

First, then, the necessary severity of the limits on inclusion is plainly an unsettled empirical issue. It is clear that increasing the number of parties to negotiations complicates them, generating 'diseconomies' of scale. What is less clear, however, is what peak bargaining with three groups instead of two, or four instead of three, might look like and how it would affect outcomes on the performance versus exclusion dimensions. Discovering the scope and limits of the space of representation appears, quite simply, to be a matter of institutional tinkering.

The second issue concerns the legitimacy of exclusion. It appears to us that in mass societies with heterogeneous social interests the possibilities of achieving a group system of functional representation that provides equal representation of all interests is more and more remote. But this is less a problem for democratic governance than it might be if decisions about the range of interests to be represented, in particular the range of groups to be accorded quasi-public status, are themselves made under conditions in which the views of each citizen are accorded equal weight. This might be done, as we have suggested at several points, by making the choice of groups, the groups selected, the appropriate criteria of selection, the rules on their external and internal accountability, the tasks they are selected to discharge, and so forth themselves the object of authoritative popular political choice through conventional political institutions. In that case, the groups so authorized inherit the legitimacy of the authorization.<sup>64</sup>

#### *Distributive Fairness*

Our discussion of distributive fairness indicated two problem areas: (1) possible coincidences between excluded or under-represented interests and less well-off citizens; and (2) regional inequality. It is not at all clear that the first is a major problem, especially when compared to existing alternatives. This aside, all that we have to say about its address has been said in our discussion of mitigating inequalities in representation.

The second issue appears to us important but not intractable. That is, it does seem to be the case that functional systems of representation, by their very nature, will be less responsive to territorially defined inequalities. In addition, it appears that heavier reliance on 'private government' in promoting supply-side adjustments in regional economies will itself tend to favor those regions that already have some organizational infrastructure in place.

By way of response, we begin by invoking once again the continuing authority of traditional modes of representation, and in particular

the fact that such traditional modes are territorial. This should provide some counterbalance to regional inequality, by ensuring a sphere of decision-making more attentive to the proliferation of such inequalities, and to the need to encourage greater balance in associability across regions. Thus the state should encourage group organization in regions where the requisite organizational structures are not developed. In providing 'encouragement', the state could use an array of familiar incentives and sanctions – preferred tax treatment of cooperative ventures and grants to communities and regions contingent on demonstrations of efforts to so organize – to achieve the desired result.

#### *Civic Consciousness*

Troubles for civic consciousness came from three sources: the problem of encouraging extant tendencies to erode public authority by according public status to groups; the undermining of respect for encompassing organizations; and residual problems with group narrowness. To these objections, we offer three responses.

First, many of these alleged effects derive from the unequal representativeness and lack of public accountability in the group system. With greater efforts (of the kind recommended here) to ensure both, these aspects of the problem can be mitigated. Thus, with the supremacy of the 'traditional' forms of representation clearly established – through the more explicit discussion within that system of appropriate delegations of power to groups, regular review of group action, the articulation of standards of public accountability, and the like – both devolution from and declining respect for public authority seems a less pressing concern. Similarly, with the satisfaction of new standards of public accountability and internal responsiveness set as the precondition of grants of quasi-public status to groups, and a range of recommended remedial measures in place for assuring suitably wide representation of interests, the problem of residual narrowness appears to have less force.

Second, we resort again to our realist criterion. Consider the case of the United States. Here, civic consciousness is already woefully 'deformed' by (among other things) ineffective government, gross inequalities and weak parties that appear to be uninterested in mobilizing citizens into popular discussion or in demonstrating fidelity to articulated programs. It is further eroded by the general lack of opportunities for citizens to engage in acts of self-government other than the occasional act of voting, to participate in ways that bear more direct consequences for their daily lives. It is against this

backdrop that the suggested greater use of groups in governance should be assessed, and in this context, the proposed contribution to civic consciousness may seem more plausible. Assuming that more associative forms of democracy do deliver performance benefits, the obstacle to the development of civic consciousness represented by general public cynicism about the effectiveness of public institutions would be weakened. With the sorts of internally accountable association imagined here, along with greater reliance on decentralized groups in administration and enforcement, citizens would have enhanced opportunities to engage in just those concrete acts of politics that strengthen and encourage citizenship.

Third, and perhaps most generally, we offer a point about the state of public debate. Reforms of associability in the direction of a more associative democracy would make explicit a condition that is already a standing feature of even the most liberal of societies, namely, that secondary associations do in fact perform a variety of functions that affect the conditions of political order. As Jaffe observed in his classic article on 'Law Making by Private Groups' written at the height of New Deal constitutional controversy:

Participation in law-making by private groups under explicit statutory 'delegation' does not stand . . . in absolute contradiction to the traditional process and conditions of law-making; it is not incompatible with the conception of law. It exposes and brings out into the open, it institutionalizes a factor in law-making that we have, eagerly in fact, attempted to obscure.<sup>65</sup>

Such exposure would, we think, itself represent an advance over present conditions. For individual citizens, it might serve as an immense act of public education, bringing the understanding of groups and their role in society into the sphere of public knowledge and debate. For groups themselves, it would represent a call to look beyond the immediate concerns of their members, to recognize the consequences of their actions for the larger society, and to consider those consequences in devising their own strategies for action. As proposed here, of course, the formal assignment of public authority will carry public sanctions for malfeasance, sanctions that do not exist at present. Even abstracting from such sanctions, however, explicit recognition of such a role is plausibly a condition for, and powerful spur to, its responsible performance, for, as Jaffe also observed, 'tolerated, covert monopolies – power exercised indirectly – may be much more difficult to attack or to ameliorate than the edicts of majorities arrived at openly and according to forms of law'.<sup>66</sup> And one of the conditions that defeats civic consciousness is

precisely the sense that the most significant exercise of power is 'covert' and 'indirect'.

To summarize this entire discussion of associative democracy, then, we have argued that there is a variety of pressing problems of economic performance and state regulation to the solution of which secondary associations can make important contributions. These contributions, moreover, need not come at the expense of other conditions of democratic order – provided that sufficient attention is paid to encouraging those features of groups consistent with such order. Although countless details are absent from the discussion and many legitimate questions remain, the account is, we believe, sufficient to support the plausibility of wider use of associations in contemporary governance.

#### 4. Reforming a Liberal Polity

Thus far we have argued that associative solutions are, in the abstract, attractive ways of advancing democratic ideals and that the factional potential of such solutions can be tamed by the same strategy of constructive artifice that enlists group contributions. Still, the idea of associative democracy may seem of little relevance to the United States. More than any other economically advanced mass democracy, the United States has a strongly anti-collectivist political culture, a weak state and a civil society dominated by (relatively disorganized) business interests. The potential for artifice granted, this context poses obvious problems for the associative strategy. At best, it might be thought, the absence of any initial favoring conditions make the strategy irrelevant. There is simply not enough to get started down the path of democratic associative reform. At worst, it might be feared, pursuit of the strategy under these conditions would be a political nightmare. Giving new licence to a congeries of group privilege and particularism would exacerbate inequalities and further corrupt and enfeeble the state.

Such concerns have considerable force and deserve a fuller answer than we can provide here. Briefly, however, while we acknowledge the anti-collectivism of much of US political culture, we also see considerable experimentation now going on with associative solutions to policy problems in such areas as regional health and welfare service delivery, local economic development, education and training, and environmental regulation, among many others.

There is, for example, a tradition of delivering many welfare

and social services through secondary associations – community organizations, churches, volunteer agencies, and the like. While such organizations often have substantial autonomy in designing the appropriate service mix for the communities they are asked to serve, they are also increasingly inextricably dependent on government fees for such services for their own survival.<sup>67</sup> Much ‘public’ input in local economic development is decided, for good or ill, in ‘community development corporations’ heavily subsidized government grants representing different admixtures of independent neighborhood associations and business firms.<sup>68</sup> In education, parent-teacher associations are commonly vested with substantial powers in determining the budget and curriculum of elementary and secondary public schools, and those schools increasingly look to local business interests for support in setting standards on student performance.<sup>69</sup> In training, the largest single training program in the United States, the Job Training Partnership Act (JTPA), is almost wholly administered through ‘private industry councils’ dominated, by statute, by local business interests.<sup>70</sup> In environmental regulation, from the deliberate promotion of bargaining among industry and environmental groups as a prelude to standard-setting at the federal level to the promotion of bargaining between business and community organizations over the appropriate implementation of environmental standards in local neighborhoods and regions, policy is rife with secondary associations exercising *de facto* public powers.<sup>71</sup>

Some of these efforts display the great strengths of associative governance; others display its many dangers. Our point here is simply that such governance in fact goes on widely, even in this liberal culture, and its incidence provides a natural basis for more deliberate, and democratic, associative strategies.

Moreover, while we acknowledge the weakness of the US state, we think that at least some sorts of associative reforms can make it stronger. Particularly given a weak state, it is important that group empowerment proceed in a way that is reliably positive-sum with state power. But this merely requires judgment in the choice of associative strategies. It does not generally bar their pursuit. And while we acknowledge, finally, the overwhelming business dominance of the US polity, we think this again simply constrains choice in the groups that are advantaged through the associative strategy. If business is too powerful, then associative resources should be provided to labor or other non-business dominated groups; the current imbalance is not an argument for abandoning the general idea.

Generally, we agree that the United States has high levels of

inequality, a less than competent government, and weak cooperative institutions – that, in brief, it does not work well as a democracy. This, in fact, is the very problem that provides our point of departure. We move, then, to some examples of how an associative strategy might proceed from this point of departure in this distinctive polity. We offer illustrations of the general look and feel of associative projects of reform in three areas: worker representation and industrial relations; vocational training; and occupational safety and health administration. In each case, we sketch some problems that need to be addressed; indicate the ways that a richer associational setting might help in addressing them; and discuss some measures that might now be taken to promote that setting.

### **Worker Representation**

Our goal here – controversial and surely bitterly contested – would be to improve the organization of American workers. Such improvement would plausibly contribute to the satisfaction of democratic norms in a variety of ways. By extending and deepening the benefits of organized representation to those who are now unorganized or underorganized, it would advance the goal of political equality. It would also have a fair chance of improving distributive equity and of improving economic performance in the United States. At the same time, properly structured worker organization is of particular importance because work is important. The associative framework that determines how it is organized, distributed and rewarded sets the background and tone for associative action throughout much of the society. So other reforms are more likely to succeed if reforms here succeed.<sup>72</sup>

The system of worker organization in the United States currently suffers from two related problems. First, very few substantive benefits are provided to workers simply as citizens. We have a low ‘social’ wage. Most benefits are instead provided through individual firms. But benefits are costly and firms compete. So there are obvious incentives to skimp on the provision of benefits. The result is comparatively low and uneven substantive protection for workers.

Second, the system discourages cooperation between employers and employees. Part of the reason for this is the generally low level of worker organization. Genuine cooperation is based on mutual respect, which typically depends on recognition of mutual power. With the disorganization of workers limiting their power, however, employees are commonly incapable of extracting from employers the sorts of institutionalized respect for their interests (e.g. a serious

commitment to job security or consultation in advance of work reorganization) needed to elicit genuine cooperation. The other part of the reason has to do with the structure of union organization. In general, mimicking the decentralized benefit system, unions themselves are highly decentralized. Where they have power, then, they have incentives to free-ride on the interests of others and to seek maximum reward for their particular labor. Decentralization does permit wildcat cooperation. More commonly, however, it – in conjunction with the low social wage – promotes an economic job control unionism unfavorable to cooperation. Altogether, then, an environment featuring a low social wage, low union density and highly decentralized union organization is dense with incentives for collectively irrational conflict.<sup>73</sup>

This diagnosis suggests four related steps of associative reform of this system: (1) lower the barriers to unionization, (2) encourage alternative forms of self-directed worker organization, (3) raise the social wage, and (4) promote more centralization in wage bargaining while permitting high levels of decentralization in bargaining over specific work conditions. We consider these in turn.

Even within the current framework of current US labor law, which centers on collective bargaining between elected and exclusive worker representatives (unions) and employers, strategies for reducing barriers to worker representation are clear enough. Elections of representatives could be simplified and expedited, bargaining obligations could attach early and survive the arrival of successor employers, the right to use economic force could be enhanced, and, throughout, violations of labor regulation could be remedied with compensatory damages rather than toothless 'make whole' remedies. In a more ambitious scheme of reforms, representation might be awarded on the basis of a simple demonstration of support from a majority of affected workers rather than the elaborate demonstration elections now required; the individual rights of workplace members of unions without majority status might be enhanced; restraints on the coordination of unions in using economic force could be relaxed; greater attention could be given to the practical requirements of union 'security' in maintaining a workplace presence; and current restraints on the use of member dues for organizing the unorganized, and for political action, could be relaxed.<sup>74</sup>

Even with such reforms in place, however, most of the economy will remain non-union, leaving most workers without representation. We would suggest, then, that forms of workplace representation alternative to, though not in direct competition with, unions also be

encouraged. This could be achieved directly through a mandate of workplace committees with responsibilities in, for example, occupational health and safety or training or areas of concern apart from wages. Alternatively, or as supplement, government purchasing contracts might be used to enhance worker voice. Eligibility for such contracts could be conditioned on successful employer demonstration of the existence of a works council or some other acceptable form of autonomous employee representation with real powers in the administration of the internal labor market.

The increased levels of worker organization that could be expected to follow on these two changes would mitigate one of the barriers to cooperation noted earlier, namely, the weakness of labor organization. With labor stronger, it is possible to imagine a new social contract in the internal labor market, one that would promote cooperation. The terms of the contract are simple enough: labor offers flexibility on internal labor market rules and greater job commitment in exchange for management's commitment to consultation and heightened job security.

To ensure fairness, however, and to promote the stability of associations that contributes to their beneficial effects, a system of multiple worker organizational forms would need an increase in the social wage, our third initiative. For workers, an increased social wage would provide some assurances of fair treatment and security external to the firm. Aside from its direct distributional benefits, this increase would relieve pressures for the internal rigidity and defensiveness associated with job control unionism. It would make more flexible, productivity enhancing strategies of work organization more appealing. For employers, the mitigation of job control consciousness (and the likely reduction of labor costs) among organized workers would remove one powerful incentive to resist worker association in their firm.

Finally, greater coordination of wage contracts would be needed to overcome a second barrier to cooperation and to reap the full benefits for economic performance. As noted earlier, the American system of contract negotiation is highly decentralized. It is unreasonable to expect the United States to approximate the corporatist peak bargaining of the late 1970s (especially since corporatist systems themselves no longer approximate that). Still, some measures could be undertaken to encourage more encompassing associations than now exist, thus generating an environment better suited to some greater centralization and coordination of wage negotiations (at least on a regional basis).

One step would be to amend the law governing multi-employer bargaining, shifting the presumption away from the voluntariness and instability of such arrangements and toward their requirement. In addition, pressures within the union movement for consolidation could be strengthened by selective incentives, for example, in the form of funds for (re)training, conditioned on inter-union cooperation. Government support for business cooperation – for example, consortia pursuing joint research and development strategies – could be conditioned on efforts to consolidate wage policies. Or, following common practice in most systems, ‘extension laws’ on bargaining contracts could be enacted, generalizing their results to non-union settings.

The effect of this combination of increasing the social wage and promoting more generalization of wage patterns across firms would be to discriminate more sharply between the focus of bargaining within the firm and the focus of bargaining outside it. Within the firm, unions would come to look more like employee participation schemes, and employee participation schemes would look more like unions. Worker representation would be secured, but with a particular focus on regulating the internal labor market and increasing productivity within it through innovation on issues of job design, work organization, access to training on new firm technology, and the like. Outside the firm, more encompassing organizations, suitable to handling matters affecting workers in general, rather than workers in a particular firm, would be more empowered to pursue that object. They would focus more on securing generalizable wage agreements and the content of the social wage.

Such a system, which relies on associative empowerment and artifaction throughout, would likely be a vast improvement on current US industrial relations. It would improve representation, increase productivity, generalize the benefits of cooperation and better integrate the industrial relations system with state economic and welfare policies.

### Vocational Training

Our second example of constructive group artifice comes from the area of vocational training. In the United States, as in most other rich countries, intensified international competition and rapid technological change have underscored the need for improvements in workforce skills. To preserve living standards in the face of low-wage competition from abroad, labor must be made substantially more productive and firms must become increasingly adept at such ‘non-price’

aspects of product competition as quality, variety, customization and service. Success here will require, *inter alia*, that ‘frontline’ production and non-supervisory workers be equipped with substantially higher and broader skills than they presently possess.

The vocational training problem in the United States consists in the fact that such skills are being provided in insufficient quality and quantity by US schools and firms, and in so far as they are provided, they are directed to college-bound youths and managers. In the public school system, very little occupational training is provided for either the ‘forgotten half’ of each high school cohort that does not go on to college or the ‘forgotten three-quarters’ of each cohort that do not complete it. Also, US employers provide their frontline workforce with far less training than do leading foreign competitors. Moreover, the training they do provide is generally narrower than is desirable – for the economy as a whole, for innovative firms drawing from the external labor market, and for individual workers, who typically change employers several times in their working lifetime.<sup>75</sup> With skills more essential than ever to compensation, the failures of US training have powerfully contributed to the decline in production and non-supervisory worker wages experienced over the past generation and to rising inequality in US market incomes.<sup>76</sup>

The problems in the US training system lie on both the ‘demand’ and ‘supply’ side. We shall concentrate here on the supply-side aspect, focusing in particular on two central issues.<sup>77</sup>

First, the quality of public [i.e. state] school vocational training is limited by the absence of effective linkages with the economy itself. Most such vocational training in the United States is essentially ‘stand-alone’ classroom-based instruction, and while such instruction is certainly important for any training system, it has intrinsic limits.<sup>78</sup> As a general matter, the system will lag behind industry practice in its provision of skills. It will be baffled by the need to make large expenditures on capital equipment, of the sort needed to replicate factories inside schools. And it will have difficulty conveying to students the active knowledge they need to flourish in, and can only acquire from, real-world production situations.

To remedy these problems, denser linkages must be forged between schools and students on one side, and employers and their workers on the other. Through such linkages can flow that which the classroom system now lacks: up-to-date knowledge on industry trends, loans and grants of current equipment on which to train, and all-important access to actual workplaces and their principals for work-based instruction complementary to what goes on in the classroom.

Second, while the quantity of training supplied by government could be expected to increase as a result of the reform of worker representation discussed earlier, the effort by employers must also be substantially increased and improved. Here, the problem is partly that employers are uncertain about the sorts of broad-banded skills that would be appropriate to provide and partly that they have no confidence that they will capture the returns to training in such skills. Employer training suffers, that is, both from a lack of agreed standards for coordinated training and from the positive externalities that accompany an open external labor market in which workers are able to move freely among firms, and so one firm's trainee can become another firm's asset. The externalities problem is particularly acute for high and broad skills. By definition of use in a wide variety of work settings, their possession increases the potential mobility of workers, enabling one firm to appropriate the benefits of another firm's training efforts. This is part of the reason why when firms do train, they train narrowly in job-specific or firm-specific skills.

To remedy the problem of coordination, a mechanism for setting common standards and expectations is necessary. To remedy the externality problem, there are two basic solutions. One is to reduce worker mobility across firms. This permits firms to train workers with the confidence that they recoup any investments made. In effect, this is what is done in Japan. The other solution is to socialize the costs of private firm training, so that individual employers will not care about worker mobility. This can be done with the assistance of the tax system in, for example, the form of 'train or tax' rules requiring firms either to train or to pay into some general fund. Or it can be done through the private collective organization of employers to a point that they can discipline free-riders or, at high levels of joint participation (where close to all relevant competitors or poachers train), become indifferent to them. In effect, this is what is done in successful European training systems, which, like the United States, operate with relatively open external labor markets and high rates of interfirm worker mobility.

As the second European strategy makes clear, the presence of competent, encompassing employer and labor associations immensely aids both in addressing the problem of linkage between the worlds of school and work and in increasing the level and quality of employer-sponsored training.

Facilitating linkage, associations provide the state with timely information on emerging industry trends and practices, new technologies, skill needs and access to the insides of firms. They permit industries to speak with a unified voice to public training providers, to

negotiate authoritatively with the state over training curricula, access to firms, requirements on skills certification, rules on the use of equipment, and the like. They permit the state to get closure and enforcement on decisions once made – 'If you don't like it, talk to your association' being a far more effective retort to second-guessing firms than 'Well, that's just what we decided to do' – while providing monitoring and enforcement capacities to supplement any public training effort. Thus by being broad in their representation and accountable to members, they are natural vehicles for developing general standards of wide applicability, of the sort that protect the training investment made by employees themselves.

As facilitators of employer training efforts, industry associations help in part by setting general standards on skills, something no single firm can do. The identification of commonly desired competencies assures workers that acquiring those competencies will improve their position on the external labor market. This leads to increased takeup rates on training, assuring employers of a large pool of workers with high and common skills. And this assurance encourages more proactive industry strategies of upgrading and interfirm cooperation in implementing those strategies.

But associations also act to facilitate employer training efforts by mitigating the externality problem that discourages those efforts. They require training as a condition of membership, or receipt of its benefits. They monitor the training that goes on, relieving fears of 'suckering'. They ease the flow of information about new technology and work practices among members, providing a natural vehicle for voluntary industry benchmarking that creates upward pressures on existing standards. They share training facilities and curricula among themselves, reducing per capita training costs. More elusive but not less important, they help define and sustain – through means ranging from social gatherings and award dinners to insider gossip and plum subcontracting deals – common norms of 'accepted practice'. As such norms congeal into obligatory industrial cultures, those who undersupply training come to be seen less as clever businessmen than as social pariahs to be punished with loss of status and business. This can powerfully discourage even temptations to defection, making the consideration of cooperation more familiar, extending and securing its reach, and lowering monitoring costs. In all these ways, a strong employers' association, especially one 'kept honest' by a strong union, can provide a powerful boost to the quality and extent of firm training efforts.

How might associative supports be enlisted for a revamped

vocational training system in the United States? In general terms, the problems and the instruments at hand to solve them are clear enough. Both labor and employer associations are relatively weak in this country and need to be strengthened, at least in their capacity to discipline their own members and to deal effectively with one another and with the state on training matters. Very little public money now goes directly to these purposes, even though the lessons of comparative experience clearly indicate their virtue. Public supports – in the form of direct cash assistance, technical assistance, a greater role in curriculum development and/or increased legal powers to enforce obligations against their own members – can be provided in exchange for help in carrying out the important public task of training the workforce.

For example, significant improvement in the quality of vocational training will require some recognized occupational standards. But outside a few specialized trades, these do not exist. Joining with public training providers, existing unions and employer associations could be invited, on an industry-by-industry basis, to develop such standards. Their work could be facilitated by the state in the form of modest financial supports and technical assistance. And it should not be accepted by the state without independent vetting. But some product should finally be accepted and enforced as a standard. Such enforcement will naturally be advanced by the primary authors themselves. Employers would look to demonstrated competence, according to these standards, in the award of jobs in internal labor markets. Unions would center on them in wage negotiations or in rules governing job assignments in those markets. But such private actions can also be supplemented through public means. The standard can be made applicable to all federally funded vocational training programs, for example, and adopted as a standard in arbitration and judicial decisions in labor and employment law.<sup>79</sup>

The competency of labor and trade associations to provide training services to members may be explicitly promoted by public policy as well. Public subsidies and technical assistance to such organizations for this purpose, utterly routine in other countries and already tried with some success with a handful of trade and labor organizations in the United States, would be a natural supportive policy. Antitrust law could be relaxed for joint training activities of member firms,<sup>80</sup> additional amendments may be needed in labor law to permit union-management cooperation in training activities involving nonunion firms.<sup>81</sup>

Both of the examples just presented involve efforts to improve training by strengthening existing associations. But the formation of

new associations around training might be encouraged as well. Industry or regional training consortia composed of firms and unions, for example, could be encouraged through demonstration grant assistance, technical aid and discounts on public training services provided to their members.<sup>82</sup> These supports would properly be conditioned on those associations providing training services, participating in standard-setting, mounting outreach programs to public schools, providing such with technical assistance, expanding existing apprenticeship programs (the best, albeit much neglected, example of vocational training in the United States), and otherwise cooperating with public providers and each other to move a more aggressive and inclusive training agenda. The goal again would be to bring both more order and a critical mass to private training efforts and to improve effective linkages to schools.

Given the present weakness of associations in the United States, addressing the externality problem probably requires direct government efforts at socializing costs – through unqualified payroll levies or ‘play or pay’ levy structures. The levies, however, can be used in ways that strengthen future private capacities for self-governance. Funds might, for example, be given to associations for redistribution. The effect would be to create enormous temptations to associations to organize themselves to take a more active role in training and for firms and unions to join associations – in effect, an inducement to encompassingness of the sort desired. Or, in a ‘play or pay’ scheme, tax relief could be granted to firms that demonstrate that the training they provide conforms with the standards set by industry associations. This would have the same effect of strengthening a collective associative hand in standards and strengthening associations themselves.

There are many paths to virtue, but this should be enough to make the point. In principle, at least, the associative supports for a more successful vocational training system could be achieved in the United States with fairly standard policy instruments. Those supports would benefit both workers and ‘better’ (i.e. interested in upgrading) firms. And far from engendering further corruption of the state, they would strengthen public capacities to address problems of manifest public concern.

### Occupational Safety and Health

Finally, we consider an example of how associations can operate to enhance state capacity and advance egalitarian norms in a more overtly regulatory activity.

We said earlier that in many areas of regulation the right answer to the question 'Should the state take care of the problem, or should it be left to the market?' is a double negative – because neither institution is well suited to delivering the result desired on egalitarian grounds. Vocational training is one such area: uniform public standards on behavior are needed, but neither markets nor the state have the competence to specify and secure them. There are, however, also situations where non-market public standards on behavior are needed and government has the competence to set them, but the objects of regulation are either so diverse or unstable that it is not possible for the government to settle just how those standards should be met at particular regulated sites or so numerous and dispersed that it is not possible for government to monitor compliance effectively. In the latter sorts of cases, the deficiencies of 'command and control' specification of process and the reliance on government inspectors for enforcement become pointed. The protection of occupational safety and health represents one such case.

Consider the Occupational Safety and Health Act (OSHA). By all accounts – left and right, management and labor, state and academic – OSHA has had only limited success in improving workplace health and safety. The sources of this problem owe in part to the OSHA standard-setting process. That reflects the under-representation of worker interests and the failure to enlist the 'social partners' (as well as community and environmental groups) in joint decision-making. More immediately, however, it illustrates the difficulty of enforcing heavily procedural standards over diverse and numerous sites.

The chief problem with enforcement is that, in a system that relies chiefly on an inspectorate, there are too many plants and too few inspectors. Several million commercial establishments, employing countless specific mixes of different production techniques, cannot be successfully monitored by a few thousand federal officials. So long as federal inspectors remain the chief enforcement mechanism, either the law will be – as at present – narrow in its objects and woefully under-enforced or the process of production will need to be more closely regulated through a qualitatively greater federal presence. The former is unsatisfactory, and the latter, whatever its merits (which are not obvious), is not in the cards.

An alternative, however, is to supplement the federal enforcement mechanism through the enlistment of existing (or encouragement of new) but alternative mechanisms available 'on the ground', namely, workplace committees on occupational safety and health. Such committees, used widely and with good effect in Western Europe,<sup>83</sup> would

be selected by employees themselves, trained by the government (again working with unions and business) and empowered to make decisions and conduct activities contributing to workplace safety and health. Certain generic aspects of health and safety training, indeed, could be part of standard vocational education programs. Such powers might include taking air samples or conducting other tests of plant environment to detect hazardous levels of exposure, performing certain routine forms of health monitoring (e.g. pulmonary function tests), consulting with management about how best to satisfy or supplement generic performance standards (e.g. permissible exposure limits for chemicals), shutting down plants in cases of imminent danger, reporting back to central federal administration on problems, educating colleagues on health and safety, and collaborating with health professionals, academic researchers and environmental activists to detect emerging problems. The hope is that a stable, quasi-public group, accountable to its members, and set within a framework of national standards, would combine the power to enforce and the capacity to generate specific, local information in ways that would help to reduce workplace hazards.

A problem with any system of self-administration of costly standards is that the self-administering actors face tradeoffs between the benefits of effective administration and the costs that it imposes on them. In the case of workers in dependent bargaining relations with employers, clearly, such tradeoffs can become pointed. Workers' interest in eating may exceed their interest in staying healthy. In addition, because the groups involved in decentralized administration may not be sufficiently encompassing, interests not best organized from the standpoint of the particular administrative unit might be selected out. More simply put, workers may be concerned with their own health but not with the pollutants that the factory discharges into the ambient environment.

Such problems would have to be addressed in any plausible scheme. As just suggested, it is important to establish reporting requirements back to an authoritative government agency, to be clear that local negotiation around the satisfaction of minimal performance or specification standards cannot extend to negotiated reductions in those standards, and to encourage (perhaps by requiring) the exchange of information between committees and actors outside the firms. In principal, however, none of these problems appears intractable. And in practice, as the Western European cases make clear, a workplace committee system of administration delivers more effective, and efficient, administration of occupational safety and health than in the United States.

Moreover, what is true in the OSHA case might be plausibly extended to other areas of regulation in which monitoring must be extended to numerous and diverse local sites. Environmental regulation is one such case, but there are many others: for example, all manner of social programs (in health, housing, welfare services) and economic development programs. Fairly generally, that is, it would be helpful to supplement public efforts at securing certain standards of behavior with private multipliers on enforcement, local negotiation on process and monitoring of those standards.

## Conclusion

The examples just given provide only a few illustrations of the directions an associative democratic strategy might take in the United States. But they suffice to underscore the sorts of concerns that define that strategy and the considerations relevant to its execution. What we have argued in this essay and what is displayed in the examples just given is straightforward enough. To proceed, egalitarian politics must once again be shown to work. To work, it requires associative supports. Those supports can be developed. And developing them, and realizing their contribution to democratic governance, does not require a naive view of associations as free from the threat of faction or a dangerous view on the surrender of encompassing public authority. Faction can be mitigated through the same artifice that enlists associative contributions. And the strength and competence of public authorities can gain by their enlistment.

More broadly, by assuring greater equality in organized representation among private citizens and by more effectively recruiting the energies of their organizations into public governance, the aim of the associative strategy is to forge an egalitarian-democratic order without an oppressive state. That is nice work if you can get it – and we have suggested that you can.

## Acknowledgment

Drafts of this manuscript have been presented at meetings of the American Political Science Association, Princeton University Political Theory Colloquium, Social Organization Colloquium at the University of Wisconsin-Madison, Society for Ethical and Legal Philosophy, UCLA Center for History and Social Theory, University of Chicago

Colloquium on Constitutionalism, University of Maryland Seminar on Political Theory, PEGS (Political Economy of the Good Society), and CREA (Ecole Polytechnique), at the conference on 'Post-Liberal Democratic Theory' held at the University of Texas, Austin, and at the 'Associations and Democracy' conference held at the Havens Center, University of Wisconsin-Madison. We are very grateful to participants in those discussions, and especially to Bruce Ackerman, Suzanne Berger, Owen Fiss, Charles Sabel, Wolfgang Streeck and Erik Olin Wright. Shorter versions of this paper appeared in *Market Socialism*, ed. Pranab Bardhan and John Roemer (Oxford University Press, 1993), and *Social Philosophy and Policy*, 10, 2 (summer 1993), pp. 282–312.

## Notes

1. The phrase comes from James Madison, Federalist paper no. 10, in *The Federalist*, New York: G. P. Putnam 1907, pp. 51–60. We are concerned here only with what Madison called 'minority' faction, or the exploitation of the many by the few – the problem that Madison thought (incorrectly, in our view) would be fully addressed through enactment of the 'republican principle'. We have very little to say here about the problem of 'majority' faction – conflicts of the 'ruling passion or interest' of the majority with 'both the public good and the rights of other citizens'. Moreover, what we do have to say about it is generally limited to the case of majority decisions that fail to advance the 'public good', thus leaving unattended the problem of majority suppression of the 'rights of other citizens'. This is an important limitation on our treatment of faction, which would need to be remedied in a more comprehensive discussion of the subject. But we believe that our proposals for addressing those aspects of the problem of faction that we consider here do not carry untoward implications for addressing issues of oppressive majorities. In addressing the problem of faction, then, the narrowing of our focus does not, we think, make the resolution of that general problem more difficult.

2. We do not distinguish here between secondary associations, which represent the interests of their members to, and in other ways interact with, the state, and those that do not. However, as the following makes clear, we are chiefly concerned with the former.

3. See E. E. Schattschneider, *The Semi-Sovereign People: A Realist's View of Democracy in America*, Hinsdale, IL: Dryden [1960] 1975; V. O. Key, *Politics, Parties, and Pressure Groups*, 4th edn, New York: Crowell 1958; Grant McConnell, *Private Power and American Democracy*, New York: Vintage 1956; and Charles Lindblom, *Politics and Markets: The World's Political-Economic Systems*, New York: Basic Books 1977.

4. See Theodore Lowi, *The End of Liberalism: The Second Republic of the United States*, 2d edn, New York: Norton 1979.

5. See, in particular, Philippe C. Schmitter, 'Still the Century of Corporatism?', *Review of Politics* 36 (1974), pp. 85–131; Suzanne Berger, ed., *Organizing Interests in Western Europe: Pluralism, Corporatism, and the Transformation of Politics*, Cambridge: Cambridge University Press 1981; and John H. Goldthorpe, ed., *Order and Conflict in Contemporary Capitalism*, Oxford: Clarendon 1984.

6. Charles F. Sabel, 'Flexible Specialization and the Re-emergence of Regional Economies', in *Reversing Industrial Decline: Industrial Structure and Policy in Britain and Her Competitors*, ed. Paul Q. Hirst and Jonathan Zeitlin, Oxford: Berg 1989,

- 17-70; and Wolfgang Streeck, 'On the Institutional Conditions of Diversified Quality Production', in *Beyond Keynesianism: The Socio-Economics of Production and Employment*, ed. Egon Matzner and Wolfgang Streeck, London: Edward Elgar 1991, pp. 21-61.
7. Philippe C. Schmitter, 'Interest Intermediation and Regime Governability in Contemporary Western Europe and North America', in Berger, ed., *Organizing Interests*, ch. 10.
8. We share the term 'associative democracy' with John Mathews, *Age of Democracy: The Political Economy of Post-Fordism*, New York: Oxford University Press 1989, but arrived at the term independently.
9. See John Rawls, *A Theory of Justice*, Cambridge, MA Harvard University Press 1971, whose own work is an exception to the generalization made in the text. Another prominent exception is Roberto Unger's *False Necessity*, vol. 2 of *Politics*, Cambridge: Cambridge University Press 1987.
10. Our discussion of neoliberal constitutionalism is based, in particular, on James M. Buchanan, *The Limits of Liberty: Between Anarchy and Leviathan*, Chicago: University of Chicago Press 1975; Milton Friedman, *Capitalism and Freedom*, Chicago: University of Chicago Press 1962; and Friedrich A. Hayek, *The Constitution of Liberty*, Chicago: University of Chicago Press 1960; *The Mirage of Social Justice*, vol. 2 of *Law, Legislation, and Liberty*, Chicago: University of Chicago Press 1976; and *The Political Order of Free People*, vol. 3 of *Law, Legislation, and Liberty*, Chicago: University of Chicago Press 1979. We draw as well on the constitutional argument associated with the 'Lochner era' in US constitutional law, in particular the idea that the constitution's due process clauses impose substantial barriers to the exercise of the police powers of the state in areas of economic activity. For examples of such argument see *Lochner v. New York*, 198 U.S. 45 (1905); *Coppage v. Kansas*, 236 U.S. 1 (1915). For general discussion of the Lochner era, see Cass R. Sunstein, 'Lochner's Legacy', *Columbia Law Review* 87, no. 5 (1987), pp. 873-919. Our presentation and criticism of the view is indebted to John Rawls's critical discussion of the 'system of natural liberty' in Rawls, *A Theory of Justice*, pp. 66-72.
11. Neoliberal constitutionalism is not the only plausible historical continuation of the liberalism of John Locke and Adam Smith. Moreover, in associating the term 'liberal' with neoliberal constitutionalist views, we do not mean to suggest either that such liberals as Alexis de Tocqueville, John Stuart Mill, Emile Durkheim, John Rawls or Ronald Dworkin really agree with the neoliberal constitutionalists, or that because they disagree they should not be called 'liberals'.
12. For qualifications, see Samuel Bowles and Herbert Gintis, 'Contested Exchange: New Microfoundations for the Political Economy of Capitalism', *Politics and Society* 18, no. 2 (June 1990) pp. 165-222.
13. A central theme of neoliberal constitutionalism is that the fact of market failure is not sufficient to justify state action, because political action may produce still greater inefficiency. For discussion of this issue, see Gary S. Becker, 'Competition and Democracy', in *The Economic Approach to Human Behavior*, Chicago: University of Chicago Press 1976, ch. 3; Charles Wolf, Jr., 'A Theory of Nonmarket Failure: Framework for Implementation Analysis', *Journal of Law and Economics* 22 (1979), pp. 107-39; and Kenneth A. Shepsle and Barry R. Weingast, 'Political Solutions to Market Problems', *American Political Science Review* 78 (1981), pp. 417-34.
14. Hayek emphasizes the virtues of voluntary associations in *The Mirage of Social Justice*, pp. 150-52.
15. Adam Smith, *Wealth of Nations*, New York: Modern Library 1937, p. 128.
16. The 'rational basis test' for the constitutionality of economic regulation in Post-New Deal constitutional law provides one way to articulate this reduced burden. For cases that define and illustrate the reduced burden, see *United States v. Carolene Products Co.*, 304 U.S. 144 (1938), *Williamson v. Lee Optical Co.*, 348 U.S. 483 (1955), and *Ferguson v. Skrupa*, 372 U.S. 726 (1963).
17. See Smith, *Wealth of Nations*, book 4, ch. 2, esp. pp. 429, 438.

18. Hayek, *The Political Order of Free People*, pp. 13, 15 (emphasis added).
19. *Ibid.*, p. 14. A more direct route to the limited government conclusion proceeds without a detour through (partially) democratic legislatures, semi-autonomous bureaus, or even the actions of groups. The direct argument is that all regimes require popular support and that appropriation and redistribution of the surplus to the public is a principal means of securing that support. Given this political criterion for resource allocation, however, the state's allocation of resources will be less efficient than the market's. There will be deadweight losses, violating the fundamental norm of efficiency. While such losses will increase under democratic conditions with organized groups (since democracy institutionalizes the requirement of support and since organized individuals are better able than unorganized ones to extract benefits), neither democracy nor groups are necessary to creating problems of waste. States with extractive powers and even minimal dependence on popular support (e.g. dictatorships) will do that alone. Once that is recognized, the basic solution for public order again follows: limit rents at their source, by constitutionally constraining the functions of the state to those needed to preserve formal individual liberty and a robust market.
20. See Joshua Cohen, 'Democratic Equality', *Ethics* 99, no. 4 (July 1989), pp. 727-51.
21. For a suggestive discussion of this issue, see Jon Elster, 'The Possibility of Rational Politics', *Archives Européennes de Sociologie* 18 (1987), pp. 67-103.
22. Here we are thinking of the example of the New Deal constitutional revolution which was directed against the constitutional understandings set in place by the line of Supreme Court decisions beginning with *Lochner v. New York*. On the New Deal as a fundamental constitutional change carried through by a mobilized citizenry, see Bruce Ackerman, *We The People*, Cambridge, MA: Harvard University Press 1991.
23. Schematically, imagine a world with tariffs but without unemployment insurance or social security. State outlays will be smaller, but their distribution will be even more skewed toward select populations.
24. Mancur Olson, *The Rise and Decline of Nations: Economic Growth, Stagflation, and Social Rigidities*, New Haven, CT: Yale University Press 1982, pp. 47-53.
25. See Matthew D. McCubbins and Thomas Schwartz, 'Congressional Oversight Overlooked: Police Patrols vs. Fire Alarms', *American Journal of Political Science* 28 (1984), pp. 165-79.
26. See, for example, Cass R. Sunstein, 'Constitutionalism After the New Deal', *Harvard Law Review* 101 (1987), pp. 421-510.
27. On the issue of institutional program, different republican conceptions diverge considerably, depending on where precisely they put the locus of deliberative politics. Confining attention just to contemporary debate in US constitutional law, there are at least four proposals in the field. Sunstein, whom we follow in the text for purposes of concrete illustration, emphasizes the deliberative role of elected legislators. See Cass R. Sunstein, 'Beyond the Republican Revival', *Yale Law Journal* 97 (1988), pp. 1539-90. Michelman locates deliberative politics in the Supreme Court. See Frank I. Michelman, 'The Supreme Court, 1985 Term - Foreword: Traces of Self-Government', *Harvard Law Review* 100 (1986), pp. 4-77. Ackerman finds deliberative forms of mass politics in moments of constitutional transformation, and argues that the role of the judiciary is to preserve the results of those periods of popular political engagement. See his *We the People*. Brest argues that republican self-rule ought to be extended outside the arena of narrowly political institutions, even in periods of normal politics. See Paul Brest, 'Further Beyond the Republican Revival: Toward Radical Republicanism', *Yale Law Journal* 97 (1988), pp. 1623-31.
28. Issues about associative contributions to democracy have not played a prominent role in the recent 'republican revival'. So, when we say in the text that republicans 'recognize' certain possibilities of contribution, we mean only that such recognition would be a natural extension of their views.
29. Sunstein, 'Republican Revival', pp. 1576-78. Strategies of strengthening

political parties played a particularly prominent role in an earlier generation of anti-pluralist political conceptions. See, for example, Key, *Politics, Parties, and Pressure Groups*; Schattschneider, *Semi-Sovereign People*; and Committee on Political Parties of the American Political Science Association, 'Toward a More Responsible Two-Party System', *American Political Science Review* 44 (1950): Special Supplement. Parties are featured less prominently in the current wave of republican antipluralism perhaps because parties in the United States look increasingly implausible as vehicles of reform or perhaps because the republican revival has come to be so closely associated with law schools and with the more formal-institutional concerns of constitutional lawyers.

30. *Federalist Papers*, p. 423.

31. See Lowi, *The End of Liberalism*.

32. This section draws in particular on Robert A. Dahl, *A Preface to Democratic Theory*, Chicago: University of Chicago Press 1956; *Dilemmas of Pluralist Democracy*, New Haven, CT: Yale University 1982; and *Democracy and its Critics*, New Haven, CT: Yale University Press 1989; and John Hart Ely, *Democracy and Distrust: A Theory of Judicial Review*, Cambridge, MA: Harvard University Press 1980.

33. Pluralism, of course, is not only a normative view, but an empirical one. Empirical pluralism is sometimes said to assert or assume that existing societies do in fact approximate a complete, proportional representation of interests. The strength and distribution of interest groups is taken to match closely the actual strength and distribution of citizen preferences. We doubt that this is a correct characterization of empirical pluralism. In any case, egalitarian pluralists make no such assumption, and the extent of their concerns about faction is defined by the degree to which they suppose it to be false.

34. See, in particular, Dahl, *Democracy and its Critics*, ch. 21.

35. Ely, *Democracy and Distrust*, p. 152.

36. See, for example, Ely, *Democracy and Distrust*; and Bruce Ackerman, 'Beyond Carolee Products', *Harvard Law Review* 98 (1985), pp. 713-46.

37. See Robert A. Dahl, *A Preface to Economic Democracy*, New Haven, CT: Yale University 1985, pp. 105-7.

38. See Ely, *Democracy and Distrust*.

39. Pluralism is sometimes criticized for treating the group system as natural or pre-political. Perhaps this is true of empirical pluralism or of some formulations of that view. But it is not a fair assessment of normative pluralism.

40. On the problem of indeterminateness as it applies to the context of US administrative law, see Richard Stewart, 'The Reformation of American Administrative Law', *Harvard Law Review* 88 (1975), pp. 1776-81. On the more general problem of the indeterminateness of procedural conceptions of democracy, see Ronald Dworkin, 'The Forum of Principle', in Dworkin, *A Matter of Principle*, Cambridge, MA: Harvard University Press 1985, pp. 33-71.

41. Dahl, *Dilemmas of Pluralist Democracy*, pp. 68-80, 193, is an important exception.

42. The egalitarian tradition, as we characterize it here, begins with Rousseau and includes both Marx and John Stuart Mill among its principal nineteenth-century exponents. In *A Theory of Justice*, Rawls gave new philosophical life to the central ideas of this tradition.

43. Such classical liberals as Hayek and Friedman would not accept the account of political equality or the egalitarian conception of the general welfare that we present below, although they agree that ensuring formal equality of opportunity (keeping 'careers open to talents') and promoting the general welfare are legitimate public functions, and they are not hostile to the idea that public policy ought to seek to assure a decent minimum. See, for example, Friedman, *Capitalism and Freedom*; and Hayek, *Mirage of Social Justice*. Only the most extreme forms of libertarianism deny this. See Robert Nozick, *Anarchy, State, and Utopia*, New York: Basic Books 1974. We are not troubled by the disagreement with the classical liberals, both because we do not think that their views are coherent or plausible and because we think that some of their

current popularity reflects more a judgment about the efficacy of certain strategies of public policy than an agreement with the classical liberal conception of the legitimate functions of the state.

44. Rawls, *Theory*; and Rawls, 'The Basic Liberties and Their Priority', in *Tanner Lectures on Human Values*, vol. 3, Salt Lake City: University of Utah Press 1982.

45. In asserting this natural fit between an egalitarian conception of distributive fairness and democratic order, however, we do not mean to embrace any particular egalitarian conception – such as Rawls's maximin criterion, or a conception that imposes constraints on the dispersion of resources, or a mixed view combining attention to the minimum and to the dispersion – or, to take another dimension, a resourceist as distinct from a welfarist interpretation. We mean only to underscore the connection between the democratic ideal of an association of equal citizens and the family of distributive conceptions that seek to limit inequalities to those that can be justified without regard to the factors that distinguish among equal citizens.

46. Committee, 'Toward a More Responsible Two-Party System', 2. On the connection between this substantive characterization of deliberation and a more abstract characterization in terms of finding reasons that are acceptable to others who share that commitment, see Joshua Cohen, 'Deliberation and Democratic Legitimacy', in Alan Hamlin and Phillip Pettit, eds., *The Good Polity*, Oxford: Blackwell 1989.

47. Erik Wright has urged us repeatedly to call this requirement 'democratic consciousness'. Sheer stubbornness prevents us from taking the suggestion.

48. We shall say more about threats to each of the six norms when later in the essay we consider the ways that an associative democratic scheme might handle the problems of faction.

49. Here we are assuming that the representatives of groups do faithfully represent the interests and aims of the members, thus abstracting from 'iron law of oligarchy' problems.

50. The threats to popular sovereignty noted here do not depend on inequalities in group organization, as there is the possibility of mutual exploitation by different groups equally situated.

51. It might be thought that rational legislators, anticipating such results at the administrative level, would resist making policy that would require delegation to unreliable agencies. If true, this simply returns us to the problems that faction creates for sovereignty, as popular political choices would be thwarted by the anticipated opposition of privileged groups.

52. Alexis de Tocqueville, *Democracy in America*, vol. 2, New York: Vintage 1945, p. 117.

53. Throughout, respect for the associational liberties of group members, recognition of the resistance of many groups to change, and rejection of concessionist views of associations mean that the strategy stops well short of legislating associative practice or its relation to the state. Associative democracy is not a distinct form of order but a strategy to reform aspects of current practice.

54. Harold L. Wilensky and Lowell Turner, *Democratic Corporatism and Policy Linkages: The Interdependence of Industrial, Labor-Market, Income, and Social Policies in Eight Countries*, Berkeley: Institute of International Studies 1987, p. 1.

55. Michael J. Piore and Charles F. Sabel, *The Second Industrial Divide: Possibilities for Prosperity*, New York: Basic Books 1984, p. 278.

56. See Peter Lange, *Union Democracy and Liberal Corporatism: Exit, Voice, and Wage Regulation in Postwar Europe*, Cornell Studies in International Affairs, Occasional Paper no. 16. The measures include rules governing election to union councils, intermediate organizations and national office; the incidence and support of informal caucuses; and procedures for debate and vote on strikes, contracts, and other sorts of concerted action.

57. An example is the principal French agricultural union, the FNSEA (*Fédération Nationale des Syndicats d'Exploitants Agricoles*). The sole agricultural union recognized by the state, the FNSEA was a regular target of protest by rank-and-file farmers,

- prompting the president of the FNSEA to say at a 1969 Congress that the leadership had been 'the object of permanent criticism, for its "excessively intimate" connections with the French state. See John T. S. Keeler, 'Corporatism and Official Union Hegemony: The Case of French Agricultural Syndicalism', in Berger, *Organizing Interests*, pp. 185-208, at pp. 187.
58. Schattschneider, *Semi-Sovereign People*, p. 109.
59. Dahl, *Dilemmas*, p. 47.
60. See, for example, the discussion of 'fire alarm' enforcement in McCubbins and Schwartz, 'Congressional Oversight Overlooked', pp. 165-79.
61. Again, see de Tocqueville, *Democracy in America*, p. 117.
62. These effects are noted in Sunstein, 'Constitutionalism', pp. 480-81: 'The movement toward increased congressional control is not without risks of its own [since] . . . undue specificity may produce regulation riddled by factional tradeoffs.'
63. Philippe C. Schmitter, 'Democratic Theory and Neo-Corporatist Practice', *Social Research* 50 (1989), pp. 883-928, at p. 918.
64. Consider, by way of clarification and contrast, a proposal by Schmitter about how to address the problems of the limited space of representation in a corporatist association. He argues that an assurance of fair authorization, specifically attentive to inequality in representation, might be provided by a voucher system. Citizens would receive vouchers, representing a promise of funds to be generated out of general tax revenues, to spend on quasi-public groups. They could then 'vote' these vouchers on groups of their choice. At a very general level, our suggestion is similar, as we also are thinking of the system of favored organizations as itself a matter of collective choice. But whereas Schmitter proposes a collective choice through a new form of political market, the choice that we have in mind would be made under more conventionally political circumstances. Citizens would vote through the electoral system on party programs, one aspect of which would be party positions on the appropriate forms of associative governance; and then would hold elected officials accountable to the conduct of those programs. See Philippe C. Schmitter, 'Corporative Democracy: Oxy-moron? Just Plain Moronic? Or a Promising Way Out of the Present Impasse?' (mimeo, Stanford University 1988). We prefer our proposal to Schmitter's because we think that the decisions in question ought to be made through institutions that make a deliberative collective decision possible. But whatever the advantages of the more political method of choice, both proposals appear to provide promising approaches to the problems that our associative scheme faces in the area of political equality, suggesting that however serious those problems are, they may not be entirely intractable.
65. Louis Jaffe, 'Law-Making by Private Groups', *Harvard Law Review* 51 (1937) pp. 202-53, at pp. 220-21.
66. *Ibid.*, p. 221.
67. For an instructive discussion of the role of non-profit organizations in welfare state service delivery, emphasizing the increased dependence of many of these agencies on their ties to government, see Steven Rathgeb Smith and Michael Lipsky, *The Age of Contracting: Nonprofit Agencies and the Welfare State*, Cambridge, MA: Harvard University Press (forthcoming).
68. A useful (though not impartial) recent survey of local economic development strategies is provided in R. Scott Foster, *Local Economic Development*, Washington, DC: International City Management Association 1991.
69. For an enthusiastic review of some of the emerging linkages between schools and private business associations, see Anthony Carnevale, Leila Gainer, Janice Villet and Shari Holland, *Training Partnerships: Linking Employers and Providers*, Alexandria: American Society for Training and Development 1990.
70. The Job Training Partnership Act (JTPA) has been widely criticized as insufficiently accountable to public needs. Among others, see John D. Donahue, *Shortchanging the Workforce: The Job Training Partnership Act and the Overselling of Privatized Training*, Washington, DC: Economic Policy Institute 1989; and US General Accounting Office (GAO), *Job Training Partnership Act: Inadequate Oversight Leaves Program*

- Vulnerable to Waste, Abuse, and Mismanagement*, rep. no. GAO/HRD-91-97, Washington, DC: General Accounting Office 1991.
71. Some of the federal experience is reviewed in Charles W. Powers, *The Role of NGOs in Improving the Employment of Science and Technology in Environmental Management*, New York: Carnegie Commission on Science, Technology, and Government, May 1991; the experience of local communities in fostering such environmental bargaining among organized groups is reviewed in Valjean McLanahan, *Sustainable Manufacturing: Saving Jobs, Saving the Environment*, Chicago: Center for Neighborhood Technology 1990.
72. The force of this claim will emerge in our discussion of the role of associations in vocational training.
73. For a general review of the US industrial relations system emphasizing these interactions, see Joel Rogers, 'Divide and Conquer: Further Reflections on the Distinctive Character of American Labor Law', *Wisconsin Law Review* (1990), pp. 1-147. For a recent review of the state of the American labor movement, see the contributions to George Strauss, Daniel G. Gallagher and Jack Fiorito, eds., *The State of the Unions*, Madison, WI: Industrial Relations Research Association 1991.
74. There are many such statements of possible labor law reform. A good guide to the issues involved, containing both more and less ambitious recommendations for reform, is provided by Paul Weiler, *Governing the Workplace: The Future of Labor and Employment Law*, Cambridge, MA: Harvard University Press 1990.
75. For general reviews of US training problems, making all these points, see US Congress, Office of Technology Assessment, *Worker Training: Competing in the International Economy*, rep. no. OTA ITE-457, Washington, DC: GPO 1990; and Commission on the Skills of the American Workforce, *America's Choice: High Skills or Low Wages?*, Rochester, NY: National Center on Education and the Economy 1990.
76. For a good review of wage trends in the United States and the more general decline in living standards among non-supervisory workers, see Lawrence Mishel and David M. Frankel, *The State of Working America*, 1990-91 edn, Armonk: M. E. Sharpe 1990.
77. A word of explanation on the focus. Demand by US employers for high and broad frontline workforce skills is extremely weak and uneven. Unless this changes, supply-side innovations geared to improving skill delivery to frontline workers will have all the effect of pushing on a string. Moreover, the needed changes cannot come from competitive pressures alone, as employers can choose to respond to those pressures by reducing wages, increasing firm productivity through changes in work organization that 'dumb down' most jobs while increasing the human capital component of a well-paid few, or simply moving away from high-end markets. Most US firms, in fact, have chosen some combination of these 'low wage, low skill' competitive strategies. To remedy the demand-side problem, it is essential to foreclose this option. The most obvious way to do this is to build stable floors under wages and effective linkage between productivity improvements and wage compensation, thus forcing employers to be more attentive to strategies for increasing the productivity of their labor (e.g. skill upgrading). Direct state action can help here by increasing minimum wage floors. As regards more specifically associative reform, however - and this is why we do not linger on the demand side - we believe the most important actions are those already outlined in the recommendations just made on improving industrial relations. Deeper and more encompassing worker organizations, especially ones shaped by social interests in proved cooperation (discussed earlier), would help create the needed wage floors, wage-productivity linkages and pressures within firms to upgrade. Moreover, they could be expected to do so in a way that not only raised the aggregate demand for skills and their compensation but improved the distribution of both. The basic problem on the demand side is that the interests of the bulk of the population - workers - are simply not now centrally in the picture. They are barely represented in the economy and only very imperfectly represented in the state. The basic solution to under-representation is to improve the conditions of their organization in ways consistent with other democratic norms.

78. The importance of these limits rises where, as in the United States, the public training system lacks any effective industry-based training complement.
79. The Department of Labor's Office of Work-Based Learning is already making qualified moves in this direction, 'qualified' in that, outside more heavily unionized industries, it remains unclear what, if any, organized voice workers in the industry will have.
80. Following current practice for joint research and development activities.
81. Recommendations on how to do this are made in Margaret Hilton, 'Shared Training: Learning from Germany', *Monthly Labor Review* 114, no. 3 (March 1991), pp. 33-7.
82. An experiment along these lines is now under way in Milwaukee, where several firms (non-union and unionized), unions and public training providers have come together around a Wisconsin Manufacturing Training Consortium designed to do just these things. See Joel Rogers and Wolfgang Streeck, 'Recommendations for Action', Madison: Center on Wisconsin Strategy 1991.
83. For a review of worker participation in safety regulation focusing on Europe, see the contributions to Sabastiano Bagnara, Raffaello Misiti and Helmut Wintersberger, eds., *Work and Health in the 1980s: Experiences of Direct Workers' Participation in Occupational Health*, Berlin: Edition Sigma, 1985; for a particularly useful country study, see Bjørn Gustavsen and Gerry Hunnius, *New Patterns of Work Reform: The Case of Norway*, Oslo: Universitetsforlaget 1981; for the contrast with the United States, see Charles Noble, *Liberalism at Work: The Rise and Fall of OSHA*, Philadelphia: Temple University Press 1986; and Eugene Bardach and Robert Kagan, *Going by the Book*, Philadelphia: Temple University Press 1982.

---



---

 PART II
 

---



---

## Commentaries, Criticisms, Extensions

---



---