Johann Gottlieb Fichte, Adam Müller, and G. W. F. Hegel (see Tetsushi Harada, 1989) should help fill the gap between a society of individuals and the governmental administration with semiautonomous communal institutions that would eventually strengthen the state as an embodiment of the general interest. Social stabilization in the face of revolutionary threats has been the one—conservative—facet of such concepts, whereas the protection of craft workers, unskilled workers, and industrialists against social and commercial threats represents a more constructive if not humanistic concern. For Hegel (1770–1831), corporativism was the solution to the problem of an increasingly atomized society. Starting from the assumption that the rule of law is based on the need to articulate modern civil society as the realm of particularity, on one hand, and the state as the concrete form of moral generality, on the other, corporations are meant to embrace particularity from below and generality from above and, thus, to function as integrating links between civil society and the state. In his critique of Hegel's *Philosophy of Right*, Karl Marx identified the Achilles heel of Hegel's corporativist design exactly in the ambiguity of corporations (Estates) as intermediate power holders:

> While the Estates, according to Hegel, stand between the government in general on the one hand and the nation broken up into particulars (people and associations) on the other, the significance of their position . . . is that, in common with the organized executive, they are a middle term. Regarding the first position, the Estates represent the nation over against the executive, but the nation *en miniature*. This is their oppositional position. Regarding the second, they represent the executive over against the nation, but the amplified executive. This is their conservative position. They are themselves a part of the executive over against the people, but in such a way that they simultaneously have the significance of representing the people over against the executive. (Marx, 1978, p. 68)

Corporatist theories have always struggled with the dilemma of intermediate political corporations to represent and discipline the demands of their membership at the same time. One speaks of "societal" or "state" corporatism depending on whether a bottom-up representative approach or a top-down disciplinary one prevails.

During and after Hegel's time, a number of scholars—Otto von Gierke (1841–1921) and Émile Durkheim (1858–1917) in particular—suggested corporativist associations and intermediation as a remedy against the disorder, social anomie, and isolation resulting from a growing

division of labor and the crisis of traditional institutions of solidarity.

Modern Corporativist Ideologies

Besides being a theoretical concept and regime type, corporativism has been perceived first and foremost as a political ideology, just like liberalism and socialism—the other great "ism," as Howard J. Wiarda called it. Among contemporary secular ideologies, it is not only the oldest but also the most manifold and inconsistent one. It is difficult to draw a clear dividing line between individualist liberalism and collectivist socialism since corporativist thoughts and methods took up elements of market liberalism as well as economic planning. It was a common trait of 20th-century corporativism to protect private property and simultaneously to fight against free competition in markets and politics. Experiences in Europe, Latin America, and Asia clearly show that authoritarian corporativism together with rightist populism has served as an instrument of conservative rule in periods of intensified class struggles and leftist revolts.

Papal Encyclicals

The Roman Catholic school of thought on the social, political, and economic order of capitalism, as put down first in the Papal encyclical *Rerum Novarum* (Of New Things, 1891) and supplemented by *Quadragesimo Anno* (In the 40th Year, 1931), above all builds on the corporativist principles of solidarity and subsidiarity. *Rerum Novarum* has to be seen as a response to the social instability and labor conflicts of its time. It advocates a "natural right" to form associations and engage in free collective bargaining and makes it the duty of governments to protect the poor. Faced with strong communist and fascist movements in Europe, *Quadragesimo Anno* also concentrates on the dangers to human freedom and dignity arising from unrestrained capitalism and totalitarian communism.

The Catholic plea for an organic and hierarchical reconstruction of industrial societies was inspired by, and in turn influenced by, the works of a number of 19th-century social philosophers from Italy (Frédéric Ozanam and Luigi Taparelli D'Azeglio) and France (Philip Buchez, Count Albert de Mun, and Count La Tour du Pin). They imagined

> Catholic Guilds where the interest of the profession is superior to private interest, where antagonism between capitalist and workingman gives way to patronage exercised in a Christian spirit and freely accepted. . . . It is always the same thought: limit competition, associate common interests, impose upon the employer the duty of patronage, uplift labor and the condition of the laborer. (Albert de Mun, 1847, as cited in Moon, 1921, p. 99)

Though full of normative ideology and never free of theoretical inconsistency, the social Catholic movement succeeded in maintaining a fairly coherent political reform program that is still focused on corporativist attributes of solidarity and subsidiarity. The insistent demand for subsidiary autonomy of the social sphere resulted in a somewhat muted critique of totalitarian fascism in *Quadragesimo Anno*. The Catholic Church, however, never did endorse—as German constitutional lawyers feared—a decomposition of statehood in the name of the subsidiarity principle.

Secular Corporativist Ideologies

Among secular corporativist ideologies, the idea of *guild socialism* found a number of supporters among intellectuals as well as workers and labor unions in Britain. Functional representation was one of the most distinctive doctrines of British guild socialism, according to which the population should be represented both as producers and as consumers in a multilevel system. Municipalities, regions, and the national state would be governed by two chambers: one elected by professional guilds and the other by territorial constituencies. George D. H. Cole, who formed the British National Guilds League in 1915, proposed a central guild congress that should be the supreme industrial body, standing for the people as producers in the same way as parliament will stand for the people as consumers. In advocating the cosovereignty of workmans' guilds and the representative government guild, socialism rejected the traditional notion of sovereign statehood. The concept had been indirectly inspired by Althusius's corporativist-cum-federalist medieval concept through the reception of Gierke's

theory of associations. Part of Gierke's magnum opus *Das Deutsche Genossenschaftsrecht* (German Cooperative Law) was published in Britain in 1900 as *Political Theories of the Middle Ages* and subsequently gave an impetus to a newly emerging pluralist school of academic political thought, of which guild socialist ideologies attained the most far-reaching though rather short-lived political impact. The sudden decline of guild socialism after World War I had been attributed to a changing ideological climate that was no longer in favor of ideas requiring employers and business owners to share or give up control over industry.

The corporativist wave that began in the 1920s after World War I was conservative and ranged from right-wing to totalitarian political ideologies. Authoritarian nationalists in Franco's Spain, Salazar's Portugal, Dollfuss's Austria, Pilsudski's Poland, Vargas's Brazil, Perón's Argentina, or Calles's Mexico made use of corporativist theories to legitimize their claim to power as did totalitarian Fascists throughout Europe. During the 1930s, there were a number of fascist regimes not only in Mussolini's Italy and Nazi Germany but also in Hungary, Greece, and Romania as well as fascist movements and parties in almost all European countries. The corporativist and religious elements of fascism had been strongest in Italy and among (though also present within) the Falange movement in Spain and Romania. The attempt to violently infiltrate and control every sector of social life, together with their militaristic orientation, cast doubts over whether fascist dictatorships fall under the category of corporativism at all. Of course, there were a host of separate nongovernmental organizations controlled by government for all kinds of purposes, such as economic planning, leisure, sports, science, and education, but without any higher coordinating organs. Gaetano Salvemini, in his 1936 book *Under the Axe of Fascism*, noted that to search for real cooperation and genuine consultation taking place through corporatist institutions was like "looking in a dark room for a black cat which is not there." Contrary to the imagination produced by their propaganda machine, fascist regimes generally caused bureaucratic confusion and provoked the decline of constitutional and administrative order for the benefit of the revolutionary movement and violent oppression. Today, as Juan J. Linz has pointed out, there is widespread consensus not to subsume totalitarian fascism under the corporati(vi)st paradigm but rather to treat it as a separate regime type.

Authoritarian Corporativism

The term *authoritarian corporativism* originally referred to a variety of political regimes in Latin America. Most basically, it means that autocratic governments seek to impose a system of interest representation and intermediation on functional interest groups, especially labor unions, in order to deal with perpetual threats of industrial conflict and popular protest. Different structures and methods of incorporation across countries and over time, together with inconsistent or even lacking principles of political design, bear witness to the complexities involved in this political regime type.

Authoritarian corporativism emerged during the stages of late economic development from situations where weakly integrated societies, widespread clientelism, internal migration, and organizational fragmentation caused governments to reorganize, mobilize, and control socioeconomic groups in order to increase their predictability and eventually overcome economic stagnancy. Whereas the landed gentry, peasants, rural workers, clerics, and shopkeepers continued to be grouped territorially along vertical chains of patron–client relations—irrespective of class, race, caste, or region—up to the government level, new urban groups associated themselves along occupational and class lines on the national level. When, spurred by economic recession, the traditional landed, export, and commercial elite failed to check the manifold demands, political divisions, and modernization conflicts of such asynchronous societies "clientelism declined in favor of corporatism" (Guillermo O'Donnell, 1977, p. 67), and in many cases, it resulted in hybrid regimes of corporatist, populist, nationalist, and military authoritarian rule.

One can find similar sequences of events in many late-developing nations, with similar outcomes. South Korea, Taiwan, Singapore, Indonesia, the Philippines, China, and others have relied on various forms of functional representation though usually avoiding the label corporati(vi)sm because of its pejorative connotation of authoritarianism. Most East Asian developmental states borrowed heavily from Japan's earlier experiences.

Government-assigned farmer associations had been established there in the early 1900s for reasons of productivity improvement and political subordination. During the 1930s, the Japanese government reorganized the small- and medium-business sectors into peak associations, which were sanctioned to control their memberships through administrative decrees. Administrative guidance and cartelization have become symbols for the close state–society relations of the Japanese, but in the meantime, they have come to characterize a number of late-developing East Asian countries. In Taiwan, the government took over the farmers' associations that the Japanese colonial regime had established and afterward awarded an official quota of seats to functional associations in the country's—almost powerless—National Assembly. South Korea orchestrated its economic takeoff by means of government bureaus within a system of state corporatist arrangements, and China is about to top all previous attempts of corporativist control. Corporativist bodies dating back to the era of Mao Zedong have been revitalized as centers of guidance and legitimacy in economic and social matters. New associations in fields such as health, sports, culture, social welfare, or science have been established on the government's own initiative and—for the politically relevant—based on obligatory membership.

Apart from the more or less corporativist and authoritarian elements that can be located in current developmental states in Latin America, Asia, Southeastern Europe, or Africa, one can hardly find countries with a manifest corporativist constitutional background—with only a few exceptions. Among them is Croatia, with its long-established corporativist traditions that have led to a rather unique constitutional second chamber based on the corporative representation of trade unions, employers' and farmers' organizations, universities and colleges, craft workers, freelance professionals, and so on. Another case is Hong Kong, having up to half of the legislature elected by functional constituencies defined by professional occupations or economic sectors since 1985. Research on these cases suggests that strong corporativist regime elements as well as experiments with constitutional corporativism—other than neo-corporatist methods of policy coordination—have adverse affects on party development and the achievement of universal civil rights and have fostered legislative fragmentation through particularistic bargaining.

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See also Interest Groups; Neo-Corporatism; Pluralism; Representation

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CORRELATION

Correlation is a statistical measure of the association between two or more variables. Two or more