# The Corporatist Sisyphus: Past, Present & Future

by

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**ABSTRACT:**

"*The Corporatist Sisyphus*"

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We now know that the (re)discovery of corporatism in the mid-1970s was ironic. At the very moment that academics started using the concept to analyze trends in advanced capitalist societies, the practice had already peaked and it continued to decline during the 1980s. Then, just as many observers had announced its demise, corporatism has risen again and now seems to be carrying its twin burdens of interest associability and policy-making to new heights during the 1990s.

The primary “growth potential” for macro-corporatist architects in the future lies in the feverish efforts of national governments to adapt to EU directives, product and professional standards, verdicts of the ECJ and the convergence criteria for EMU. The boundaries, territorial and functional, of interest politics have shifted irrevocably which paradoxically implies a greater not a lesser reliance on previous structures of national intermediation -- provided they can be exploited to fulfill new tasks and still manage to reproduce the old loyalties.

So, this article argues, the Corporatist Sisyphus is headed back up the hill, goaded as before by an architectonic national state. Moreover, he is just about on time. If previous speculation about a twenty to twenty-five year cycle was correct and if one traces their last downturn to the First Oil Shock of 1973, then corporatist practices should have bottomed out ca. 1985-8 and will be hitting their peak sometime after 1998-9 -- more or less at the very moment that monetary unification is (supposed) to occur!

We now know that the (re)discovery of corporatism in the mid-1970s was ironic. At the very moment that academics started using the concept to analyze trends in advanced capitalist societies, the practice had already peaked and it continued to decline during the 1980s. Then, just as many observers had announced its demise, corporatism has risen again and now seems to be carrying its twin burdens of interest associability and policy-making to new heights during the 1990s. Are students of European politics and society forever going to be condemned like Sisyphus to dragging this concept-*cum*-practice into their work, only to see it come crashing down later?

## THE PAST

The "corporatist approach" emerged as one subspecies of a much broader genus of theorizing in political economy that has been labeled "institutionalist." Its central claim was (and still is) that behavior -- economic, social or political -- cannot be understood exclusively in terms of either the choices and preferences of private individuals or the habits and impositions of public agencies. Somewhere between markets and states existed a large number of “self-organized” and “semi-public” collectivities that individuals and firms relied upon more-or-less regularly to structure their expectations about each others' behavior and to provide ready-made solutions for their recurrent conflicts. These corporatist practices might have seemed, from an abstract and external point-of-view, inflexible in their demands and suboptimal in their performances, but they did save considerably on search and information costs, while supplying a psychologically reassuring familiarity to those who worked within them. Normatively, they may have represented “second best solutions" for all involved, but operationally, if one takes into consideration the uncertain "shadow of the future," the participants seemed prepared to bear the mutual burden of rigidities and inefficiencies -- at least, until some manifestly better solution presented itself.[1]

Moreover -- and this is especially important for the corporatist subspecies -- their "standard operating procedures" demanded specialized personnel. Those who came to occupy such positions developed a strong vested interest, not just in the maintenance of existing practices, but also in their future development. Some of the dues, rents and subsidies these associational leaders extracted from members and interlocutors could be "invested" in further legitimation and task expansion. In other words, the trajectory of this non-market and non-state arrangement was not just a passive reflection of the demand for its services by individuals and authorities. It could (and did) acquire a dynamic of its own that served to carry its burdens further up the slope than might otherwise have been the case.

For corporatists -- analysts as well as protagonists -- differences in the nature of intermediary institutions at the national level were regarded as crucial in determining the policies adopted and their eventual outcomes. Only when specially organized intermediaries were involved and only when the process of negotiation empowered them as monopolies to represent the collective interests of some encompassing group and to take subsequent responsibility for any decisions made, could one speak of corporatism *strictu sensu*. It was not enough just to consult various interests. Effective participation was not open to any organization. The macro-process of interest conflict and compromise depended upon the "active assent" of peak associations representing comprehensive class, sectoral or professional interests.[2] In more specialized sectors and under very special auspices, this could even result in the creation of so-called "private interest governments" that had a great deal of autonomy from and authority over both members and interlocutors in the way in which they allocated resources (Streeck and Schmitter, 1985)[3].

The corporatist literature of the 1970s tended to stress two ideal-typical clusters of conditions: (1) associational properties; and (2) decision-making characteristics.[4] Under the former rubrique, they looked about for such things as monopoly of representation, hierarchic coordination across associations, functional differentiation into non-overlapping and comprehensive categories, official recognition by state agencies and semi-public status, involuntary or quasi-compulsory membership, and some degree of heteronomy with regard to the selection of leaders and the articulation of demands. In terms of decision-making the search was on for “concertation,” i.e. for contexts in which there was regular interaction in functionally specialized domains, privileged and even exclusive access, consultation prior to legislative deliberation, parity in representation, active and concurrent consent and not just passive acquiescence or majority voting as the usual decision rule, and devolved responsibility for policy implementation.

Needless to say, in the real world these traits did not always cluster together: e.g. monopolies of representation were granted (often *de facto*) to associations without much public control over leadership or the nature of demands; functional councils were established within the administration or higher executive office, but legislatures refused to accept their status, much less to allow them to consider and amend proposals beforehand. Most disconcertingly, the associational properties and the decision-making characteristics did not co-vary in some instances. Supposedly, policy concertation could not persist without monopolistically structured, hierarchically ordered, officially recognized, clearly delimited associations. Even where the latter did not exist initially, once concertation was up and running, it should have encouraged the development of these properties in collaborating interest associations. Sometimes, the incongruencies were temporary when, for example, negotiations for the annual or biannual "social contract" broke down momentarily over a specific issue and yet the basic structure of intermediation remained unchanged, or when negotiations concerning macro-economic policies persisted between peak class associations, despite the fact that one or another of them had suffered a "defection" by a faction that opted for exerting pressure through other channels. Occasionally, great efforts were made to bring about a concerted outcome despite the prevalence of class, sectoral and professional interests that were "incorrectly" organized -- if they were organized at all. Great Britain during the 1970s and Italy in the early 1980s were apposite cases -- and they appropriately failed in short order.

Scott Lash and John Urry (1987), among many others, observed the growing travails of even the most persistent and successful of the neo-corporatist systems and proclaimed the re-birth of “disorganized capitalism.” If technology and global competitiveness were not material cause enough, the ideological attractions of neo-liberalism seemed to seal the fate of any serious attempt to negotiate one’s way through the labyrinth of major economic re-structuring.

As we shall see -- in the present revival of corporatist practices -- a number of countries have been attempting in the 1990s to reap the benefits of policy concertation between consenting interest associations, not all of which have the “appropriate” organizational structures. What is more, they have been trying to do this at the highly visible national, *gesamtwirtschaftlich* level, even if they have occasionally tried to fulfill new purposes with these efforts. Could it just be a different Sisyphus that is headed back up the hill? Might he be bearing a different bundle of substantive policies? And, does this mean that he is likely to travel further, before he inevitably comes tumbling down?

**THE PRESENT**

All those death certificates issued to corporatism in the 1980s carried the same generic signature.[5] Despite some difference in the symptoms of their agonizing, the autopsies uniformly declared that it had died of *disfunctionitis*, i.e. neo-corporatist arrangements could no longer perform the imperative tasks that had been assigned to it by neo-Keynesian policy makers operating within the confines of their respective nation-states. Lacking any legitimacy of its own, its demise passed virtually unnoticed by the mass public and was not even mourned by those academics who had made a career out of (re-)discovering it.[6]

*E pur si muove*! The corpse of corporatism has risen -- again -- and is rolling its dual burdens back up the slope of interest politics during the 1990s. It seems that some sort of associative governance -- intersectoral as well as intrasectoral -- is still an imperative of the functioning of modern capitalism, *pace* the more extreme protestations of neo-liberals. For, if capitalism requires an effective mechanism for ensuring orderly competition among producers and a mutually acceptable distribution of income between capital and labor, then, where the firms and individuals involved are associated with each other and, hence, capable of articulating their interests collectively, active assent can only be obtained through a systematic dialogue between the organizations that represent these interests.

The diagnostic error of those who presided over the autopsy of corporatism in the 1980s seems to have been in assuming that the ***same*** functions would have to be performed by the ***same*** organizations at the ***same*** level for this particular mode of interest intermediation/policy-making to survive. They did not acknowledge the possibility that ***different*** functions might be performed at the ***same*** level of aggregation by the ***same*** (or analogous) organizations. They should have taken their cue from Max Weber who, some time ago, warned against relying too heavily on functionalist definitions of institutions. He observed that really resilient institutions -- and the nation-state was admittedly the one that he had in mind at the time -- could perform many different functions and even restructure themselves quite substantially in order to survive. No one, of course, is going to argue that corporatist arrangements have anything like the tenacious hold on survival that modern states have, but Weber’s generic point still seems valid.

Whatever the underlying rationale, the 1990s have witnessed a major (and surprising) resurgence of policy concertation at the macro-level and this has been especially remarkable in countries that do not seem to possess -- at least, not *ex ante* -- an appropriately configured set of interest associations. A rapid perusal of the descriptive literature would reveal that the negotiating and implementing of tripartite or bipartite ***social pacts*** is back on the agenda -- but not always where one might have expected it on the basis of the experiences of the 1960s and 1970s.[7]

**Ireland** is a case-in-point. Having been previously described as hopelessly pluralist and non-macro-contractualist in the Anglo-Saxon tradition, the country quietly developed a tradition of centralized wage bargaining from 1987 to 1993. Three consecutive economic and social accords were signed between government, the FUEC (the Federated Union of Employers), and the ICTU (the Irish Congress of Trade Unions). The three year “Program for National Recovery” in 1987 aimed at creating a fiscal and monetary environment conducive to the promotion of higher rates of economic growth. It included a broad package of measures: greater equity in taxes, reduction of inequalities, employment generating measures, a ceiling on pay increases, measures for the low-paid and working time reduction. The second agreement signed in 1990, the “Program for Economic and Social Progress,” and the third in 1993, the “Program for Competitiveness and Work” contained essentially the same measures -- despite their differences in nomenclature.

**Finland** is a rather different case. Having been a relative late-comer to Scandinavian-style corporatism, it continued quietly, if fitfully, to practice corporatism throughout the 1980s. However, in the early 1990s when the collapse of the Soviet economy left them in exceptional economic distress, the Finns revived and expanded macro-level concertation. The initial tripartite deal between the government, the Confederation of Finnish Industry and Employers (TT) and the Confederation of Finnish Trade Unions (SAK) covered the period from 1 January 1992 to 31 October 1993. It was successfully re-negotiated after a massive currency devaluation when workers agreed to a freeze on wages in exchange for government promises to refrain from laying-off civil servants, to support housing programs, to grant tax relief to the lower-paid and to impose new taxes on those still in full-time employment. This macro-concertation has subsequently continued in a bipartite fashion between the TT and the SAK, with the additional participation of the Confederation of Technical Workers (STTK) and the Confederation of Professional Workers (AKAVA). Leaving aside basic wage issues (still covered by the previous agreement), they focused on a comprehensive package of measures designed to alleviate unemployment: lower wages for apprentices and newly recruited workers, reform of unemployment insurance, greater scope for decentralized bargaining, restrictions of political or sympathy strikes, and modifications in working time and workplace consultation.

The situation that emerged in **Spain** was completely different, in both its initial timing and intent. Macro-level concertation began in the late 1970s -- just as it was declining elsewhere in Europe. The famous *Pacto de la Moncloa* in 1977 did ostensibly deal with issues of economic and social recovery, but it was signed by the leaders of political parties and primarily aimed at improving the prospects for the consolidation of democracy. In the terminology of Terry Karl (1985), it constituted a "*foundational*" pact among political elites, not a "*managerial*" pact between economic and social groups. As such, it was quite successful and, as we shall see, closely observed and occasionally imitated by other countries involved in similarly uncertain regime transitions. The initial Moncloa Pact did give rise to a series of subsequent efforts as "managerial tripartite concertation” between the government, the Spanish Confederation of Employers’ Organizations (CEOE), and various combinations of the socialist-oriented General Workers Union (UGT) and/or the communist-oriented Workers’ Commissions (CC.OO.). After seven years of fitful success and five *Acuerdos*, these negotiations collapsed completely -- ironically, during the protracted hegemony of the Socialist Party (PSOE) in government, a factor which elsewhere and earlier was of crucial importance for the success of macro-corporatism! After a lengthy period of sporadic and inconclusive bipartite negotiations between government and business associations and government and trade unions, tripartite policy concertation raised its head again. A first attempt was made in 1993 to reach a comprehensive social pact by voluntary means. When this was abandoned by both employers´ and workers´ representatives, the Socialist government issued an ultimatum that if no agreement emerged before the end of the year, it would put its own proposal before parliament (where it then enjoyed a comfortable majority). The consequent law containing such matters as less rigid recruitment hiring procedures, permission for private and part-time employment agencies, reformulated apprenticeship contracts, incentives for creating part-time work, greater flexibility in working hours and less rigidity in collective redundancies was passed. Despite a general strike on 27 January 1994 and the lukewarm endorsement of capitalists, the measures were successfully imposed. The reluctant social partners seemed to have learned from that experience at having been shut out. They sat down and bilaterally negotiated a very comprehensive agreement among themselves in 1994 -- the first in over a decade.

Adjacent **Portugal** also went through a major regime change in the mid-1970s, but it did so without the benefit of a Moncloa-style foundational *pacto*. Instead, after a much more tumultuous process of democratization, it gradually and more easily than Spain settled into a process of managerial pacting at the macro-level, beginning with the creation in 1984 of a Permanent Council for Social Concertation. From 1987 through 1992, peak associations of business (industry, commerce and sometimes even agriculture) reached regular agreements with the General Union of Workers (UGT) on incomes policy and other issues.[8] In a near classic repetition of what had occurred in Northern Europe a decade or more earlier, the Portuguese “social partners” exchanged moderation in wage demands and greater flexibility in management practices for more generous social measures and improvements in labor legislation, as well as for adjustments in the calculation of economic indicators to bring them more in line with the country’s EU partners. As had been the case before, when conditions of growth and employment began to deteriorate after 1992, it became increasingly difficult to make the necessary concessions. No comprehensive agreement was signed for the next four years -- just when the process was being revived next door in Spain (where, incidentally, economic conditions were even worse)! In 1996, however, Portuguese peak associations hammered out a rather comprehensive deal including issues such as incomes policy, working time reduction, introduction of a minimum income on an experimental basis, and tax reductions for low income-earners. Interestingly, this agreement also foresaw the reduction of social security contributions for those employers belonging to employers’ associations -- a measure clearly aimed at providing incentives for the strengthening of organizational cohesion (Rhodes, 1997).

**Belgium** has had a long-standing tradition of centralized bargaining on social questions within the framework of its National Labor Council. Collective agreements, once reached voluntarily within it, subsequently acquire the coercive force of public law. Interrupted in the mid-1970s -- as so often happened elsewhere -- the practice of negotiating two-year bipartite agreements was revived in 1987 and has been in operation ever since. Nevertheless, the restricted scope of these accords lead the government in 1991 and again in 1993 to attempt the sponsorship of a much broader (and tripartite) pact on national competitiveness, employment and welfare. The resistance of the General Labor Federation of Belgium (FGTB) ended these talks -- before they could even begin. The government then responded by passing new legislation that aimed at accomplishing the same objectives: changing the basis of wage indexation, freezing real wages, reducing social security contributions, encouraging enterprise-level negotiations on job flexibility, instituting special employment contracts for young people and reducing social security expenditures. Despite strong labor resistance to these measures (including a 24-hour general strike), the bipartite concertation process in Belgium continued to function. Indeed, as we saw in the Spanish case, the peak associations of capital and labor having been bypassed by political parties and parliament subsequently responded in the following year by widening the scope of their negotiations and accepting stronger commitments to reform.

Marino Regini has recently analyzed the rather puzzling trajectory of macro-corporatism in **Italy** (Regini, 1996). Not only does he demonstrate empirically that its practice is far from dead in a country that had always been regarded as unusually resistant to its appeal, but he argues theoretically that "the recent attempts at concertation between (Italian) governments (*NB* the unusual plural) and interest associations are apparently more successful and acquiring greater stability in the countries whose political and organizational features do not meet the supposed 'preconditions' of neo-corporatism, and possibly because of such differences." Italy has been (and remains) a country with a fragmented system of interest intermediation and patterns of interorganizational bargaining that have been characterized as a pathological mixture of pluralism and consociationalism (Pizzorno 1993). Its only prior tripartite agreement of any importance, the Anti-Inflation Accord of January 1983 did not give rise to stable concertation in the subsequent decade, as did happen in Ireland and (as we shall see) the Netherlands. However, as Regini observes, it did give rise to a less visible, but quite encompassing, system of "micro-concertation" at the level of enterprises or industrial districts which were successful in satisfying the needs and expectations of both employers and workers. These, in turn, led to the development of a significant degree of trust and consensus so that when the issue of potential macro-level agreements emerged in the 1990s, the system could take advantage of the opportunity -- which it had not been previously capable of doing.

Regini refers to three agreements which, he claims, marked "the most radical reforms in the history of the Italian welfare state:" first, the Tripartite Agreement reached in July 1992 (under the Amato government); second, the July 1993 Agreement (signed by the Ciampi government); and, in particular, the May 1995 Agreement (negotiated by the Dini government).

Regini ascribes these developments not, as one might have expected, to the deep legitimation crisis that was simultaneously afflicting the Italian political class, but rather to a more bottom-up process of extending and legalizing agreements that had earlier been reached at the enterprise and local level. Moreover, he is very optimistic about the future of this process of macro-concertation and even seems to believe that it has already become a self-perpetuating institutional practice.[9] Independent of the latter evaluation, however, what is most challenging about his analysis is the assertion that all this has been accomplished ***without*** any major changes in the organizational structure of either capital or labor.[10]

All the above cases could be discounted for one reason or another. Some were bipartite; others were tripartite. Some have been conducted in exceptional circumstances; others have been convened more routinely. Most importantly, they have been either too recent to have produced any major effects or not yet sufficiently “embedded” to survive major changes in government in power or shifts in the business cycle. Whatever their actual or potential contribution to “the governance of contemporary capitalism,” they have yet to be picked up by anyone as a “model” worthy of imitation.

This is definitely not true of **the Netherlands**. There is hardly a West European Prime Minister or Central Bank President who has not recently referred with admiration to the virtues of that country’s macro-economic performance and, specifically, to its “full part-time economy.”[11] Jelle Visser (1996) has demonstrated that, since the late 1980s, the Dutch polity has achieved simultaneously several things that elsewhere have been impossible. It has reformed its welfare policies and social security system without severe cuts or protests. Moreover, unemployment has been reduced from a very high of 13% in the mid-1980s to only 6.7% in 1996 -- the lowest level in contemporary Europe.[12] This has been done despite following a policy of strict fiscal conservatism aimed at monetary stability and budgetary discipline. The Netherlands is currently one of the few countries that satisfy the convergence criteria imposed by European Monetary Union. And, contrary to other countries' experiences, privatization of public enterprises has played virtually no role in temporarily augmenting Dutch public receipts.

The key to this superior performance, Visser finds in a set of major changes in the Dutch system of industrial relations -- both in the structures and the strategies of its component organizations. The turning point came in 1982, considerably before the other cases we have reviewed above. The Netherlands had been one of the first countries to drop out of the postwar "high corporatist elite." Growing worker mobilization had destroyed its well-established practice of macro-concertation; the domestic policy debate had come to equate it with institutional sclerosis (Visser 1996:2); and economists were issuing stern warnings about the "Dutch disease," i.e. about the way in which windfall revenues from the exploitation of natural gas discoveries had produced wage and price hikes, steady inflation, and a corresponding loss of international competitiveness and jobs. Visser quotes the Swedish political economist, Göran Therborn, who described the Dutch economy in 1986 as "most spectacular employment failure in the advanced capitalist world," and shows that it was precisely this sense of crisis, widely shared by the population, that resulted in the subsequent changes in structure and strategy. The trade unions, in particular, were vulnerable to loss of membership and the burden of soaring unemployment. They began to recognize that “improving the profitability of Dutch industry was a *sine qua non* for any job strategy” (1996:12).

Only in this context can one understand the novelty and comprehensiveness of what came to be known as the 1982 Agreement of Wassenaar -- “the mother of all accords” in Visser’s words. Wassenaar, he argues, was for the Netherlands “what Saltsjöbaden (1938) had been for post-war Swedish labor relations.” It contained in anticipation virtually all of the measures that began appearing a decade later in the other Social Pacts we have discussed above. It coupled rigid budgetary measures in a sort of Maastricht *avant la lettre* to wage restraint and major reforms in welfare institutions. The trade unions gave up their Holy Grail of automatic compensation for price inflation and the employers’ associations withdrew their veto of a reduction in the working week. Moreover, the Wassenaar Accord turned out not to be just a “one-shot” exercise. It was followed by an array of no less than 78 subsequent reports, guidelines, joint opinions, reports of advice, recommendations and agreements covering the most diverse labor market issues. They marked the beginning of a continuous process of bi- and tripartite-bargaining whose most recent product was the New Direction Accord concluded in December 1993 in which worker and employer organizations “renewed their pledge to continue a policy of wage moderation, in favor of investment, job creation, working-time reduction and extra measures for training.” Moreover, the more recent agreements have inserted provisions in favor of a more differentiated and flexible implementation through negotiations at lower levels, possibly with the involvement of works councils, personnel or union representatives. Visser calls this a policy of “centralized decentralization.” Along with the central co-ordination between peak associations and their sectoral affiliates, strict monitoring procedures were introduced at the enterprise level. Employee consultation and participation rights spread throughout the country. After the three previous decades of government involvement in centralized wage setting, one might have anticipated such a demand for decentralization, but thanks to the Accords it was contained within a single concertation process.

1982 was not just a watershed in the attitudes and strategies of Dutch peak associations. It also resulted in a major change in institutional arrangements. The role of the Foundation of Labor (*Stichting van de Arbeid*) was restored, at the same time that the tripartite Social-Economic Council (*Sociaal Economische Raad*) which had once been “the apex of corporatism and elite co-operation” - diminished. Meetings in the latter indeed suffered from too formalized and often redundant practices, while the *StAr* has a more informal structure, is less crowded, and unites the central players less frequently, in brief: it is more flexible. All this leads Visser to underline “that corporatism has again become the dominant figuration in Dutch industrial relations” (ibid:27). Its trade unions are broadly representative. Their membership has remained stable and even showed recent signs of increasing. Despite organizational pluralism, they do not compete sharply with each other. Employers are equally well organized -- and have become less confessionally divided. Over the whole process, but discretely in the background, lurks the Dutch state with its coercive “shadow of hierarchy” and there is always the “shadow of the future” to remind the negotiators that they could both be worse off -- if they fail to agree. Recurrent (but informal) interaction and mutual adjustment have discouraged short-term opportunism and contributed to the building of longer-term trust. Visser concludes his monograph by observing that the Dutch case proves that "countries do have considerable autonomy in shaping institutions and policies, in spite of the common challenges and pressures of integration and internationalization" (1996:29).

**Austria** with its extraordinary continuity in reaching class compromises between its "chambered" peak associations proves the same point. Franz Traxler (1996) argues forcefully against assuming that either globalization or regional integration will undermine the prospects for national concertative arrangements, especially when -- as in the Austrian case -- the functional content of concertation has shifted from demand to supply issues (*Angebotskorporatismus*). Brigitte Unger (1996) shows that the pressures of internationalization have always be taken into account by the participants in Austria's *Sozialpartnerschaft* and that there is no reason to believe that the Single European Market or European Monetary Integration will lead to its demise. It has become more difficult to sustain specific mechanisms, such as the *Paritätische Kommission*. After its fifty years of existence, Unger finds that it has entered the organizational equivalent of a typical male "mid-life crisis:" the participants think that the best times are over; they look back with regret to the glorious past; they feel increasingly impotent in face of external pressures; and, finally, they attempt to overcome this with a *fuite en avant*, i.e. by leaving the (national) family and taking up with a (supra-national) lover in Brussels. Behind this imaginative metaphor (or, is it just a metaphor?), Unger finds considerable evidence for a major shift in the substance of the more recent accords, for example, in the Joint Report on the Consolidation of the National Budget of September 1995. The previous objectives of “full-employment” -- or “a high level of employment” -- have shifted to “increases in employment;” and the former emphasis on “solidarity” has changed to “efficiency” and “budget consolidation.” She concludes by dismissing the possibility of transposing the Austrian arrangements to the level of an EU Social Dialogue or set of collective agreements and stresses that the future of Austria’s concerted political economy lies in Vienna, not in Brussels.[13]

Corporatism in **Switzerland** has not (yet) had to face the tensions generated by EU membership. Hence, it has essentially remained stable -- not only with regard to its organizational structure -- but, more peculiarly, with regard to the content of its agreements. As demonstrated recently by Klaus Armingeon (1996), Swiss social partnership has always differed in important aspects from that of Austria or Scandinavia. Its functional equivalent to the more formal structures of the other countries is the *Vernehmlassungsverfahren* procedure (Article 32.3 of the Swiss Constitution) according to which interest associations are granted the constitutional (and, hence, virtually irremovable) right to be consulted **before** drafts of legislation are debated and decided in parliament. Also, the actual negotiations under the terms of the Swiss Social Peace Treaty of 1937 take place at the sectoral level which allows for more flexible accommodation to changing market conditions. Finally, Swiss practices are rooted in a very stable overlap between parliamentary and corporatist policy-making -- itself rooted in a long-standing coalition between the Social Democratic Party and the trade union movement. Contrary to the general trend in Europe, the party affiliation of union members in Switzerland has increased, not decreased -- and the famous 2+2+2+1 formula for establishing the national executive has guaranteed Social Democratic participation in government continuously since 1947.

Unchallenged by EU membership or the Maastricht convergence criteria (which, incidentally, Switzerland would have no difficulty in meeting) and unthreatened in the recent past by major economic crisis, the Swiss macro-concertation may, nevertheless, be facing an uncertain future. Real wages have stagnated and there has been little economic growth since 1992 (Armingeon 1996: 8). The country never attempted to "govern" the business cycle and, therefore, "(Swiss) corporatism could never profit from the rise of neo-Keynesian macro-economic steering and it never suffered from its failure" (Armingeon 1996: 9). This also means that Switzerland may be singularly ill-equipped with policy instruments for dealing with its current economic stagnation. Any comprehensive wage-tax-welfare bargain between organized capital and labor would require the consent by the Federal government, all 26 cantonal governments and a large number of local authorities -- not to mention, a probable referendum.

So, the Swiss Corporatist Sisyphus has been working at his own, much more steady and slow, pace. He is definitely "out of synchrony" with his more Europeanized neighbors. In the 1990s, it hardly seems likely that he could be hurried along in response to the new difficulties posed by the country's declining international competitiveness, or induced to take on new substantive burdens in response to an expanded policy agenda.

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If this evidence from Western Europe were not enough to convince the reader that macro-corporatism was back on the agenda, consider what has been happening in **Eastern Europe**! There is virtually not a single country that has not, in the course of trying simultaneously to transform its economy and its polity, experimented formally with macro-level corporatism. Admittedly, there is an element of irony in these experiences: they look suspiciously like efforts at copying Western practices when these very same practices were no longer functioning as they used to. Which does not mean that macro-corporatism might not be of some utility in the Eastern cases; just that it is highly unlikely to produce the same effects!

**Hungary** was the first. Its National Interest Conciliation Council was set up in 1988 at the initiative of the government -- even *before* the regime change had occurred. It was re-established and reformed in 1990 and seems to have played a significant role in drafting legislation on industrial relations and distributing the assets of the former trade union movement, despite the fact that it is very pluralist in its representative structure. No less than seven confederations of workers and seven confederations of employers participate, along with a shifting set of government representatives!

The **Czech** Council for Economic and Social Agreement was created in October of 1990, hence, after democratization had begun. It has a more classic composition, with monopoly peak associations for capital and labor and designated seats for three ministries. Its relations with the neo-liberal government of Klaus have been tenuous, but it has produced annual agreements since 1991 that seem to have had some effect on wage and employment issues, as well as the content of new legislation.

Interestingly, it was renamed in 1995: the Council for Dialogue of Social Partners in manifest tribute to its Austrian neighbor. Slovakia “inherited” a similar arrangement when it became independent in 1993.

**Bulgaria** is another case-in-point. Its National Commission for the Coordination of Interests was established by national tripartite agreement -- and not at government initiative as in the previous cases -- and quickly acquired a monopolistic and hierarchic structure of representation. After producing three agreements on price liberalization, income indexation, pension levels, privatization and labor law reform, it was abruptly dissolved in November 1991 by the incoming neo-liberal government of Dimitrov. Only to be recreated in May 1992 as the National Council for Social Partnership and then again in January 1993 as the National Council for Tripartite Partnership. These changes were brought about by strong pressures from the trade union movement which in Bulgaria as in Czechoslovakia seems to have retained much of the monopolistic organizational structure and high density of membership that it had under the *ancien régime communiste.*

**Poland** has been a bit of a deviant case -- perhaps, precisely because of the enormous initial presence and subsequent fragmentation of the Solidarity Movement. It did not even get the semblance of a macro-corporatist arrangement until 1993 and then only for issues concerning privatization: the Tripartite Commission on Control over the Implementation of the Pact on State Enterprises. This subsequently converted itself in the Tripartite Commission on Socio-Economic Issues, but its effectiveness has been paralyzed by conflicts between competing trade union confederations.

The list could be extended. **Russia**, the **Ukraine**, **Belarus**, **Romania**, even **Kazakhstan** have experimented with tripartism in one form or another! But let us not be mislead by this explosion of activity. As Petra Stykow points out in the monograph which we have used extensively in putting together the above survey of developments in Eastern Europe, “the actual political importance of tripartite bodies paints a bleak picture for all (Eastern European) countries” (Stykow 1996:3). They may be modeled on (largely defunct) Western experiences, but they are not performing the same functions. Their creation has been much more dependent upon governmental initiatives and their survival much more contingent upon eventual governmental defections; their internal structure much less organizationally concentrated and *paritätisch* (due in large part to the weakness of associations of capitalists); their policy impact much more symbolic. Which does not mean, she shrewdly argues, that these institutions are “superfluous” or “empty.” They have been, in fact, quite important -- but not for their role in managing the economic transition. Just like the Spanish *Pacto de Moncloa*, their real purpose is to embody a “foundational” agreement among members of an emerging national political elite. Eventually, macro-corporatist pacting may stimulate the development of “appropriate” class, sectoral and professional associations (they did in Spain) and they might even facilitate the governance of an emerging capitalist economy, but their immediate functions have been to reduce uncertainty among competing elites and to broadcast an image of orderly cooperation to the citizenry at large.

## THE FUTURE

In a deservedly obscure article written at the height of despair with the neo-corporatist arrangements of the post-war period, the senior author of this essay reminded his readers that corporatism has had a historical tendency to disappear and to reappear (Schmitter 1989). Its modern ideological revival can be conveniently traced to the papal encyclical, *Rerum Novarum* of 1891 -- although the resuscitation and extension of the Chamber system for artisans, industry and commerce and even for agriculture in some parts of Central Europe had begun some twenty years earlier. The concept re-emerged after World War One, this time in a more secular and statist guise, and found its most public expression in the *corporazioni* of Fascist Italy, followed by imitators in Portugal, Spain, Brazil, Vichy France, etc. Several of the smaller European democracies began practicing something analogous in the post-World War Two period -- although they were carefully to avoid the previous label.

All this puts its ideology-*cum*-practice -- roughly -- on ***a twenty to twenty-five year cycle***[14] -- with, of course, lags for particular countries and exemptions for particular sectors.[15] This was a very speculative conclusion when it was advanced in the mid-1980s. For it to have acquired the status of plausible theory, one would have to come up with variable and contingent conditions that "drive" actors to shift their preference from one solution to another -- and then back again in a period of twenty to twenty-five years.

One obvious candidate could be found in Albert O. Hirschman’s (1982) notion of “shifting involvements.” Actors collectively prefer one set of goods over another -- say, private goods -- until diminishing marginal returns and crowding effects set in and they switch to a different set of preferences -- say, for more public goods. Pluralist-pressure politics would correspond to the private “phase;” corporatist-concertation politics to the public one -- and involvement with each could be expected to shift back-and-forth ad infinitum.

Another possible candidate would be the twists and turns of the business cycle. The fact that the ups and downs of the macro-economy do not quite seem to correspond exactly in time to those of corporatist arrangements could be dismissed on grounds that institutions tend to be "viscous" and, therefore, to take more time to learn about the changing context, to reflect the new balance of forces and to overcome the resistance of their internally vested interests. There is certainly growing evidence that changes in economic performance, especially in the level of employment, have a differential effect on the relative power of capital and labor that makes them more or less attracted to engaging in a "systematic dialogue". When the labor market is tight, capitalists see heretofore hidden virtues in corporatist compromises that encourage wage restraint; inversely, when it is loose, trade unions find that they can use these same arrangements to protect the concessions they managed to extract previously.  The temptation to defect is greatest for both at the zenith and nadir of the cycle. Presumably, what makes extreme fluctuations in institutional response relatively infrequent is not just the aforementioned "viscosity", but also the development of trust among conflicting interest representatives. Such “social partners” may choose to underexploit momentary advantages presented to them by the business cycle in return for anticipated future concessions. Just a simple “tit-for-tat” strategy might convince them not to press too hard in the present so that in the future, when the cycle has reversed itself, the other side will not be so anxious to reap its revenge.

Whatever the basic sentiment or calculus behind it, the cyclical theory of corporatism is appealing -- at least, to those who advocate or study such arrangements. Presumably, once consumers were satiated with private goods or once workers were again fully employed, the appeal of neo-liberal diatribes against government planning, incomes policies, production of public goods and the regulation of sectors would decline and neo-corporatist concertation would become a more attractive policy option at whatever level (including the supra-national).

Unfortunately, neither of these elegant theoretical speculations about the mechanism underlying corporatism’s twenty to twenty-five year cycle seem adequate to explain its present revival. There is no evidence that consuming individuals are fed up with private goods and shifting their preferences to public ones -- although there is some indication that the appeal of neo-liberalism has waned. Unemployment has not only not diminished; it is dramatically persistent and even increasing in several of the polities that have recently been experimenting with macro-concertation.

Let us first *reculer pour mieux sauter* -- i.e. go back to the reasons that were adduced for the demise of neo-corporatism in the latter half of the 1970s and 1980s and see if we can find any hints about why it was resuscitated in the 1990s. The arguments were, at the time, quite convincing. At first, the problem seemed to be just the persistently lower growth rates and slack labor markets that emerged in the aftermath of the two oil shocks -- along with the consequent fiscal crisis of the state. The surplus was simply not there to make the sort of side-payments that had facilitated compromises in the past and organized intermediaries were noticeably reluctant to share responsibility for the management of declining resources.

Gradually, however, other difficulties emerged which suggested that merely reversing the decline in growth and the increase in unemployment might not result in a return to the *statu quo ante* at the level of macro-concertation. The displacement of employment from the traditional "hard-core" of manufacturing to service and, in some cases, to public employment had a serious impact on the recruitment of union members. In those countries that already had more corporatist structures, representativity did not decline quantitatively, so much as change qualitatively. The "character" of deliberations and demands at the class level began to shift when public employee and service unions became the largest units within their respective national confederations. The large standardized groups of skilled and semi-skilled workers, especially, those in the metallurgical sector that historically had played a leading role in collective negotiations, were hard hit by de-industrialization and their "replacements" -- where they joined unions at all -- were employed in more scattered sites with much more individuated tasks to perform under even more ambiguous hierarchies of authority and remuneration. In other words, the very core interest categories upon which macro-corporatist compromises had been built were becoming increasingly disaggregated and dispersed. The whole process of centralized negotiations concerning wages, benefits and working conditions came under severe pressures. In some cases (e.g. Sweden), the system only survived by shifting to a sectoral level. And even where it persisted nominally (e.g. Austria) an increasing proportion of the substance of negotiation shifted to subsequent plant-level agreements.

Moreover, new production technologies based on micro-electronics cut across traditional job classification systems and professional categories, and created possibilities for flexible production in relatively small units. In one sense, these processes increased the need for "active assent" on the part of workers -- and, therefore, the need for capitalists to bargain with them over the quality as well as the quantity of their contribution, but in another sense this was occurring in highly differentiated settings not easy to reduce to a standard contract and, hence, difficult for either trade union or employer peak associations to capture and control. Both types of intermediaries found themselves increasingly shut out of the negotiation process -- where it occurred at all.

Of course, the real culprit -- everyone’s favorite *deus ex machina* -- was (and still is) *globalization*. Sharpened international competition (and greater international mobility of capital) lay behind many of these developments, but also played a more direct (and menacing) role. The overt threat to move to another site or to discontinue production altogether put great pressure on workers to make concessions at the level of the enterprise, thereby undermining what had previously been negotiated at the national or sectoral level. Similarly, the heightened competition between firms made unified responses and commitments from business associations more difficult. Governments and state agencies, sensitive to these trends in the international environment through the balance of payments as well as to the direct pressure from those involved, multiplied the subsidies and exemptions designed to benefit specific sectors -- and sometimes even individual firms.

The upshot of these trends seemed quite clear to many analysts in the 1980s. At best, “national corporatism” had to shift from the macro- to the meso-level of aggregation. And even then, the question remained whether the process would stop there or disintegrate even further until the only "systematic dialogues" left would be taking place at the level of firms and the “voluntary and active assent,” so obviously necessary for improving competitiveness in a more globalized marketplace, would emerge from the interactions of individual workers and employers -- stalked by the shadow of future dismissals and plant closures. Not a very encouraging prospect -- but, so it seemed, a realistic one!

We now know that it was overdrawn. “Systemic dialogues,” even between representatives of *gesamtwirtschaftliche* interests, began re-emerging in the late 1980s and presently seem to be proliferating. Why? What, if anything, was mis-specified in the above model?

The simple answer, we believe, is **nothing**. The basic bundle of causal inferences outlined above was correct, **provided** two prior assumptions were true: (1) that those countries whose organizational structures were not monopolistic, encompassing, hierarchical and congruent stood little or no chance of engaging successfully in concertation on major policy issues at the macro-level; and (2) that those peak associations that did fit these requisites would continue to deliberate and decide upon the same functional issues that they had so successfully dealt with in the 1960s and 1970s. Both of these assumptions became increasingly questionable by the late 1980s and early 1990s.

The first presumed that the ideological cleavages that had so long divided the trade union movement in Western and, especially, Southern Europe would remain strong and provide persistent incentives for inter-organizational competition for members and access to state agencies. In the extreme case, *vide* France, they had institutionalized such a process of *surenchère*, competitive over-bidding, that successful policy concertation was a virtual impossibility -- hence, the imperative of resorting to direct government intervention. The exogenous, if fortuitous, shock of the end of the Cold War dramatically undermined that assumption. Splits which have previously kept class fractions from cooperating with each other -- not to mention, the general “Eastern Menace” that had so frequently been used as an excuse to extract agreement from one faction on grounds of the defense of common “Western Interests” -- no longer made sense. The organizations have remained “pluralistic” in Italy and Spain, but their positions have become much more convergent.[16]

The second is a much more complicated and less clear-cut issue. The thrust of earlier neo-corporatist experiences was incomes policy -- wage contention in exchange for near-full employment and side-payments in increased, state-provided, welfare. Needless to say, other issues managed to get on the agenda. Indeed, it was this tendency to “creep” into adjacent matters that was particularly annoying to business associations and partly explains their desertion of the process in the 1980s. But it does not seem an exaggeration to affirm that neo-corporatism and neo-Keynesianism were -- if not twins -- at least, first cousins.

The death of the latter has been even more frequently proclaimed than that of the former, and with greater accuracy.

International competitiveness in specific products and sectors has replaced aggregate national growth as one major objective; inflationary pressures are no longer such a central preoccupation; persistently high levels of unemployment and low levels of job creation have completely displaced the concern with containing the pressure for higher wages generated by full employment. And, most importantly (if a bit belatedly), there is the looming imperative of having to meet the convergence criteria for European monetary unification. It may not have presided over the initial resurgence of macro-corporatism in such countries as the Netherlands, Belgium and Ireland. At the time, they were collectively more focused on improving competitiveness and diminishing unemployment, but once the provisions of the Treaty of Maastricht about EMU began to be taken seriously, making the requisite adjustments in budgetary and borrowing policies quickly moved to the top of the agenda for concertation.[17] National governments, faced with a manifest loss of sovereignty in an area -- the fixing of exchange and interest rates -- which had been essential to their macro-economic decision-making, were desperate to regain some degree of autonomy in their policy process. The European-national state, quite obviously, still possesses its capacity to act as “the architect of a corporatist order” as Gerhard Lehmbruch has argued in the case of Germany (Lehmbruch 1996:741). We have found evidence in a broad range of countries that it is still capable of drawing up and implementing such plans.

Whether they will be successful in the long run in this renewed architectural project is another matter. That depends on the cooperation of its “Social Partners” -- something which cannot be taken for granted. Organized labor has been severely weakened by the economic and ideological trends of the past two decades, and may have little or no choice but to comply. As we saw above, there have been several occasions when workers' confederations have felt compelled to dissent from negotiated agreements -- even to mobilize their members in general strikes (Belgium, Italy, Spain) -- but the impact has been negligible. The subsequent implementation of social pacts did not meet with protracted resistance, and one suspects that this was anticipated. As before, the most problematic partner is organized business -- especially, the small and medium size enterprises that have no oligarchic power in the marketplace and are most threatened by lower labor costs of Third World producers.

In policy areas not directly related to labor market issues, but where capital and the state felt threatened by the emergence of new social movements, governments and interest associations have also been finding new ways to make use of macro-level arrangements for policy concertation. Lauber and Hofer (1997) have catalogued some 133 such agreements in the Netherlands, 25 to 30 in Denmark and 17 to 28 in Austria that deal with either product or substance-related matters. These Voluntary Agreements (VAs) on environmental issues have primarily been signed by business associations and the government ministries. The consensus they establish serves to off-load responsibility for hotly contested issues from the state bureaucracy and, thereby, inhibit their further escalation by environmental movements and parties. Concerted deals of this new type seem only available to countries with appropriately structured systems of interest intermediation. Even then, they constitute second-best-solutions. Public officials lose out on an opportunity to expand their discretionary power, but gain by not being held exclusively responsible for very contentious policies. For business, they may be preferable to direct public regulation, and environmentalists should be willing to go along if the alternative would mean no regulation at all (Laufer and Hofer, 1997:24).

Setting aside this marginal and still embryonic form of “environmental concertation,” it would seem, to us, that the future of this new cycle of macro-corporatism will depend primarily on the future evolution of the European Union/ Community. And this, *not* because the EU is likely to be successful in constructing an edifice of Euro-Corporatism around either its embryonic Social Dimension or its various sectoral policies. Schmitter and Streeck (1991) argued some time ago that the pattern of interest politics emerging around Bruxelles was much more pluralist than the patterns prevailing in most of its member states and that this trend was likely to continue for several reasons: size, complexity, multiple layers of access, differing national practices, and so forth. We see no reason to revise this assessment, *pace* those who have struggled to find traces of concertation in specific sectors (Greenwood et.al. 1992; Mazey and Richardson 1992) or those who predict a more promising future for collective negotiations on social and employment issues at the European level (Falkner 1996). The EU has neither of the two qualities which were present at the founding of national corporatisms: (1) an autonomous redistributive capacity; or (2) a relative equilibrium of class forces. And, it is highly unlikely to acquire such state-like properties in the foreseeable future (Schmitter, 1996)

Where the impact will be felt is primarily *via* the “Europeanization” of national interest politics, i.e. as member (and, even, non-member) governments strive to meet their increasing EU obligations. Especially in the event that monetary unification is accomplished, they will have to rely more-and-more on the negotiated consent of their respective social partners in order to obtain the “voluntary and active assent” that is so important for competitive success. Most national interest associations are unlikely to “supranationalize” themselves and shift their attention and allegiance exclusively to Bruxelles. The costs are too high and the uncertainty of depending on the cooperation of others is too great -- especially when further enlargement means a growing number of less well-known and more diverse others. However, these associations will become deeply penetrated in their internal politics by issues defined at the level of “Europe,” and they may find it increasingly expedient to ally with previous interest competitors in joint attempts to defend distinctive national policies. The primary “growth potential” for macro-corporatist architects in the future lies in the feverish efforts of national governments to adapt to the single market directives, the product and professional standards, the judicial verdicts and the monetary convergence criteria that will increasingly be regulated by supra-national authorities. The boundaries, territorial and functional, of interest politics have shifted irrevocably which paradoxically implies a greater not a lesser reliance on previous structures of national intermediation -- provided they can be exploited to fulfill new tasks and still manage to reproduce the old loyalties.[18]

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**And so the Corporatist Sisyphus is headed back up the hill, goaded as before by an architectonic national state. Moreover, he is just about on time. If that previous speculation**

**about a twenty to twenty-five year cycle was correct and if one traces the last downturn to the First Oil Shock of 1973, then corporatist practices should have bottomed out ca. 1985-8 and will be hitting their peak sometime after 1998-9 -- more or less at the very moment that monetary unification is (supposed) to occur!**

**And what, this time, will eventually bring his burden back to the bottom of the hill? Rising costs? Diminishing returns? Shifting involvements? Perverse effects? Growing illegitimacy? Or, will Sisyphus finally make it to the top and deposit his dual responsibilities in the charmed circle of routine policy practices and legitimate democratic norms?**

*** ENDNOTES ***

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[1] This more appealing alternative appeared in the 1980s when the neo-liberal *mantra* of deregulation, privatization and internationalization became so “hegemonic” among capitalists -- in manifest conflict with the operative principles of neo-corporatism. It should be added that corporatist arrangements were potentially more vulnerable than their pluralist rivals because they never benefited from an elaborate, status-conferring, ideology. Their ideological origin in Catholic thought and their association with authoritarian practices in the inter-war period made it difficult to justify them openly after 1945. Only in Austria under the label of “Social Partnership” did they become an integral part of public ideology -- which explains, in part, why its practice there has been less Sisyphean.

[2] There is an embryonic literature dealing with corporatist arrangements for handling consumer, gender, environmental and other issues, but this need not concern us here.

[3] Needless to say, the conditions needed to produce stable private interest governments were much more demanding than for ordinary corporatist arrangements. See Streeck (1992b) and Grote (1992, 1995) for details on the German artisan and small firm sector -- a prime example of this peculiar type of arrangement.

[4] For early work contrasting these two enabling conditions, see Schmitter (1974) and Lehmbruch (1974).

[5] Corporatism did survive in a few exceptional instances. Austria, of course, is everyone’s extreme case and we shall return to it below. Norwegian corporatism in the 1980s exhibited clear signs of incipient morbidity, especially in tensions between sectors and between organizations representing white and blue collar workers, but it managed to survive. Of course, its survival can easily be dismissed due to the fortunate transfusion of petroleum revenues into the agonizing body-politic. Switzerland had always been a difficult country to classify in terms of the orthodox organizational and policy-making criteria -- and its classification had major implications for any subsequent econometric estimations of policy outcomes since Swiss (and Norwegian) performance was so consistently high. Nevertheless, throughout the 1980s without any interruption the Swiss continued with their tightly coordinated pattern of sectoral bargaining according to the rules laid down in the *Sozialfriedensvertrag* of 1936.

[6] For reflections on the various ways in which corporatism was evaluated in the 1970s and 1980s, see Offe (1995). Interestingly, the one cell of Offe’s that might have keep corporatism alive despite its (allegedly) fatal case of

*disfunctionitis* -- the one that combines a favorable and a normatively based evaluation of it -- has been "almost empty" (p. 123). To fill it, Offe had either to go back to the 1920s (Otto Bauer) or forward to the "real utopian" speculations of Joshua Cohen & Joel Rodgers, Philippe C. Schmitter and Jane Mansbridge. These have been conveniently gathered together in Erik Olin Wright (ed.), 1996 -- along with the above-mentioned essay by Offe.

[7] Most of the following information has been taken from various recent issues of the European Industrial Relations Review (EIRR) and the International Labour Review (ILR), in particular, from a discussion of social pacts in ILR; No.30 of September 1994.

[8] The communist-oriented General Confederation of Portuguese Workers (CGTP) participated in the negotiations but steadfastly refused to sign the agreements.

[9] Regini may be having second thoughts on this score. It recently took over six months to reach agreement in the metal-working industry (and, then, only with considerable government intervention). The entire country is currently (February 1997) plagued by major strikes in response to threats of industrial re-structuring.

[10] An argument that could be extended -- *mutatis mutandis* -- to several other Mediterranean cases: Spain, Portugal and even Greece.

[11] For example, the Governor of the Banque de France, Jean-Claude Trichet, was quoted in Le Monde (23 January 1997) as having said that "la France devrait s'inspirer du modèle économique néerlandais; et notamment de sa réussite en matière de création d'emplois à temps partiel." From one of the lowest levels in Europe in the 1970s, part-time work climbed to 35% of total employment by 1995.

[12] According to Visser, this is due in part to the substantial increase in part-time work which was not -- at least, initially -- an objective of the macro-concertation process. He cites an official who admits "it just came our way" (p.4).

[13] Unger cites a national survey carried out among the (obligatory) members of both the *Wirtschaftskammer* and the *Arbeiterkammer* in which 81.7% of industrialists and 90.6% of workers opted for the maintenance of the chamber system.

[14] For example, an article in the Financial Times (4 July 1987) reminded readers that Britain's National Economic Development Council (Neddy), a corporatist experiment founded in 1962, was just being abolished -- twenty-five years later -- by the Thatcher government. The author (John Elliot) warned his readers in the title: "Don't Dance on Neddy's Grave" and prophesied that "... the pendulum will swing back and someone in Downing Street

will echo the sentiments of Edward Heath who (said) ‘We have to find a more sensible way of resolving our differences!’

15 Agriculture, for example, has had a remarkable and consistent propensity for corporatist arrangements for some time. Instead of coming and going, they have tended to accumulate and to multiple in level, with the European Community's Common Agricultural Policy providing the capstone for the whole edifice of policies. Similarly, corporatist practices regulating (and protecting) certain professions and artisanal groups have lead a stable, if barely visible, existence at the national level in most European countries and are currently in the process of being translated into Euro-norms.

16 The issue of ideological-*cum*-confessional splits has always been a relative matter. On strictly organizational grounds, the Swiss trade union movement has always been formally divided, but in its practice it had long since acted as a unit under the hegemony of the Swiss Trade Union Confederation (SGB). Also, the Dutch divisions on both the worker and employer side had not prevented extensive social contracting during the 1950s and 1960s. What is new, however, is the decline in the salience and significance of ideological cleavages in the Southern European countries, with the (partial) exception of Portugal where the Communist-led CGTP participates in but has refused to sign the recent social pact.

Incidentally, in the Italian case, the rising importance of macro-concertation has already begun to produce some minor experiments with mergers, although so far only at the regional (Lombardy) and local levels and especially among artisan and small business associations.

17 Actually, the Netherlands, Belgium and Austria may have come to this revelation much earlier since their currencies became tied to the *Deutschmark* some time before Maastricht -- hence, the relatively earlier revival of macro-corporatism in the first two cases and the new lease on life given to Austrian *Sozialpartnerschaft* in the late 1980s. The fact that Luxembourg has long ago given up its national currency may even help to explain why it has so persistently (if quietly) been practicing corporatism since the 1950s!

18 There is another area in which EU policies are having a less visible but nevertheless potentially significant impact, namely, on meso-corporatist practices at the sub-national level (Schmitter and Lanzalaco 1989). The reformed mode of administering the Regional and Structural Funds brings Commission officials into direct contact with regional and municipal actors in so-called “partnership” arrangements. Most of these are composed in a tripartite manner and frequently bring about policy concertation which did not exist previously. Whether these partnerships are merely opportunistic ploys to pry more funds out of the EU, or whether they will become a more stable feature of sub-national politics and “spill-over” into other policy domains

remains to be seen (see Grote, 1996, on the case of Italy and, 1997a and 1997b, for comparative structuralist evaluations).