Unions have taken on a more interventionist role in recent years. Australia Reconstructed seems to have taken that process a step further. But this more ‘strategic’ approach has problems and pitfalls of its own...

Bob Jessop teaches in Politics at the University of Essex in England.
Gill Palmer teaches in Industrial Relations at QIT.
Geoff Dow teaches in Humanities at Griffith University.
Jason Reynolds is an economist on Bill Hayden’s staff.
The discussion was chaired by Colin Mercer and Michael Dutton.

Colin: In the light of the Accord and, more recently, the ACTU’s report Australia Reconstructed, there’s been a lot of talk about new forms and new styles of unionism. One point of particular contention on the left has been the involvement of the union movement in political and economic processes involving the state and, often, the employer groups also. Geoff, you’re something of a militant for this new unionism. How do you respond to some of the scepticism on the left and elsewhere to these trends? And what do you mean by ‘corporatism’ in this context?

Geoff: Well, the critics of these trends, I think, tend to argue that tripartite arrangements of government, unions and business, if they become institutions, are essentially undemocratic. They bypass parliamentary processes, they bypass whole lots of pluralist prerogatives. The members of these groups are often self-selected, often they’re not there so much to represent their constituents as to impose order upon their constituents. The critics of corporatism tend to see it also as a form of crisis management, a fairly arbitrary or overtly undemocratic way of solving particular political and economic problems.

The advocates of corporatism, on the other hand, see it as part of a long-term transition from the reliance on market mechanisms to a reliance on more administered, or political or institutional, mechanisms for solving economic problems. And they also tend to see it as part of a process of the expansion of democracy beyond the confines of liberal democracy (which demarcate fairly strongly the realm of parliamentary politics and exclude all economic decision making from the public arena) — and that’s a critique of political democracy or liberal democracy that’s been around for a couple of centuries now.

So advocates of a social democracy of this kind would argue that there is a public entitlement for people to have a say in what their health standards, or education standards, or income standards, or transport standards, or housing standards are. It takes a certain range
of aspects of living standards out of the market area.

The third stage of democracy, the corporatists would argue, is implied by the term "industrial democracy" which is to say that people have the right not only to choose governments, not only to decide publicly or politically a certain range of living standards, but also to decide the conditions under which they work, the conditions under which labour and capital come together in particular enterprises in the production process and, ultimately, to decide the whole projectory of the economy — to control macro-economic decisions in a public or political realm rather than rely simply on market mechanisms.

And, of course, if that was successful it would be very doubtful whether or not it would still be a capitalist economy. Whether corporatism is the best word to describe this process is another matter, but certainly it's an assertion that private capitalists or corporations simply do not have the right to determine the full range of economic decisions and range of products that are produced, living standards and income distribution.

Bob: In particular national contexts, that the micro level corporatism can simply be a reactionary and undemocratic way of securing solutions to other problems?

Bob: Depending on how trade unions are organised, micro-level corporatism could become selective. The restructuring of steel in West Germany involved mainly a skilled, male, German core of workers cooperating with employers to reorganise the industry, and unskilled workers, women workers, and immigrant workers suffered. You have to consider who's being represented by the unions: if it's only part of the workforce, then, whether "reactionary" is an appropriate term or not, significant groups will be ignored.

Geoff: Are you saying that in particular national contexts, that the micro level corporatism can simply be a reactionary and undemocratic way of securing solutions to other problems?

Bob: Depending on how trade unions are organised, micro-level corporatism could become selective. The restructuring of steel in West Germany involved mainly a skilled, male, German core of workers cooperating with employers to reorganise the industry, and unskilled workers, women workers, and immigrant workers suffered. You have to consider who's being represented by the unions: if it's only part of the workforce, then, whether "reactionary" is an appropriate term or not, significant groups will be ignored.

Geoff: Are you saying that in particular national contexts, that the micro level corporatism can simply be a reactionary and undemocratic way of securing solutions to other problems?

Bob: Depending on how trade unions are organised, micro-level corporatism could become selective. The restructuring of steel in West Germany involved mainly a skilled, male, German core of workers cooperating with employers to reorganise the industry, and unskilled workers, women workers, and immigrant workers suffered. You have to consider who's being represented by the unions: if it's only part of the workforce, then, whether "reactionary" is an appropriate term or not, significant groups will be ignored.

Colin: Of the accusations that was levelled against the Accord was that, for all its virtues, it never managed effectively to sell itself to the majority of the population. It sold itself within, as it were, the corporatist structures, within the various representative bodies, but never effectively became a popular Accord with the majority of the Australian population. Is that a fair characterisation, Jason?

Jason: Even up until the last federal election, I'm pretty sure that the majority of Australian people would not have had a clear idea of what the implications of the Accord were in total. The government has still attempted to explain to people exactly what the benefits of the Accord have been, usually it has talked in terms of how many jobs have been created, what's the situation with the growth in
1968: paving stones in Paris, tanks in Prague, and the NLF in Saigon. It all seems so long ago ... Which is why some more recent history wouldn't go amiss, either. Once you've finished brushing up on 1968 in this issue, ALR gives you a chance to catch up on 1987, too, at no extra cost. Just subscribe on this form before the end of May and we'll send you the last four issues of ALR from 1987, absolutely free.

In these issues, you'll find controversial articles on the Bicentenary, the future of unionism and the Labor government, and cultural coverage from Di and Fergie to rock music, and from Crocodile Dundee to Rugby League.

It's an offer too good to refuse. Grab yourself a bit of autogestion and send in the form now.

Yes! I'd like to subscribe to ALR. Please send me a year's subscription at $15/$13 concession/$24 institutions.

☐ In addition to my subscription, please send me the last four issues of ALR from 1987, absolutely free of charge.

I enclose $ . . . . . . . cheque/money order, or bill my Bankcard to:

Name: ........................................
Address: ........................................
Postcode: .................................
Signature: .......................... Date: ..........................  
Send to: ALR May Event Sub Offer
PO Box A247, Sydney South 2000.
Australia, inflation and that sort of thing. But since the industry policy obviously only affects certain groups (there's something like eleven industry councils), you can't get that concept across to all the Australian people because it just doesn't affect them. So there's a whole range of issues on which the general public does not understand the overall implications of what's been going on.

Gill: I've been amazed at the survival of the Accord. Coming from Britain, I've seen Accord-type policies repeatedly become discredited and fail to gain popular support. There it's been the anti-corporatist appeals to market flexibility that have won elections. In Australia, the Accord was apparently not an electoral liability in the 1987 elections. No doubt the Joh factor — dividing the opposition — partly explained Hawke's victory, but it does seem there was some basis of support for Accord-type policies. I would argue that this could be because Australia has a long tradition of a form of corporatism in the Conciliation and Arbitration system.

Colin: You're arguing that the industrial tribunals are a form of corporatism and that therefore corporatist structures are not new to Australia?

Gill: Yes, most discussion of Australian corporatism has been associated with the Hawke government. But it seems to me that in the Conciliation and Arbitration system. Australia has over 80 years of experience of a form of corporatism. Picking up Bob's point about different types and levels of corporatism, the tribunals have provided a form of tripartite administration over pay and hours of work that is far more corporatist than any collective bargaining system of industrial relations.

In the early stages, the Conciliation and Arbitration system was also associated with tariff policies to provide the administered regulation of product markets. The degree of centralisation of the decision making has varied, but the system has given Australia a uniquely long tradition of using notions of the "public interest" in the administration of economic issues. Also, the social networks of the "Industrial Relations Club" have provided unions' and employers' representatives with experience of operating this type of system. Hawke's policies are not such a radical break with the past as similar policies were in the UK. The tribunals have provided a form of tripartite or pressure group administration, even if only over a limited range of economic issues.

Geoff: I must say that I'm reasonably unimpressed by the argument that says the Accord wasn't sold and wasn't a popular document. Because following the demise of the Whitlam government, the Metal Workers and a few other unions took on the most expansive campaign of public involvement in economic policy seen since the 1940s in Australia and they produced document after document, asserting the right of the trade unions to have some say in macroeconomic policy. The Accord was the product of seven, or eight years of fairly democratic and widespread and sustained involvement by a whole lot of groups, especially trade unions, but not only them. So that when the Accord document was finally put together by 1983, the right of unions to be involved in these things had been asserted for quite a few years.

With respect to exactly how it is operated, one must say that it has meant different things for different people. And that's important, for to many people in the government it was always primarily an incomes policy, and Keating still refers to the term Prices and Incomes Accord. Yet the document is actually called "An Accord between the ACTU and the ALP concerning Economic Policy" — and when you look through it it doesn't refer only to the demand for indexation, it refers to industry policy and a full range of supporting policies; and in fact, the reason why the unions were so happy with it is that, precisely, it did depart quite dramatically from the British experience of incomes policies during the Wilson and Callaghan eras. Incomes policies had been consistently foisted upon unions and then reneged upon by the government so that real wages had dropped.

But with indexation in Australia, real incomes actually dropped less than in almost every other OECD country, and the unions, quite rightly, it seems to me, saw the value of having that sort of protection to wages, to enable them to divert their energies to other strategies — for example, the industry policy issues, taxation reform, budgetary reform. Now, the fact that all those things have been less than brilliantly successful isn't the point: the point is that the persistence of indexation during the Fraser and the first stages of the Hawke government gave the unions a quite valuable breathing space, and they've certainly asserted their right to be involved in macroeconomic policy and especially in industry policy.

Now, alongside the successes of the Accord, there is a whole list of downside items — the floating of the dollar, deregulation of the financial markets, the continuing deficit paranoia, the continuing powers of the Treasury, the continuing power of the industries annihilation commission, the complete failure of the government to take industry policy seriously, the commitment of Hawke to the trilogy, reducing the size of the public sector, reducing taxation, the privatization bandwagon that's developing at the moment — and at some point I think all those things tip the balance, and the bottom line might well be a negative one. But let's remember that all those things are things that the government are doing outside the Accord: the Accord itself doesn't invite any of those things.

Michael: Can I come in and defend Colin here? It seems to me that, in a sense, what you have said, Geoff, about how the Accord has been sold is right, but it's nevertheless been sold in a very particular way — and I think that what Colin's trying to get at is the fact that the Accord has only been accepted in a very passive way. So that when employers did that at the tax summit, it didn't lead to a mass popular backlash. And I think...
that that was what Colin was trying to get at — that there wasn’t popular mobilisation around the Accord. Now I think that this raises a wider question about the relationships between the Accord and popular movements outside the trade union movement.

Colin: Perhaps I could add something to that. It seems to me that one of the major weaknesses of corporate structures is their vulnerability to populist movements of the New Right. That’s certainly, I think, the case in Britain. All the major institutions of corporate tripartite bargaining have disappeared into the background. It’s been one of the great successes of a form of New Right populism under Margaret Thatcher. And one of the problems that follows on from that is if, say, the Australian government is not effectively able to mobilise people around key issues like the social wage, taxation policy and so on, then it is leaving its flank open to the New Right.

I think we saw that in the election campaign last year. Certain weaknesses were revealed in the corporatist structure which Joh and the Australian Small Business Association and Andrew Hay’s organisation and so on were able to attack, and present corporatism as essentially a deal between government and the unions. That, I think, is the most glaring weakness of corporatism which needs to be addressed.

Bob: Would you like to say something about Thatcherism in that context?

Bob: Yes. But before talking about Thatcherism, we should clear up the meaning of “popular”. There are three different definitions floating around in our discussion of the Accord: was it generally understood by the people, was it popular with them, and was there a popular mobilisation around it? I’m not an expert on Australia, nor the Accord but I’m reasonably convinced that the Accord’s purpose was widely understood (at least at the general macro-level, even if its specific implications for particular industries might not have been). It also seems to have been popular for some time. But I don’t know of any corporatist system anywhere which has enjoyed massive popular mobilisation either to introduce it or to defend it when under attack. This is very relevant to defending corporatism when it’s under attack from the right.

This is where British experience is relevant. Corporatist experiments in Britain have generally been ad hoc, introduced without prior preparation, typically for purposes of short-term crisis management. This is in clear contrast to what Jason and Geoff have said about the introduction of the Accord here in Australia. In Britain, corporatist strategies are adopted when there is a crisis requiring urgent remedial action; they quickly become means of incomes restraint, mobilising union leaders to police their members’ pay demands; and, because they are usually crisis-measures, governments have little room for economic and political manoeuvre and find it hard to deliver their side of any corporatist bargain.

In turn, this provokes rank-and-file discontent and, where it seems that corporatist arrangements are working against the interests of capital, widespread agitation in the press as well. This reinforces the negative, restrictive aspects of corporatism and makes it vulnerable to charges of statism, directionism, lack of democracy, overweening union power, etc. That’s why corporatism in Britain is hard to defend against rightwing agitation and populist Thatcherist attacks.

This can be contrasted with the heyday of corporatism in Britain: the Second World War. Corporatism was introduced when the labour movement was strong; labour, rather than finance, was the crucial resource in short supply; there was widespread popular mobilisation in a “People’s War”; and corporatist institutions played a key role in organising the war effort. In this period, corporatism was effective and provided part of the background to the successful implementation of the postwar settlement. It was then dismantled during the boom years of the Fifties and became hard to reinvigorate during crises.

But where corporatism has a long history, is widely supported, has a range of functions it can play, and a range of forces with vested interests in its survival, then corporatism can be used in crisis management with some effect. Even if specific forces fear that their interests are being damaged, they can hope to reorganise and turn corporatist institutions to their advantage at a later date.

Geoff: I’ve a feeling that the popular and democratic elements which are or are not in corporatist institutions aren’t the whole story. For example, take the common case — full employment. It seems to me that this benefits everyone in society, whether they are waged, unwaged, male or female, young or old, in or out of the workforce — full employment is a sign of healthy society. And full employment doesn’t mean a whole lot of labour market segmentation, and a whole pile of really ratshit jobs. So, if unions can fight for full employment — and unions are the only organisations in modern capitalist societies that do consistently fight for full employment — then it is a leap forward. And the extent of its popular support or democratic sanctioning is not really the issue.

Gill: The experience of the arbitration system puts a cloud on being too romantic about the
potential democracy that we see ahead of us in the long march to corporatism. I mean, the development of these sorts of strategies might have a lot of advantages, but it isn't necessarily going to be the rosy populist democracy that I think Geoff painted at the start. Certain changes might occur, slightly different priorities might prefer these structures, but basic power structures in society are still obviously important in the allocation of resources.

Colin: What about the current strategy of the Labor government in relation to the tradition of corporatism? How do strategies like the deregulation of the financial sector and the possibility of privatisation of other major public utilities fit into the structure of corporatism in Australia?

Geoff: If those things go ahead, then the whole thing would be sunk, I imagine.

Colin: Is that your feeling Jason?

Jason: Financial deregulation has already occurred in Australia, to a large extent, and it hasn't been sunk at all. Privatisation is a different issue altogether. My personal position is that, generally, the people of Australia won't go for the mass selling off of assets that have been in public hands for a long period of time. There probably is some sort of case by case approach you could take — there might be no real necessity for government to have control mainly because monopoly power may not exist in a particular industry any more. I think, because things change over a long period of time, you can't have an absolute "no go" position on it, but I think in general there would be very little change at all as far as privatisation is concerned.

Michael: Geoff, why do you think major privatisation would sink any corporatist strategy?

Geoff: First of all, because privatisation per se reduces the democratic sphere of the economy, however imperfect that has been, and increases private control of the economy. In that sense, it is undemocratic. Secondly, the privatisation of certain public sector activities — let's take Telecom, for instance — simply takes away from the public sector, or from the public realm, the possibility of quite fruitful and useful cross-subsidisation of other activities.

Bob: Can I come back on two issues? Firstly, I doubt whether privatisation actually spells disaster for corporatism: Sweden is meant to have a successful corporatism, but it also has one of the smallest public, industrial sectors in Europe. It's not a question of private or public ownership but of involvement in a concerted economic strategy that's important. Secondly, it's not whether firms are generating enough profits in some areas to be able to cross-subsidise other activities that is important. The crucial question is how far activities deemed through democratic debate to be in the public interest can be subsidised: a government could give grants-in-aid to private firms to secure goods and services deemed in the public interest. Conversely, a state firm which cross-subsidised without public debate might not be acting in the public interest.

Neither of these points means that I think privatisation is a good thing. I think it has clear dangers. But analyses of corporatism show that it's not the legal ownership of industry which matters for successful corporatism: Sweden has limited state industry, but Austria (another successful case) has extensive state ownership.

What's important is the existence of a coherent industrial core with strong intra- and inter-industry linkages which are seen as such by government, unions, and business and can be exploited to pursue a coherent national industrial strategy. For linkages of this kind reinforce interdependencies and make it important for different interests to work out a common strategy. In this context, private owners can become trustees of the public interest (as in the Swedish model); and state industry managers can take account of private sector interests (as in the Austrian model).

It's here that I see the dangers from privatisation: it could encourage neglect of the public interest. This is more likely in today's context of financial deregulation and transnational firms — which reinforces the narrow, short-term outlook as regards financial returns and encourages transnational companies to look at international linkages rather than the national core.

Colin: Can I bring us round then to the pursuit of the ACTU's report, Australia Reconstructed? Perhaps I can ask for general comments on the report's significance and potential.

Gill: I think, in terms of demonstrating the initiatives that the union movement is making in Australia, it's quite remarkable and very interesting. You have here an extraordinarily well-organised ACTU officialdom which is taking initiatives on the political and economic fronts — which is very unusual if you think about union movements in many more liberal countries.

Now, to the extent to which this can be fed through to policy directions by government depends entirely upon the power structures and the opposition of anti-corporatist forces. We haven't talked a great deal about the anti-corporatist forces, but I think we shouldn't forget the importance of
international financial capital as a major anti-corporatist pressure on all societies, including Australia. I think it's evident in Australia that some of these attempts to widen the unions' influence in economic regulation are going to be very fiercely resisted — successfully too no doubt in many ways.

Bob: Yes, I found the document very interesting — especially as such a document could never have been produced in Britain. But I think that we should take the chance to discuss its broader political significance in the way that Colin and Mike attempted earlier. Because it seems to me that, however you read Australia Reconstructed, it's primarily about an alternative economic strategy: it is less concerned with political and social reconstruction, political and social democracy. This means that it has neglected the role of various forces which might have an interest in democratising Australian society and/or in supporting an alternative economic strategy (AES). The document focuses on strategic unionism as the driving force behind reconstruction and it addresses largely government, the unions, and the ALP. But it doesn't consider what other forces should be addressed, what forms of political mobilisation there should be outside the trade unions, how anti-corporatist forces could be neutralised. The British experience is relevant here. For Mrs Thatcher's ability to roll back the gains of the social democratic postwar settlement depends crucially on the isolation of the trade union movement.

Geoff: Bob, what are the forces you think are important, and what do you mean by broader support for these interventionist strategies?

Bob: Well, strategic unionism involves tripartite restructuring of the Australian economy. Let's look at some aspects of restructuring. The Green movement could have a major interest in the forms of restructuring and it's worth addressing this interest. In West Germany, for instance, Green mobilisation has been undercut because some Christian Democrats have advocated "ecological modernisation" as part of German industrial strategy. In Australia, Greens could be mobilised behind the AES if local green concerns were addressed and, with a worldwide interest in green issues, developing ecologically sound products might even advance the international competitiveness of the Australian economy.

Take another example: the peace movement. Is industrial restructuring to be neutral about the military-industrial complex or should it be concerned with promoting civilian R & D and civilian industries? This also has implications for jobs. Should one defend full employment by supporting military and/or ecologically unsound industries? A third area is feminism. Industrial restructuring has clear implications for the restructuring of the labour market, the welfare state, the nature of household work. Whether or not women are directly involved in the labour market and are or are not union members, it is clear that they have an interest in reconstruction. Australia Reconstructed addresses the issues of education and reskilling the labour force but it doesn't look at its implications for the welfare state — something of special concern to women's movements.

So there are three examples —
corporatism will bring full employment: full employment in ecologically unsound industries, in the military-industrial complex, in low-paid, part-time, hire-and-fire jobs for women? Surely not. This is where it would pay political dividends to broaden the debate beyond strategic unionism: to mobilise support and to help defend the alternative economic strategy when it comes under attack — as it surely will.

Geoff: I agree with you that the form of restructuring is absolutely important. But what I feel a bit worried about is that these are not new issues. A concern for particular types of restructuring, particular types of economic or industrial activity is a concern that has been in the post-Keynesian lexicon for forty years, from Joan Robinson onwards.

What I'm a little bit worried about, as well, is the tendency to take on board the Greens' argument as an anti-growth argument. Environmentalists sometimes say that economic growth is the problem and that trying to return to it is not the solution. And I think that is fundamentally misguided. Because, quite clearly, you can have high levels of economic growth and employment creation in areas which don't produce any environmental devastation at all (the service industries are good examples of that). Similarly, since 1974, we've had pretty well the demise of economic growth in the west, yet environmental devastation and production of harmful products goes on unabated. With the issue of feminism, and the feminist critique of
these sorts of models, we've a slightly different set of questions. Once again, full employment advocates would certainly only advocate high quality jobs, jobs with career prospects, and decent pay, without segmentation, without the option of women being brought in and out of the workforce, as it suits the cycles of the economy — no advocate of full employment wants flexible workers in that sense.

Once again, I resist the idea that discussions of the social wage and the welfare state are explicitly feminist issues. The rights of welfare clients, the demands for decommmodified production, for high pensions, for unemployment benefits, for housing to be subsidised and so forth, are not feminist issues: they've been labour movement issues for a hundred years. All those issues, it seems to me, don't necessarily require a specific constituency to advocate them. You don't need environmentalists to say that we've got to be careful about what sorts of products we make. You don't need feminists to say that we've got to have a decent welfare state and no segmented labour forces — any sensible person would argue these things.

Bob: What's crucial is changing the balance of forces not as wonderful as Geoff has painted it. It may be true that some members of the union movement have spoken up — "sensibly" — on these issues; but the union movement's record is far from unambiguous as a whole. Mobilising other forces around these issues will help to change attitudes and policies within the union movement itself. It's not at all a question of who is competent to talk on such issues: I'm not trying to say that only women can talk on women's issues any more than Geoff is saying that only unions are competent to talk about economic issues. It's a question of mobilisation. The Nationals, for instance, probably don't care about what the unions say about the AES and its implications for women: the unions aren't part of their natural constituency. But if women start raising these issues within the Liberal and National parties, then it becomes relevant. What's crucial is changing the balance of forces.

Gill: We're talking about who has the power to affect these things and represent certain interests. I think what we're getting to is the limits of trade unions as representatives of class interests. I think trade unions are very important: they are usually by far the best mobilised of progressive movements and they can attack and address economic issues. But it's a mistake to assume that, without extra mobilisation and support, they can address issues like the green issues, the peace issues and feminist issues. Unions are institutions which are shaped, to some degree, by the economic structures in which they exist and they are formed around the economic interests which employers generate. So it is naive I think to assume that the unions can represent all social and class interests. They can't represent broader interests on questions of, for example, whether jobs should be saved in the rainforests, when they are representing forest workers. You do need to have these other mobilisations to make sure that these wider issues are fed through — the union movement can do a fair bit but there are limits to the extent to which unions, formed as they are around our economic structures in society, can represent these wider issues that Bob is talking about.

Michael: I'm not sure just how far Geoff's history goes back when he says that "we've always been concerned with women's issues and the environmental issues". He seems to be saying that there has never been a problem for feminism in the left — it just seems to me rather that these issues have sometimes been addressed, but they have been addressed in partial and limited ways.

Colin: On that one I've got a comment which I'll put in — which is this: the question, it seems to me, is really to do with strategic alliances: that is, strategic alliances in order for corporatist structures to maintain themselves against a populist movement, such as the Joh for Canberra push early last year.

Geoff: I'm less convinced of the need to form alliances as an important issue — that's an electoral issue, but Bob Hawke can do that quite well.

Gill: It seems to me that, on the contrary, the formation of alliances is the essence of corporatism. We're looking at the strategic alliances that
are formed within power groups within society — that's what it is, isn't it?

Geoff: No, not at all. To me corporatism is nothing to do with building alliances between different groups, but expanding a range of issues which come up for democratic decision.

Bob: Who is making these democratic decisions?

Geoff: Trade unions, employers and governments is one way.

Bob: So, if I'm not involved in a trade union, I can't be represented: that doesn't sound very democratic. How can it be democratic when there are constituencies which don't get represented? Or are you arguing that, as long as unions are calling for "jobs for all", everyone is virtually represented because everyone has an interest in full employment? That might be an argument for changing the decision-makers; it doesn't lead to an expansion of democracy. Democracy operates because there are clear institutional channels for groups to feed into the decision-making process.

Geoff: That's not how you'd define economic democracy. I do think what you said facetiously about full employment is true, I do think people are represented and benefited whether they know it or not. It's not a matter of having every employer represented — just as it's not a matter of having every worker, non-worker, unemployed worker, spouse of a worker, represented — it's having a new basis for making the decisions about income distribution and investment that's important.

Colin: But there is a problem there in recognising what used to be called the specificity of the political. In other words, there is at least a relative autonomy to the political domain which means that, no matter what economic decisions are taken, no matter what corporate bargaining structures are used, the outcome is not necessarily guaranteed by those processes of decision making alone. That's one of the things the New Right is most skilled at understanding, and Margaret Thatcher clearly recognises.

Popular capitalism, as it's called in England now, is not just the outcome of certain economic changes, it's also mobilised by a wider political and ideological battle as well. An example is the recent campaign around selling British Gas shares — tell Sid you can go and buy shares at the local branch of the bank — went the ads, to which the reply was "Tell Sid he already owns it!" That sort of concerted, partly political-cultural campaign is also quite important and can, in turn, decisively affect the nature of those economic decisions which are taken in the first place. The idea that there are automatic political outcomes in a representative domain, after corporate decisions are made, doesn't seem to square with the contemporary reconstruction of corporate structures in countries like Britain.

Bob: How can it be democratic when there are constituencies which don't get represented?

Geoff: I don't think there are automatic outcomes. The singular fact about most public policy discussion these days is that no state controls the outcomes of its public policy decisions, completely. If that were the case, there would be no unemployment or inflation anywhere. But what I do say is that if you try to control a capitalist economy, you do it much better if you have it made according to these corporatist, administered, explicitly negotiated criteria, than you do if you have it made according to market criteria, criteria of profitability.

Gill: But you can't be that absolute, can you? I mean, we have enough experience of fascist regimes to realise that the corporatist institutions or mock forms of corporatist institutions can be used for objectives which, presumably, you would not accept. It all depends on the extent to which you see the representative organs as being genuinely representative; it's a question of what power they mobilise against the countervailing power of capital — and that varies in each context. I don't think you can make blanket assumptions that corporatism is good or bad — it depends really on the power forces that are flowing through it to affect the eventual decisions.

Geoff: Yes, of course. Clearly, you can have fascist corporatism which is not at all committed. Actually, it's technically efficient in getting full employment ... but not what we would advocate.

Bob: When we're discussing corporatism, we've got to be very careful that we don't just look at the lessons of the 1960s and 1970s. We have to look at how corporatism might function in the coming decades. The shift away from mass production to more flexible production also implies a shift of the key sites for economic decision-making towards the enterprise level. This is already evident in Europe with the trend towards micro-corporatism (plant level bargaining, works councils, etc.); the danger here is that, the lower the level at which corporatism operates, the more likely is it that significant interests are ignored.

This is even more dangerous for democracy when the trend is towards greater segmentation in the labour market: a division between a skill-flexible, well-paid core in an internal labour market and a periphery of low-paid, less skilled workers in an external labour market. Such trends could undermine unions' claims to be democratic, since the interests of the core are not those of the workforce as a whole — let alone the people as a whole.

Thus, we run the risk of developing a selective corporatism rather than the universal, democratic corporatism Geoff would like to see. If we take this threat seriously, then we must look seriously at the question of alliances.

COLIN MERCER and MICHAEL DUTTON teach in Humanities at Griffith University in Queensland.