

## BEYOND CORPORATISM - TOWARDS NEW FORMS OF PUBLIC POLICY FORMULATION IN SOUTH AFRICA

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### Introduction

This article is principally concerned with forms of public policy making in the South African context. The terms 'state' and 'public' policy are used interchangeably throughout to refer to a range of instruments - laws, regulations, guidelines, approaches, etc - adopted by the state at different levels (national, regional and local) in the exercise of governance. How such policy is determined is, it is argued, an urgent and crucial question for organisations within civil society given the current political fluidity and the processes of reform underway.

The first section outlines and critically examines the current corporatist debate within left circles in South Africa. It concludes that both camps within this debate fail, for different reasons, to establish the real dynamics behind 'corporatist cooperation' and consequently get trapped into a 'for-and-against' discourse which precludes developing creative alternatives to corporatism.

The second section examines the history of 'corporatism' from its early beginnings through to the modern 'neo-corporatist' writers. Its key purpose is to establish what the international literature regards as the central features of corporatism and concludes that these define it as a profoundly undemocratic form of public policy making. A working model of corporatism based on this international literature which begins to grapple with the dynamics of the relationship between the 'corporatist parties' is established for use in the following sections.

This is followed in the third section of the paper by an examination of corporatism, as defined, in the South African context. It argues, contrary to most within the corporatist debate, that the public policy-making processes in the period before the 1970s had far more in common with corporatism than those of the current period. The section ends with discussion of various public policy-making scenarios for South Africa and suggests a role for interest groups within civil society in shaping these outcomes.

The final section takes as its starting point a brief evaluation of some aspects of past theory which have shaped attitudes and approaches to future options. It suggests that a crucial component of any future programme ought to be a focus on strengthening the ability of the most marginalised groupings within society

to impact on state policy. It argues that the processes of public policy formulation established in the next period will have a significant impact on such a project and concludes with an outline of a public policy system which breaks decisively with both 'corporatist' and 'laissez faire' options.

### **The Corporatist Debate in South Africa**

Recently there has been much debate in left circles around the development of 'corporatism' in South Africa. This debate has been underpinned by contributions from a wide range of writers including Bundy (1993), Baskin (1993), Harris (1993), Maree (1993), Vally (1992) and Von Holdt (1993).

These writers fall roughly into two political camps. Those on the one hand who wholeheartedly reject what they term 'corporatism' and those on the other hand, who either embrace its current emergence or accept it as an inevitable development that has to be faced square on and engaged with. In some respects this divide coincides with Higgins' (1985:30) identification of two schools within international corporatist literature: those like Offe, Jessop and Panitch who saw corporatism as a major obstacle to working class mobilisation and social change, and writers such as Crouch, Lehmbruch and Schmitter who saw it as a reasonably desirable outcome of post-war capitalism.

### **The anti-corporatist school:**

Vally (1992), Harris (1993) and Bundy (1993), use the term very broadly to mean all forms of 'working class cooperation with the bourgeoisie' in whatever guise - social contracts, tripartite institutions, accords and so forth. They all conclude that corporatism will lead to the emasculation of the working class, the cooptation of its leadership and a prolonging of the life of capitalism.

Vally (1992) collapses notions of corporatism and social contracts and even social democracy into one another. He tells his readers that these 'systems and institutions' cannot but advance the interests of capitalists since 'capitalism is always unequal... and capital is by far more powerful than labour can ever hope to be' (1991:27).

Harris (1993) who embellishes his argument with romantic statements, such as 'it is almost a decade since the civics effectively took over and administered the townships as popular bodies' (1993:21), argues that the South African 'left' has given up any hope of socialist reconstruction in the foreseeable future and is settling for a corporatism which is in danger of failing (1993:22).

He suggests that those within the left who believe that corporatist forums represent advances in a socialist direction are deluding themselves. In the first place he argues that the notion of 'strategic reform' was pursued by labour movements in Britain, France and Germany (he does not state when). Accord-

ingly, unless it is accepted that these were socialist societies, then it cannot be claimed that structural reform is a strategy for moving towards socialism. But Harris goes further to assert that a corporatist approach cannot work *even in its own terms* because 'the international financial system is volatile and fragile, the growth of world trade has slowed, conflict between trading stocks is unlikely to benefit South Africa and there will be no influx of resources comparable to Marshall Aid' (1993:22).

Bundy (1993) aims his attack at 'radical reform approaches' arguing that they are 'about accommodation and capitulation not about contestation' (1993:18). Bundy argues that Von Holdt's proposals for a 'labour-driven reconstruction of the SA economy' and entry into corporatist structures will eventually prove to be both 'technicist' and 'cavalierly top-down'. He goes on to remind his reader that the 'bourgeoisie will never relinquish power without a struggle and without being compelled to do so by revolutionary action on the part of the masses' (1993:19).

The problem with classifying all forms of cooperation under the rubric of corporatism, as all three writers do, is that it misses the complex range of class and interest group dynamics that can and do operate under different 'cooperative' arrangements. Underlying this conception of corporatism is the view that the only site of working class struggle is at the point of production. The possibility of the working class confronting state power within the state apparatus is ruled out - '... only class collaboration, not class struggle, can be practised in the corporatist heart of the state apparatus' (Panitch, 1991:38). This view is also unable to disentangle the economy from its capitalist mode of organisation so there is no ability to conceptualise a transitional economy. The fall of capitalism must therefore entail economic collapse (Higgins, 1985).

The consequences of this failure to theorise class struggle within the state apparatus and to conceptualise a transitional economy are twofold. On the one hand these writers all imbue the state (as the agent of capital) with the most remarkable cooptive powers. The view assumes (quite wrongly) that the state is always able to shape the 'corporative parties' to suit whatever form. In reality, in capitalist society, the social distribution of power is far more complex and fluid and it can be the case, as Higgins (1985) argues, that the organisations with which the state interacts are often more powerful than the state itself.

The second consequence of this approach is that all these writers end their critiques with very little to say by way of practical and concrete alternatives to the 'corporatist road'. Instead they are all forced back into romantic abstracts which rely on enormous faith, such as Bundy's prescriptions about the way forward: 'any advance to socialism will require three ingredients - class conscious workers, an intelligentsia which supports working class aspirations and a



political vehicle where the two can meet' (1993:19). Despite his protestations that these proposals are no less realistic than the views of those who believe that 'humane capitalism can deliver to the masses', it is impossible to fathom how Bundy's proposed 'meeting' is to come about when considering the current and medium-term balance of forces in South Africa. But more than this, as will be argued in the last section, it is questionable whether this solution and its attendant baggage from the past, is even desirable at the present time.

### The 'Participationists':

The second group of writers on corporatism - Maree (1993), Von Holdt (1993) and Baskin (1993) - start from the premise that the trade union movement has to engage with, what they perceive as, the rise of corporatism in South Africa. According to Baskin 'the corporatist path is, in effect, unavoidable' (1993:7) for the union movement in South Africa; while Maree argues that 'the major actors - labour, capital and the state - are so caught up in it (corporatism) that they are hardly aware that they have become part of the current' (1993:24). The question they therefore seek to address is not whether but rather how to engage with corporatist developments.

What each of these writers mean by 'corporatism' is however not very clear. Maree asserts that the state is central to corporatist arrangements. He follows Cawson (1986) in arguing that corporatism amounts to 'the process of negotiation and implementation of agreements between sectors of the state and powerful monopolistic interest organisations whose cooperation is indispensable if desired policies are to be implemented' (1993:25).

Von Holdt defines the term as an 'institutional framework which incorporates the labour movement in the economic and social decision-making of society' (1993:48). Baskin follows this description closely but adds, for his definition of 'bargained corporatism', that the outcome of this tripartite engagement would be a 'role for business and labour in monitoring and regulating particular economic phenomena' and the 'acceptance by all parties, but especially unions, of some restraint...' (1993:4).

Importantly all these writers do, in contrast to the anti-corporatist school, in some measure recognise 'corporatism' as a *particular form of relationship* between capital, labour and the state. But, ultimately, they all say very little about this form and the dynamics of the relationship they are describing. Instead it is left to the reader to surmise what it is specifically about their 'examples of corporatism' - institutions like the National Economic Forum (NEF), National Manpower Commission (NMC) and industry councils - which qualify them as corporatist while presumably, excluding a whole range of others.

The failure to establish the dynamics of this relationship has three consequen-

ces. Firstly, it leaves a whole series of unanswered questions about those dynamics. Questions such as - in which way are the various parties organised; through what mechanisms are they brought together; why do they come together; what about other interest groups; etc? In the absence of this information it becomes extremely difficult to establish whether corporatism really exists, why so if it does, and what it might evolve into in the future. Cross-country comparisons for their part become particularly problematic.

The second outcome is that each of the three writers end up employing the term in extremely confusing ways. Maree, for example, criticises Vally (quite correctly) for his failure to distinguish corporatism from social contracts. However he goes on in the last section of his paper to employ the terms almost interchangeably - '... in discussing the pitfalls and limitations of corporatism the concerns about social contracts will also be addressed' (1993:48). At root is Maree's principal interest in the outcomes of a wide range of cooperative arrangements rather than sufficient concern about the precise nature of those arrangements themselves. As such, despite his efforts to be tentative in the lessons he preaches, one cannot avoid wondering as to the real comparative value of the examples that he utilises.

Von Holdt, as indicated, defines corporatism in rather vague institutional terms but the gist of his arguments are about 'corporatist practices'. These practices which might produce a range of undesirable results for the working class are counterposed to 'strategic unionism' which, he argues, will advance the interests of that class. He notes that 'if the labour movement fails to develop strategies along the lines suggested above, strategic unionism will lay the basis for corporatist unionism' (1993:50). If the labour movement does not fail in this respect, ie adopts a strategic unionism approach, then what fate awaits corporatism as defined by Von Holdt? Is it a case of strategic unionism practised within a corporatist institutional framework, or does the former *ipso facto* replace corporatism with a new form of policy making or governance? Without redefining his terms, no sensible answer can emerge.

Baskin's problems are even worse. His key contentions are that a compulsory bargaining framework and a strong union federation are necessary though not sufficient conditions for 'corporatist success' (1992:9). What indeed is 'corporatist success'? Baskin's definition gives no hint of this. Instead he slides constantly between reference to the 'corporatist here and now' - '... that which has emerged and is, in effect, unavoidable' (1993:7) - and some notion of 'successful corporatism'. Without understanding the latter, there is no way that his 'necessary though not sufficient conditions' can be measured. There are certainly instances of corporatist arrangements being underpinned by Anglo-Saxon legal systems and weak trade union federations.



The third outcome of the failure by these writers to grapple with the dynamics of the relationship between the 'corporatist' parties - defined by them as labour, business and the state - is that they are unable to pose a serious set of alternatives to corporatism. With the term ultimately meaning little more than some form of engagement by these parties around socio-economic policy, these writers end up trapped in a very limited 'for engagement - against engagement' debate. Von Holdt for example is forced to end his article with the lame advice that '... even if these corporatist institutions do not enable the labour movement to drive a labour-centred programme of restructuring, the labour movement should continue to defend them' (1993:51). Why on earth?

The underlying problem with all three of these writers, materialists that they might claim to be, is that they fail to seek to explain the emergence of corporatism in historical and material terms. This approach requires conceptual rigour and would lay the basis for the consideration of serious alternatives to the emerging 'corporatist' option. In this way the 'for/against' trap is avoided.

### **Defining Corporatism**

It is essential to establish a broadly acceptable definition of the term 'corporatism' which avoids the conceptual woolliness plaguing the South African debate. This requires reference to the wide-ranging international corporatist literature and in particular to the central theorists of the modern period.

#### **An early history of corporatism:**

From its very beginnings the term 'corporatism' has been associated with fundamentally undemocratic forms of governance. It was first used to describe early southern European Catholic cultures which were founded on philosophies of absolutism, divine authority and the hierarchical ordering of society.

Later the mid-19th century it was used by those threatened by industrial capitalism and emerging liberal institutions - land owners and priests - to recall these old absolutist ways in their struggles against those who challenged private property, established authority and existing inequalities. These 'corporatists' argued that society had to be hierarchically ordered because certain individuals had greater wisdom and insight than the population as a whole. The 'chosen' individuals were, therefore, to be accorded the right to rule.

During the early part of the 20th century, liberal democracy was flayed by corporatists of all hues from positions such as:-

Using the ballot box to decide questions of truth and justice is the most ridiculous suggestion I have ever heard... Nobody can live by the majoritarian principle but only on the basis of value and truth (Spann, 1923, in Williamson, 1989:32);

and

the favour of the mob emanates from a suffrage more or less universal and unorganised (so that) all is ephemeral as the impressions of the masses (La Toux du Pin, 1929, in Williamson, 1989:32).

The corporatists developed a range of alternatives to the liberal democratic values of universal suffrage and majoritarian rule, which hinged on notions of 'functional representation'. Key to these models was the idea that 'corporative' chambers would replace those elected on universal suffrage (eg parliament). The function of these corporative chambers would be to advise those who ruled (those with greater wisdom and insight) and, in theory, to provide some measure of protection to the general population against serious abuse.

Corporatism was taken to its extreme authoritarian conclusion under the periods of fascist rule in the countries of Western Europe - Italy, Spain, Portugal, and then Germany. These were times when transitions were being undertaken from relatively backward agrarian economies to modern ones where the state sought to steer this process through political rather than market driven means. Licenced corporations - 'interest organisations' - were established by the state, often at the expense of existing freely-chosen organisations which were crushed by repressive means. The new corporations purporting to represent the interests of employers and workers were often accorded regulatory powers and their leadership was expected to establish a new moral environment of collaboration amongst their compulsory members.

During this early period corporatism was, thus, much more an ideology, which translated into various state forms at different times, than it was a tool of social analysis. As Williamson points out, its very disparate proponents coalesced around the moral pilgrimage which placed its emphasis 'on social community and the centrality of higher moral principles transcending the members of society in such a way that the national interest and justice could not be collectively determined' (1989:33).

### **Corporatism as a theory:**

As a result of its association with fascism 'corporatism' fell into disrepute after World War II and it wasn't until the writers of the early-1970s, and specifically Schmitter's famous essay 'Still the century of corporatism' (1974), that the term was resurrected and debate reopened (Williamson, 1989:9). The critical distinction between the early corporatists and the post-1970 'neo-corporatist' writers was that many of the latter attempted to develop 'corporatism' into a coherent theory which could explain structures of governance and policy making in developed Western capitalist countries.



The search for a new theory was occasioned in large part by dissatisfaction with the dominant pluralist paradigm often employed to explain developments in these countries. Pluralism, as Williamson points out, was rooted in the 'competitive market system of pressure group activity' (1989:11). It asserted that these societies were based on competing interest organisations, with equally open access and full independence from a neutral state.

These assumptions were challenged by the new corporatist writers who argued that pluralism failed to understand the real nature of the relationship between the state and key interest organisations in these advanced capitalist countries:

Pluralism has proved to be deficient because of its underlying assumptions of a competitive political market place, its voluntarism and methodological individualism, in its implicit theory of interests and especially in its portrayal of a neutral state which is disengaged from interest conflicts at the same time as it preserves an institutional and ideological boundary between public and private spheres... (Cawson, 1985:2).

The starting point for most corporatist writers was the assumption that there was no free and equal competition amongst interest organisations in these societies. They argued that they were in fact structured in ways which restricted competition and openness amongst organised interests. This is most aptly captured by Schmitter's definition of corporatism:

Corporatism can be defined 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 licenced (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 (Schmitter, 1979:13).

Schmitter intended this definition as an 'ideal type' which meant that it did not purport to perfectly represent any system but was rather aimed at providing a means

... of assessing systems of interest representation along a variety of dimensions, both to allow categorisation and to assess the links between one component and another... As the dimensions could vary from case to case in their proximity to the ideal, corporatism in theory at least could manifest itself in a number of forms (Williamson, 1989:11).

Schmitter (1979) sought to distinguish between 'state' and 'societal' corporatism on the basis of the processes which produced the structure or system. State corporatism was imposed from above by the state (as under fascist rule),



whereas societal corporatism could emerge by agreement between the state, business and labour interests.

The crucial point so often missed, however, is that even in 'societal form' Schmitter's definition of corporatism reflects a fundamentally undemocratic system of policy formulation and governance which had much in common with the early origins of the term. This is not to suggest that the forms corporatism exhibited under fascist rule in pre-World War II Europe were synonymous with the societal corporatism of contemporary Scandinavia for example. There is a fundamental difference between fascism and social democracy. But what Schmitter sought to highlight is that some of the processes at work in both 'state' and 'societal' forms of corporatism were similar despite the fact that one system was based on repression and the other on consensus. Firstly, in terms of his definition the number of interest organisations within each functionally differentiated category is limited to one ('singular'), through a process of licensing by the state. Secondly, the membership of each licenced organisation is made compulsory and a deliberate representational monopoly is accorded them by the state. Thirdly, these organisations are hierarchically ordered with (state) controls over the selection of leadership. Fourthly, a process of representation develops which ensures that membership views are moulded from the 'top-down' at least as much as such views are allowed to filter up ('intermediation').

Since the development of this definition by Schmitter in 1979, a number of its elements have been reviewed and expanded upon by subsequent corporatist writers. Williamson has endeavoured to integrate these with Schmitter's definition to produce a 'general model' of corporatism based on the following:

- corporatism is concerned to establish a relationship between producer associations and the state which allows the latter to intervene effectively in production;
- the state licences behaviour of interest organisations by attributing public status to them;
- power within interest organisations is hierarchal and flows downwards;
- interest organisations are confined to a state-dependent relationship by the removal of competition and compulsory membership;
- interest associations are required to enforce compliance and to implement policies;
- corporatist arrangements can pertain at macro-, meso-, and micro-levels and can include the provision of welfare services;
- major producer interests are 'bought' at the expense of other interests which are excluded access to the state.

There is a range of criticisms which can be made of this general model - it is clearly more descriptive than explanatory - and there is a wealth of debate, which

will be avoided here, about whether such models and their attendant intellectual baggage really ought to qualify as a theory. The importance of the working model, which will be adopted for the purposes of this paper, is that it seeks to enquire about, and begins to define, the dynamics of the relationship both between and within the corporatist parties. Arguably, in pointing to the kind of questions that have to be asked to begin to understand these dynamics, corporatist theory ought to be accorded some status as a substantial methodological approach, even if not qualifying as a comprehensive theoretical paradigm.

## **An Evaluation of Corporatism in the South African Context**

### **Historical overview:**

If there was a period in South Africa's history where relations between the state, labour and business conformed closely to the corporatist model then it was arguably during the 1960s.

Economic policy which focussed on inward industrialisation and import substitution reflected a workable compromise between white labour, business and the state. With the economy buoyed by high foreign exchange earnings through gold sales, manufacturing capital was offered labour peace and relatively high profit margins manipulated through tariff protection arrangements. White labour settled for job reservation, high wages and access to a luxurious and diverse consumer market while the state, for its part, was guaranteed ongoing political support.

In developing its economic policy the state worked through institutions such as the Economic Advisory Council (EAC) which was established in 1960 to articulate the views of white labour and organised business. White labour, principally through the Trade Union Council of SA (TUCSA), was given a representational monopoly over black unions (SA Congress of Trade Unions), which remained unrecognised ('unlicenced'). In fact, this monopoly went beyond unions in the context of apartheid to become a monopoly over black labour as a whole. Closed shop arrangements for 'licenced' unions grew and a great deal of authority in these unions flowed downwards from leadership levels. This style was underpinned by institutions such as industrial councils which were restricted to licenced players and were largely self-regulating.

This economic accord was to break down in the mid-1970s as South Africa's inward-looking protectionist economy began to show serious signs of instability. The instability, together with the 1973 strike wave and the events of 1976, which marked the re-emergence of massive internal political opposition, forced the state to undertake a series of reforms. These involved allowing black (non-racial) trade unions to register, reduction of the state's role in production and the delivery of goods and services, as well as controlled urbanisation to facilitate a more stable



workforce with a stake in the system. These reforms took place within the broad parameters of the apartheid framework (see Morris, 1991). Political demands for equal rights in a single dispensation were totally rejected and all opposition was dealt with extremely harshly. This created the complexity which characterised the 1980s as a period both of reform and increased repression.

During this time a range of new 'policy' institutions were established to reflect the reforms being undertaken, including the tri-cameral parliament and State President's Council in the political realm. In the industrial relations sphere, the National Manpower Commission (NMC) was established in 1979 on a tripartite basis - state, business and labour (without the participation of the black trade union movement). The Economic Advisory Council (EAC) continued as the principal advisory body in the economic sphere becoming at the same time increasingly representative of business interests.

Unlike the previous 'corporatist' period, many of these new institutions were immensely unstable and profoundly affected by social and political developments at the time. The attitude of the state itself, which took responsibility for driving the reform and repression processes at a pace and in ways which it alone decided, was also highly ambiguous. In the early reform period (end-1970s and early-1980s) the state often regarded its advisory institutions in a serious light. Towards the mid-1980s, however, its inward-looking, 'total strategy' approach which involved highly centralised decision making, brooked little interference from other societal actors. Few in positions of political power were willing to tie themselves to processes of joint policy making and a public service ethos of secrecy, corruption, high-handedness and lack of accountability grew rapidly.

The very dramatic political reforms of the 1990s significantly changed this scenario. Without resorting back to heavy repressive measures the state was no longer able to govern entirely alone. It was forced to acknowledge its own lack of legitimacy in the political realm and, in the economic sphere, to accept the importance of arriving at consensual decisions with key economic and political actors. The legitimacy crisis in turn provoked a policy crisis. Formulae and approaches drawn up within the state's bureaucracy or by unrepresentative institutions became unsaleable. Long and often bitter struggles were fought to establish a wide range of new representative policy forums - in economic matters, 'manpower', education, training, health, local government, housing, electricity, and so on.

These policy forums have placed much emphasis on inclusivity - in most cases they involve not only actors from civil society but also various political groupings. They have also stressed the importance of operating in a transparent and democratic manner which involves rigorous mandating and report back procedures. These commitments have, however, often faded in the face of political

and economic pressures.

Despite the broad similarities across forums there are also important differences. The differences have arisen principally because these forums have been established at different times determined by the dynamics within each sector, rather than in terms of any common vision about the processes of public policy development now or in the future. They relate to the envisaged role for each forum, participation by the state, decision making processes, executive functions, longevity and so on. They apply as much to the emerging national forums as to the regional and local level ones.

### **Corporatism in the making?:**

Those writers within the South African debate who have called for engagement by the trade union movement with these new policy forums - Maree, von Holdt, and Baskin - have tended to refer principally, if not exclusively, to the NEF and reformed NMC. Why their advocacy is confined to these bodies is, as has already been noted, not altogether clear. But in many respects the separation appears artificial. The principal reasons for the establishment of the economic and labour relations forums are no different to those underlying the establishment of the whole range of other negotiating forums which have recently been set up at all levels. For the main part these forums are all a product of the state's lack of legitimacy, the exclusion of political actors from formal political power and the severe economic crisis which affects all sectors of governance. The important question, however, is the extent to which the broad features of these forums coincides with the working model of corporatism - that of Schmitter and Williamson - discussed earlier in this paper.

In short, very little. Firstly, the current situation is characterised by a relatively weak and illegitimate state which is being forced into joint policy-making structures on a wide front. This is not to suggest that the state is captive of the anti-apartheid opposition - it has its own agenda and has on occasion taken the initiative to set up various forums itself. However, this is not a situation where the state is able to lead from the front and on the more narrow score it is not seeking to interfere in production but rather to withdraw from this sphere.

Secondly, the key, if not principal reason, for the establishment of these forums is that the current state lacks legitimacy not, as already argued, because there is a clear vision about fundamentally transforming public policy formulation in the future. As such, many within the political domain regard these forums as interim bodies pending the election of a democratic government.

Thirdly, the state has little real capacity to licence the behaviour of the interest organisations participating in these forums. Many of these organisations are, as stated, political parties in their own right but even with specific reference to the



functional groupings associated with production - trade unions and employer federations - these are entirely independent and are in no way reliant on the state's attribution of public status. In fact, the state is licenced by their participation in many respects.

Fourthly, power within interest organisations is not unambiguously hierarchal - in fact, interest organisations such as the unions (and now increasingly employer associations) have been structured on very different principles where power is intended to flow upwards. These practices of constituency control have translated into emphasis being placed on mandates, reportbacks, accountability and so on within the various policy making structures. In practice, these principles are often violated but there are equally very important cases of constituencies demanding to be consulted. There is at least a general ethos requiring such consultation and accountability.

Fifthly, membership of the key interest associations (and in other spheres as well) is very open - there is no compulsion to belong to employer associations and union closed shops are rare. The most prominent employer federation is very weak and the trade union groupings have limited capacity at centralised level. There is significant competition for membership particularly on the unions' side and far from trying to remove such competition the state has often sought to play it up.

Establishing that the current configuration of structures and forces are not in essence corporatist, is not to deny that corporatism is a possible outcome of the current situation in South Africa. The situation is extremely fluid and will remain so until a new democratically elected government comes to power and makes decisions which implicitly or explicitly define a (new) form of public policy formulation.

A future corporatist scenario could well be determined by a configuration of factors such as:

- Civil society remains very fragile and weak - only organised labour and big business has the capacity to engage in a serious way with the new state;
- ongoing processes of organisational consolidation within the camps of business and labour result in single, largely unchallenged, peak employer and union federations;
- confronted with massive demands and relatively few resources the new state is driven towards '50% solutions' (political and economic options which exclude a substantial part of the country's population) in cahoots with its two key labour market parties;
- voices within business and the trade union movement arguing for institutional arrangements which exclude other parties and interest groups - the NEF being a case in point - grow stronger and attract greater support;

- the gap between 'negotiators' and their grass-roots constituencies continues to grow with the latter becoming disillusioned and uninterested in 'forum deliberations';

- cooperation and alliances within the political sphere generate a momentum for cooperation on a broader scale, ie with business and labour organisations.

On the other hand a very different set of developments is also possible. These may come together to produce a form of public policy making very similar to that of the mid-1980s where interest groups relied in large measure on secret lobbies with politicians and state bureaucrats. Determining an 'informal lobbyism' of this kind might produce the following developments:

- a strong alliance government emerges which considers that it has sufficient legitimacy and capacity to govern without too much formal consultation with interest group lobbies;
- the 'anti-forum' elements within the governing alliance begin to win support for the view that it is both necessary and desirable for the new state to determine policy parameters alone;
- the current civil service with its non-transparent, unaccountable and authoritarian ways of functioning resists restructuring and puts everything possible in the way of developing and entrenching new policy formulation processes;
- the trade union movement loses many of its leaders to emerging political parties while significant elements within business organisations remain unconvinced of the merits of quite tightly centralised negotiations, resulting in the inability of both parties to sustain their participation in formalised policy formulation procedures;
- no significant organisations concern themselves with developing a vision of a new set of public policy formulation processes and consequently this informal, *laissez faire* lobbyist option emerges as the lowest common denominator.

It may of course be the case that the eventual configuration which does emerge represents a mix of these two scenarios and produces a 'weak form' of corporatism. But the crucial point is, being relatively fluid, the current situation lends itself in different ways to a range of possible public policy outcomes. The choice is not, as suggested by the corporative debate, simply one of whether or not to engage with some vaguely defined 'corporatist system'. There are, in fact, particularly for organisations located within civil society, critical choices to be made regarding how to intervene in current developments; how to shape a form of public policy formulation which is neither corporatist nor *laissez faire* lobbyist, but which is premised instead on the principles of extending the processes of democratisation and empowerment of the most marginalised groupings within society.



## **New Forms of Public Policy Making**

New forms of public policy making may have merit in and of themselves, but, arguably, if they are to have any real impact, they have to be conceived of as part of a broader process of reforming and restructuring society. In this respect it is, therefore, pertinent in the light of the dramatic global developments and realignments of the past period - the momentous collapse of socialism in Eastern Europe; the widespread revival of political pluralism in Africa and other parts of the third world; the waning fortunes of free market ideology; and the growing internationalisation of the world economy - to consider many past premises upon which processes of change have been founded.

This 'rethinking', it is suggested, requires an openness which allows for the abandonment of past dogmas and breaks with the myth that 'text book' socialism did not fail but was 'distorted' by those who sought to implement it. For those who have begun to re-evaluate past theory and practice, despite the absence of agreement on a clean way forward, there are signs of growing consensus around a number of fairly important issues.

### **Rethinking past premises:**

It is now quite widely accepted that highly centralised planning and ideas of socializing the means of production are simply not possible in economies of any size or scale. The complexities of these economies, linked as they have to be, into the rapidly expanding world economy, require the flexibility and the dynamics of market forces. But radical free market options have also clearly failed and it is now equally widely agreed that some measure of strategic intervention into the market is required by the state - in order to gain access to and sustain a foothold in the global economy, to develop human resources, to allocate certain basic goods and services, and so on.

The bottom line is that the real question is not, as often posed in the past, market or centralised planning. Rather, it is how, and in which ways, (cautiously) to circumscribe the operation of the market to achieve certain socio-political or economic objectives. The corollary of this approach is the acknowledgement of the continued existence of the camps of capital and labour as well as ongoing and often unresolved conflict between them. Accepting the 'legitimacy' of both parties in this way requires the abandoning of 'resolutions' to the capital-labour conflict which involve the elimination of either contender.

Flowing in part from this premise of economic contestation is the now quite well established view that open political competition is a necessary, if not sufficient, condition for democracy and stability. Out goes a second icon from the past namely the 'dictatorship of the proletariat' as a product of struggle led by a vanguard party. One party states and political dictatorship of all kinds - many

of which parade under the guise of democracy - have been widely discredited. It is under these very guises that some of the most horrific abuses of democracy and human rights have taken place in recent times.

If it is accepted that economic and political contestation have to form the core of any future socio-political project, a whole series of questions then arise about the nature of the parties or interest groups seeking to compete both within and across these terrains. In this regard there is a further, perhaps even more fundamental challenge to past theory, which goes to its theoretical and conceptual heart - the concept of 'class'.

While the term 'class' does capture an important area of contestation within capitalist society there is little to suggest that this contradiction has or will play itself out in ways originally predicted. At times the capital-labour cleavage may predominate but at other times it may well, as a contradiction, be overshadowed in a *fundamental* sense by divisions of racial, ethnic, religious and other kinds. These conflicts may occur *within* classes or *across* them and may exacerbate or often dissipate the contradiction between capital and labour. As has been argued by Laclau (1993:36):

The concept of class is neither right nor wrong: it is just totally insufficient to describe the kinds of social antagonisms and conflicts that are taking place. This does not mean that the antagonism is lessened - on the contrary in many respects it is increased. But these antagonisms do not come together in a social entity called class.

In other words, one has to go beyond class - to be able to disaggregate the components of class, to locate contradictions way beyond the point of production, in order to understand the complexities of modern day capitalist societies. If one is unable to do this, as was argued in the first section of this paper, one is inevitably driven headlong into the worn out, idealised, and inappropriate prescriptions of the kind advocated by Bundy, Harris and Vally.

The critical point, however, is that the contestation between interest groups produced by wide range of inter- and extra-class cleavages, is substantially unequal. Those constituencies with the greatest access to material resources will generally, though not always, have the greatest impact on state policy. In the economies referred to, it has often been sections of organised business or the trade union movement that have been able to swing elections and determine a whole range of policy options. However, increasingly other interests organised across class and new fractions within classes have begun to assume major political and economic significance.

This consideration is particularly pertinent to South Africa with its massive disparities in wealth and power - its huge pool of unemployed persons, its



massive, unaccounted-for informal sector, its severely handicapped rural population, crucially important groups within these groups (women, youth, etc), and so on. As Morris (1993:9) has argued:

The concerns of a range of social forces - not only capital and the organised working class - have to be dealt with. The marginalised majority in the urban and rural areas have to gain access to opportunities and resources they were denied under apartheid... we are at a crossroads. We can either strive to create a One Nation SA or allow a Two Nation Society to emerge behind our backs.

Who is to lead the processes of redistributing opportunities and resources to this 'marginalised majority'? Most have put their faith in the organised section of the working class - the trade union movement - to break some of the key blockages and concentrations in power and to ensure an 'equitable' allocation within and across that class. And of course there is historical precedent for this faith - in the recent past when open political contestation was restricted, the union movement used the freer economic environment to campaign broadly for political and economic redistribution across the spectrum.

Following in this tradition and relying on strategies which Cooper (1993:18) has described as 'War of Position' approaches - '... the strategy and tactics of transforming the existing hegemonic apparatus in the interest of the dominated classes', writers such as Von Holdt have emerged with proposals for a programme of strategic unionism driven by the trade union movement which extends to incorporate the interests of other sectors as well -

... a dispersed struggle for something that we might call socialism is not going to deal with those blockages and concentrations of power. What we need is a programme... A programme means having a macro economic policy, a programme of institutional reform that gives people access to the state and breaks up institutions of dominant power and empowers citizens in all of civil society (1993a:36).

The fact is, however, that in the current political climate, given the vast disparities between expectations and the real economic resource base, the chances of a comprehensive programme that meets all needs are extremely small. There will be a range of choices which can be made by organised workers which will profoundly alienate or marginalise other sections of their class - lower taxes against improved social security, lower food costs against higher rural wages, tariff protection ahead of lower consumer costs, and so on.

This is not to suggest that the strategies advocated are inappropriate. On the contrary, the organised section of the working class and the choices that it makes are clearly terrains of contestation for a whole range of other interest groups seeking to influence such choices and to form alliances. This is a terrain which



should indeed be contested. However, as is suggested, it is a struggle that may well be lost by the poorest and most marginalised groups.

This outcome can only really be entertained if one is willing to cede the potential primacy of cleavages *within* class over contradictions *between* classes. In this event it clearly does not make sense to rely exclusively on strategies of the strategic unionism type to break the concentration of power and to redistribute resources right across society's array of interest groups.

An alternative approach might be to place greater emphasis on seeking to enhance the ability and the capacity of the weakest and most marginalised interest groups to impact on the processes of state policy formulation; in a sense to seek to ensure that the policy playing fields are made more level across and within the fault lines of class. This would allow groups currently marginalised to articulate their own interests and would provide them with a far more effective platform from which to seek to influence many of the choices confronted by the organised section of the working class. Such an approach might be both a supplement to strategies designed around trade union members as well as an alternative in the event that such alliances rupture and new alignments are made.

Designing a comprehensive programme to strengthen the ability of the most marginalised groupings within society to impact on state policy is a complex task. It would have to focus partly on measures to weaken the hands of those principally responsible for their states of marginalisation (eg men, farmers, big business, etc) and at the same time on measures to build the capacity of local and national organisations to represent the interests of these marginalised groups. It is not the task here to attempt to develop such a programme in any detail. However, returning to the premise of open political and economic contestation it is suggested that the institutions and processes of public policy formulation which are established in the next period may have a significant impact on such a project and it is these issues which are addressed in the final part of this paper.

### **Alternatives to corporatism and '*laissez faire*' lobbyism!:**

It has been postulated that both 'corporatist' and '*laissez faire*' forms of public policy making are both real possibilities in South Africa in the immediate future. However, these are not necessary outcomes. By extricating oneself from the 'for-against' corporatist debate other alternatives could be developed which, if vigorously pursued by sections of civil society with the possible support of political actors, could materialise instead.

An alternative scenario would need to take as its principal objective extending the democratisation of society by facilitating participation of a broad range of interest groups in developing public policy at all levels and in a number of different (policy) sectors. Helping to level the policy playing fields requires

accessing the most marginalised of groupings into the process of policy formulation; guaranteeing representation to these groups (as an incentive to organise), and offering them material resources to organise and participate in these processes.

Extending the process of democratisation requires supplementing the processes of political and economic contestation, rather than seeking to replace them, as is suggested in Fine's rendition of 'civil society theory', where political parties are made redundant and the 'state executive is the sole mediation between the state and civil society' (1993:82). In contrast to Fine, such an approach needs to acknowledge that a very important route to exercising influence on state policy would, for different interest groups, be via the mechanism of the political party. It regards these party political processes as ultimately paramount and parliament or its equivalent as the final arbiter. But it considers those processes only as necessary and not sufficient to achieve democracy.

This alternative differs fundamentally from corporatist options in that it does not seek to restrict representation to certain policy areas (the economy) or to certain licenced actors. It does not aim to compromise the independence of different interest groups or to promote 'top-down' policy development.

Furthermore, it also breaks with *laissez faire* lobbying in that it seeks to keep the processes of policy making open and transparent through institutionalisation and formalisation of procedures within rules acceptable to all parties.

Above all a *system* of this nature needs to be systematic. It has to break with the 'ad hocism' which characterises the current period, producing a wide range of uncoordinated issue-inspired policy forums. Instead it has to be developed systematically and programmatically across all relevant policy arenas and at all different levels within society. Whatever processes and structures are developed to facilitate interest group participation would need to articulate with appropriate state bureaucratic mechanisms and be coordinated through peak policy-formulating institutions.

Developing such a coordinated system requires clarity about what policy areas need these processes and institutions. Equally important is a whole series of questions about what levels these forums need to be established at and where the focus ought to be. The current heavy emphasis on national forums is understandable given the need for coherent national policies but these forums do tend to favour participation by more highly centralised national organisations. Many organisations representing the weaker sections of the class are localised and far better able to participate in initiatives and policy development at lower levels (eg in relation to local government).

How would a system of this kind be provided for? There is ample international precedent for peak economic forums and labour market bodies being enshrined

constitutionally (Spain, Portugal, France) or provided for in statute (Netherlands). The advantage of the constitutional route is that this would provide a (limited) safeguard to civil society against abuses of power by the state and might pre-empt the corporatist or *laissez faire*/lobbyist options identified earlier. The current state of the constitutional debate in South Africa makes this a particularly urgent matter.

What powers to accord these policy forums? To suggest that they should have powers beyond those of parliament or the supreme political decision making body would be to make governance impossible and the process of political contestation, frivolous. However, one would envisage that parliament ought, on the one hand, to be able to delegate executive and legislative authority to such bodies, wherever it considered this appropriate. On the other, there is again substantial international precedent for a (constitutional) requirement that draft legislation should be considered by an appropriate advisory institution before being debated in parliament by the political actors.

Importantly, these forums might well be used to begin a process of transforming the existing bureaucracy and developing a new ethos of accountability and public service. This requires that they be accorded an authority in relation to the state administration which clearly establishes a requirement to service these forums and, within defined parameters, be answerable to them as well as the state's political wing.

Providing details of the system of public policy formulation being advanced here is beyond the scope of this paper. However, the broad principles underlying such an approach might be:

- **guaranteed representation** to be accorded to all interest groups with a stake in policy development within any defined policy arena and at all appropriate levels;
- **obligatory state support** so that financial resources are made available by the national, regional and local state to assist 'disadvantaged' interest groups to participate fully in all policy making processes. Additionally, there should be some guaranteed level of fiscal allocation to sustain the operation of such forums (possibly with contributory responsibilities at 'affordable' levels from at least some of the participating parties themselves);
- **constitutional entrenchment** of a broad system of public policy formulation, possibly hinging on an obligation by the state to consult with appropriate forums in respect of all legislation of a defined type. Additionally, as far as possible, all policy development institutions to be legislatively regulated and provided for;
- **transparency and accountability** so that all proceedings and documentation open to the public and media. Active steps taken to improve the



communication of information on a wide scale and to improve mandate and report-back processes. Forums accorded the capacity to consider public complaints against the bureaucracy and the powers to monitor, subpoena and advise on appropriate remedies;

- **non-party political processes** to ensure exclusion of representatives of political parties who have access to parliament in the interests of less party-politically inspired decision making. Participation, however, by the state's bureaucracy in an information and service role;
- **majority/minority reports** catered for; no voting procedures within forums. In the absence of agreement the submission of all views to the political infrastructure which would have to weigh its options accordingly.

As has been argued in the preceding section there are many features of existing policy forums which have arisen recently that lend themselves towards the development of the proposed system. The language of democracy has been very strong with these forums (though the practice has at times been a somewhat thinner current) and, with some exceptions, processes of inclusivity have been endorsed and space made for all policy shareholders. The development of civil society, accountability, transparency, empowerment are all terms associated with developments in current policy making processes. The twin tasks, however, are to graft together these various processes, to develop a vision, and to establish the will and capacity to realise this vision in practice.

On its own a system of public policy making embodying the principles outlined, would not guarantee any particular set of policy results. Interest groups gaining access (however marginalised they may have been) might well pursue a range of policy options which were totally inimical to any 'radicalisation of the democratic revolution'. Arguably, though, irrespective of the discomfort produced, the extension of the democratic process regardless of its actual outcome would be a victory in itself. It would help empower the disempowered, level the policy fields and extend the degree of 'societal hegemony' across the myriad of interest groups competing to influence state policy.

However, the key is to locate a system of this kind within a much broader programme and a whole series of measures designed to achieve the same ends. In totality these measures ought to form the basis of any future programme and the re-designing of a new project. A formal, transparent, inclusive and widely-spread system of public policy formulation which breaks decisively with corporatist and *laissez faire* lobbyism will, it is contended, be a necessary part of any such project.

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