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Inclusion and Secession: Questions on the Boundaries of Associative Democracy

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Undoubtedly, associative democracy, or democratic corporatism, is about collective political rights. But it involves also, and arguably more importantly, the utilization of publicly regulated self-governance of groups for the creation and enforcement of *collective obligations*. Obligations, collective just as individual, are relations to and within a *community* that can lay claim to the loyalty and resources of its 'members'; indeed their effective presence constitutes the most important evidence for the existence of a socially integrated society. The project of associative democracy may therefore be properly characterized as one of *political reconstruction of community*, and it is primarily for this reason – not simply because it assigns a privileged place to organized collective action – that it can rightly regard itself as an attempt to transcend the limits of liberalism.

Social groups, or 'factions', in an associative democracy are cajoled into accepting collective obligations by institutional arrangements that permit them to pursue particularistic interests at the risk of finding them transformed in the process, as a result of carefully designed constraints for participating groups to expose their initial interest definitions to inter- and intragroup deliberation. For example, associative democracies place a premium on the construction by interest groups of strong 'private interest governments'[1] that have an incentive to sort out 'errant' interest perceptions and ensure predictable and cooperative behavior of their constituents, thereby stabilizing the expectations of interlocutor groups. Such arrangements, however, can work only if a number of conditions are met. Among the most important is that the groups in question be *both able and willing* to make use of the opportunities offered to them by associative democracy and, in the act, accept the constraints it imposes on them – if not as welcome assistance in a collective search for a more rational definition

of self-interest, then at least as an inevitable price to be paid for the benefits of participation.

It appears to me that Cohen and Rogers are quite attentive to the requirement for associative democracy of strong and balanced *capacities* of groups to act collectively; this subject they address in their discussion of group 'artifaction'. But at least as important is the need for groups *being willing* to subject their initial preferences, with uncertain outcomes, to the kind of institutional laundering that the authors have in mind for them and that may result in an 'enlightened' definition of interest which includes collective obligations in addition to collective rights. This latter theme appears undeveloped, and surprisingly so, given its obvious relevance to democratic theory.[2] What happens if a social interest refuses to organize as a group interest and set up a private interest government, thereby avoiding the laundry process which associative democracy holds in store for it? The practical importance of this question is illustrated by the strange fact, sometimes remarked on in the neocorporatist literature on 'political exchange' and incomes policy, that employers may *draw political strength from organizational weakness* – that is, from narrowly limiting the capacity of their interest organizations to negotiate collective understandings on their behalf that would override 'market forces'.[3] Related problems concern how associative democracy deals with interests that extend beyond its territorial or functional domain; that refuse to identify with the community that such democracy intends to construct; or that prefer to organize themselves into a larger, more encompassing identity, which is less likely to generate burdensome obligations.

In a sense, what is at issue here is *exit from collective citizenship*, where the matter at stake is *not rights lost, but obligations avoided*. Centrally important this becomes if and to the extent that some groups find it easier than others to exit and do without collective voice. Negotiating collective obligations with groups that can afford, or even have an incentive, to leave the political community is bound to be difficult; at the very least, the outcome is likely to be biased against less mobile groups, whose interest in a successful political reconstruction of community is bound to be much more intense.

It can easily be seen what this ultimately implies: that in order to have associative democracy at all, exit from collective citizenship must be foreclosed in particular for groups commanding resources that are crucial for building a successful community. Associative democracy presupposes a *boundary* around the society in and with which it is to be built – in the same way in which it presupposes internal boundaries

between collectively acting groups. Critical collectivities are likely to be willing to organize and participate only to the extent that they have reason to perceive themselves as members of a 'community of fate' that they cannot leave and that they must improve if they want to improve themselves. *Democratic inclusion, that is, may require an effective prohibition on voluntary self-exclusion.* How can such a prohibition be enforced? How can it be legitimated, if at all, in democratic theory? Most fundamentally, what is the relevant community, or the 'society', within which the project of an associative democracy expects to create effective and legitimate collective obligations and from which exit would have to be made difficult for powerful social groups?

Cohen and Rogers, I am afraid, implicitly answer the latter question by referring us to the nation-state. Their essay, while pathbreaking in many other respects, is remarkably conventional here, adhering, together with the mainstream of today's sociology and political science, to the nineteenth-century tradition of conceiving of 'the society' as of a nation bounded by a national state.[4] In my view, this raises at least two problems, one concerning democracy and the other the capacity of modern political communities to govern their citizens under conditions of interdependence and internationalization. As to the former, if the background model of an associative-democratic political community is indeed the nation-state, then it is clear that its boundaries cannot themselves be drawn democratically. Nation-states have always claimed a right to force some of their citizens to remain just that, if need be against their express desire – see, for example, the American Civil War. The national state offers participation, if at all, to a citizenry that is territorially and functionally captive – in fact, often precisely in compensation for a strong, powerfully enforced prohibition on secession. The question 'faction of what?' must be settled before any faction can be democratically accommodated or incorporated.

Decisions on inclusion in or self-exclusion from a polity raise moral puzzles that democratic theory appears unable to address. The example of the referendum in Denmark on the Maastricht Treaty to deepen the European Community is instructive. Interestingly enough, the negative Danish vote can be seen as both a decision to secede (from a European Community that is advancing toward 'political union') and a refusal to join (the expanded Community). Either way, it may be interpreted as a refusal to pay for the benefits of Community membership by surrendering formal national 'sovereignty' to a strengthened supranational polity, endowing it with a capacity to make its richer members contribute to more equitable conditions for the poorer ones. What for the Danes may have been a legitimate

exercise of democratic self-determination is therefore likely to appear to the Greeks and the Portuguese as a selfish attempt to free-ride on the benefits of integration and seek protection from democratically imposed collective obligations. What democracy is, in other words, and where it is in place, depends on where one draws the boundaries. Once that is done, democratic theory can go to work and debate questions like who is entitled to become a citizen; indeed, as we have pointed out, this is a subject that liberals cherish. On how to draw the boundaries, however, and on how one can be legitimately *required* to become or remain a citizen *even if one does not want to*, and on what grounds, modern theories of democracy seem to offer little guidance.

Before I go on to apply this line of reasoning to associative democracy in particular, I would like to elaborate a little on the democratic significance of boundaries, narrow and encompassing, drawing again on Europe and the changing position of nation-states within it. Taken by itself, a country like Sweden is a highly successful political community that has learned during the twentieth century to impose effective obligations on its stronger members to assist the weak, making it probably the most egalitarian industrial society on earth. But what if, for whatever reason, the *relevant society* for Swedes today was Europe as a whole and if this was to force their country, as it seems to at present, to join the European Community? The moment it joined, Sweden would turn into one of the most privileged regions in a political-territorial entity whose regional inequalities by far exceed those of the United States. Indeed, Swedish accession to the Community would increase those inequalities further, making it highly likely that Swedish foreign policy will face strong pressure for higher Community taxes on rich member countries and large transfers from rich to poor members. Like other rich countries in the Community, Sweden may then come to favor constitutionalized rules of the European political game which strictly limit the capacity of Community institutions for redistributive politics.

Moreover, for various reasons, inequality within Sweden can also be expected to rise as a result of accession, if only because privileged domestic groups will have more opportunities for exit from national obligations or will be able to transfer their interests to the weaker polity of Europe as a whole; in a perspective, that is, in which the relevant society is Sweden, accession would undermine democracy. On the other hand, if the frame of reference is Europe, Swedish accession is essential for a democratic redistributive politics to be possible, and not joining would be selfish and particularistic, even though the domestic 'bite' of European democratic institutions will for long remain weaker

than that of Swedish institutions. My point here is that democratic theory is unable to adjudicate between these positions because it assumes that societal boundaries and social identities are settled, essentially in the form of the nation-state. Where the latter loses its plausibility, so, it seems, does democratic theory.

As to associative democracy specifically, not only can it not escape the old question of who 'belongs to' the political community and to what extent, but it is faced with a more demanding, radicalized version of it: how can groups of citizens be *required to organize and bargain in good faith* even though exit or non-entry may offer them a higher payoff? What social groups and what areas of social life can associative democracy mandate to be 'corporatized'? The problem as such is certainly not new, ultimately referring back to the relationship between democracy on the one hand, and the constitutional protection of liberty, privacy and property on the other. But whereas in the past this could essentially be framed as a *normative* question, in the context of constructing associative democracy today it seems to turn primarily into a *technical* problem, given the declining capacities of governments under permeable national boundaries to prevent crucial groups or functions from exiting from national domains and jurisdictions. This is the second question I mentioned above and to which I now turn.

Associative democracy is about socially responsible self-governance of functional groups. But underlying this idea is an image of 'complete' sets of social functions nested into national states, of coterminous territorial and functional boundaries, and of boundaries that are difficult to cross. There are many indications that assumptions like these are outdated and that a more adequate imagery would be one of a 'variable geometry' of social systems and subsystems – national, international and supranational – with different functional areas organized at different levels and with a variety of frames of reference between which social actors may freely switch in pursuit of their objectives and interests.[5] In such a world, nations cease to be communities of fate for important groups of citizens and for the performance of essential socioeconomic functions, and the political capacities of democracy, including democratic control over the forms of organized expression of group interests, are no longer ensured by coterminacy of functional domains. Domestic orders that lose their functional autarky can no longer freely organize and reorganize themselves democratically: in important respects, they will be shaped by forces outside of them and beyond the reach of their constitutional machinery for collective deliberation of interests. As the internal structures of

political communities are increasingly conditioned by the emigration, or the possibility of emigration, of vital functions and functional groups to larger systems, the fundamental compact underlying associative democracy – the provision of collective political status to groups in exchange for their acceptance of a socially sustainable redefinition of their interests – becomes less and less possible or more and more biased toward those that can afford to move out.

To be sure, this is not just speculation. In an internationally integrated and, on this account, deregulated capital market, countries may attract investment capital by offering money-holders conditions exceeding those offered by other countries. But this is quite different from binding capital into negotiated national economies, in tripartite bargaining arrangements involving an associationally organized, 'corporatized' investment function constituted, like labor, as a 'faction' of a national society. For capital to be interested in exercising voice in this way at the national level, it must in some important respect be confined inside national economies – if not by exchange and capital controls enforced by the police and the courts, then by cultural and logistical barriers, high transaction costs in international markets, absence of suitable instruments for international investment, and so forth. These conditions, however, ended forever with the various 'big bangs' in world financial markets in the late 1970s and early 1980s, and it is not by accident that this coincided with the demise of the systems of 'political exchange', neocorporatist concertation and Keynesian labor-inclusive macroeconomic management, which had grown up in many developed industrial countries in the postwar era.

With capital benefiting from unbounded opportunities to expatriate its interests into the larger, less socially integrated and politically regulated circuit of the world economy – or to countries like the United States whose financial markets offered it higher and safer returns than industrial investment elsewhere – the very substance of political-economic bargaining in the 'bargained economies' of the West changed fundamentally. What in the past resulted, at least sometimes, in an imposition of social obligations on capital in exchange for labor and state cooperation with the requirements of accumulation, now began to generate obligations for the less mobile to behave in line with the need to attract and attach capital interests to their respective national economy. What came to be known as 'supply side policies' in the 1980s in effect replaced obligations for capital with incentives and substituted the voluntarism of the market for political regulation. With capital able and ready to leave, and with governments having lost the capacity to tax capital for full employment through a 'going rate' of inflation,

monetary stability became the foremost economic objective even in the 'bargained economies' of Western Europe.

By and large, what we witnessed in the 1980s was the failure of ambitious attempts to impose collective self-discipline on capital as a socially organized functional group and the emigration of capital from national politics, from the nationally based bargained economy, into larger systems reigned by 'market forces'. Might this have been otherwise? The French socialist government between 1981 and 1983 tried to stop the emigration of French capital by deploying the historically accumulated enforcement capacity of what is arguably the most sophisticated bureaucratic state apparatus – with disastrous effect. Indeed, tendencies toward exit from democratic politics appear to be widespread and can be observed among many factions and functions other than capital, sometimes in response to and modeled on the emigration of the investment function, and reinforcing it. Often, exit takes the form of *domestic secession*, or *internal emigration*, triggered, or at least ideologically supported, by highly calculative, economistic, 'neoclassical' perceptions of a group's 'rational' interest: Italy, for example, where the prosperous regions of the North are increasingly less willing to support a redistributive politics that subsidizes the South; or, of course, the United States, where the suburbs refuse to pay for the inner cities, the pensioners for the schools, the healthy for the sick, and so on and so forth.

What we seem to observe here is a tendency toward *subnational fragmentation* of identities and interest definitions, with basically the same effects on the policy as internationalization: refusal of groups to participate in democratic politics as long as it may impose obligations on them, often enough in the name of democracy defined as a basic human right to the free use of one's resources and as an entitlement to a voluntaristic construction of society where social constraints are replaced with rational choices. How can one, in the face of this, be other than deeply pessimistic about the prospects of a move toward an associative version of democracy? How can a society that aspires to become such a democracy hope to rein in the new particularisms, international and subnational, and into what? How can it force its 'factional' interests to participate in collective democracy if the community that such democracy is to build is not perceived by them as theirs? If nationalism in its various forms, from acceptance of the 'necessary sacrifices' in wartime to simple tribal sympathy for people who are 'our kind', is increasingly less available as a vehicle for identification and acceptance of social responsibility, what can take its place? Can associative democracy restore a functionally complete

political community with a boundary around it, which could stop the exodus from democratic politics and collective social obligations? Or does it not rather presuppose the existence of such a community is at its end if that presupposition is found not to be borne out by the real world?

To add to the problem, it is not just emigration, external or internal, that may frustrate associative democracy but also, and importantly, *immigration*. Open societies in a world of high mobility tend to be abandoned at the top and adopted at the bottom. Either way, loss of control by the state over a society's borders will tend to move the political economy away from collective negotiations and toward the market. As the effective supply of poor immigrants and cheap labor becomes indefinite, collective organization and participation will tend to turn into a tool for the indigenous citizenry to defend what will then have become particularistic economic privileges; as a consequence, associative democracy will cease to be democratic. Often, it may become de facto limited to the 'primary sector' of an economy and will otherwise be abandoned in favor of a more 'flexible' market order, thus preventing its being used by 'outsiders' to exploit the indigenous community by imposing social obligations on it to take care of mobile strangers. Once this has happened, a 'free market' will begin to look attractive.

Associative democracy, it would appear, can deal with diversity as long as it is held together by a sense of common fate, of inescapable and fundamentally involuntary mutuality – as long, in other words, as it is *diversity within the same society*. Associative democracy cannot, however, overcome the suspicion among the less mobile, the 'locals', that those who freely choose to join them are attracted, not by a sense of 'belonging' and a willingness to accept the long-term commitments that define a common civil society, but by the material benefits – for example, social assistance or a high minimum wage and publicly subsidized opportunities for human capital formation – the community has obliged itself to provide to its less fortunate members. *Nota bene*, its *members*. No community, and *especially not* a democratic one, can afford – for both economic and political reasons – to treat more than a few non-members as though they were members. Instead of collective obligations, life chances in a society without borders are, and can only be determined by the market – which treats citizens as though they were non-citizens, and in this sense offers equal treatment to both. No other order can do this. Without stable borders, which by itself it will find hard to supply, associative democracy cannot be stable.

Notes

1. See W. Streeck and P. C. Schmitter, 'Community, Market, State – and Associations? The Prospective Contribution of Interest Governance to Social Order', *European Sociological Review* 1 (1985), pp. 119–38.

2. Of course, since the first problem deals with enabling groups to fight for collective rights, it is the more comfortable of the two and easier to treat in a conventional democratic theory discourse. The second problem, addressing primarily the generation of obligations, is by far the trickier one.

3. See W. Streeck, 'Interest Heterogeneity and Organizing Capacity: Two Class Logics of Collective Action?' in *Political Choice: Institutions, Rules, and the Limits of Rationality*, ed. R. M. Czada and A. Windhoff-Heretier, Boulder, CO: Westview 1991, pp. 161–98. See also W. Streeck and P. C. Schmitter, 'From National Corporatism to Transnational Pluralism: Organized Interests in the Single European Market', *Politics & Society* 19 (1991), pp. 133–64. Both in W. Streeck, *Social Institutions and Economic Performance: Studies of Industrial Relations in Advanced Capitalist Economies*, London and Newbury Park, CA: Sage 1992.

4. For an early, highly perceptive insight in the limitations of this view, see E. Durkheim, *The Division of Labor in Society*, New York: Free Press 1984, where he explains what he sees an increasing respect for international law in Europe by the fact that European nations have become 'much less independent of one another. This is because in certain respects they are all part of the same society, still incohesive, it is true, but one becoming increasingly conscious of itself' (pp. 76f.)

5. The concept of 'variable geometry' was first used, not surprisingly, to characterize the territorially and functionally uneven progress of European integration, with a set of 'excentric', functionally specific arrangements with differing national participation increasingly superseding the original project of a concentric, consolidated, functionally diffuse European superstate.

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On Architectural Syncretism

Ira Katznelson

'Secondary Associations and Democratic Governance' is a work of many virtues of analysis and advocacy, not least its marriage of institutionalism and (analytical and normative) democratic theory. At a time when academic political studies and the craft of political practice are impoverished by the absence of robust ties connecting politics, theory and policy, Cohen and Rogers's insistence that they must be joined is immensely welcome. Their text audaciously combines political and policy analysis, doctrinal invention and a willingness to traverse ordinarily distinct disciplines and political impulses while suggesting how to build alliances for meaningful political change. Further, they keenly understand that not just the rate of political participation, but its modes and densities are vital for both a healthy democratic politics and for the resurgence of the Left at a time of disillusion, disappointment and defeat.

It is important that we appreciate not only the content of Cohen and Rogers's arguments, but the distinctive qualities of their discourse. Normative political theory, as they note, since *A Theory of Justice* burst on the scene has been obsessed with questions of doctrine without betraying much interest at all in the institutional requirements or feasibility of their clusters of propositions and ideas about how to conduct political life. Reciprocally, students of comparative and US politics rarely take the work of political theorists seriously. Cohen and Rogers point us, instead, toward an engagement of theory and institutions, on the understanding that any meaningful vision of democracy requires democratic institutions devoted to negotiation, compromise, arbitration and provisional outcomes. Attention to institutions, of course, requires a shift in priority from principles to history, context and arrangements to imperfectly manage and adjudicate both the passions and the interests. In a democracy that realizes democratic ideals, all citizens, they