

# Political Parties and the New Corporatism

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One fact emerges clearly from the 1980 election: the weakness of the major political parties, especially the Democratic party. To the extent that party organizations survive, they no longer function as instruments that systematically link citizens to elected officials. In place of the feudal arrangement that once connected local and county functionaries to state leaders and state leaders to one another, parties today consist largely of centralized operations in Washington. The success of the Republican party stems in part from Republican officials' effort to capitalize on this new centralization by employing advanced data-gathering techniques, direct-mail fund raising, and standardized training for candidates and campaign workers. With an average contribution to the party of \$26 in 1979, the Republicans can now claim to be more representative of the ordinary citizen than can the Democrats, who receive most of their funds in amounts of \$500 or more. But the Republican party is an artifact of technology; party membership exists only in computer banks and plays no role in the formulation of policy.

A number of commentators see the decline of political parties as a basic cause of our current problems. They reason, too, that if party erosion can precipitate the dismal chain of events described by Walter Dean Burnham, the obvious solution is a revitalized party system. This is not a new idea. Among political scientists it dates back to the publication of Woodrow Wilson's *Congressional Government* in 1885. Today nearly every academic study of the American party system concludes with a ritual plea for stronger parties. What is new, however, is that the concept of a strong party system has won many adherents outside the university. For example, within the Democratic party, officials are exploring measures to restore their control over delegate selection in the presidential nominating process. More significantly, perhaps, complaints about the weakened condition of the parties coupled with calls for the restoration of party discipline have begun to appear in the business press.

Why this fascination with the internal dynamics of political parties at a time when, as Burnham demonstrates, the events of the past decade transcend the party system? As I shall argue, the performance of the Reagan administration

undermines the strong-party concept. Nevertheless, the concept appeals now to certain political actors because reinvigorated parties could be used to complete their agenda for reform of the American political economy. No longer confined to scholarly treatises, the idea of a strong party system contains direct implications for who will have access to power and for how power will be distributed.

**I**n theory political parties perform a useful task in a democratic system. Parties can mediate between conflicting voter demands and provide politicians with incentives to support common goals. Political scientists sometimes elevate the role of parties to a moral imperative through the doctrine of "responsible party government." Since parties in practice must structure policy, why not allow voters to choose between parties rather than individual candidates? The arrangement requires only that a party offer the public a platform with clear goals and programs, and that party candidates be identified on the ballot. Once in office each legislator would have to cooperate to implement the program, because failure to do so would result in certain defeat for all party candidates at the hands of an electorate that held them accountable. The corollary of the doctrine is that without responsible parties, there are no collective platforms, and consequently democratic societies cannot achieve coherent policy.

This reasoning leads to an interpretation of the immobilization of national policy during the 1970s. When parties weakened, the argument runs, presidential candidates no longer sought alliances with party regulars and elected officials; such friends mattered little in a direct primary. But any president needs a network of supporters to push through his program. Having made no bargains on the road to election, the contemporary president entered office without the kind of credit he could convert into political support.<sup>1</sup> To complicate matters, Congressional party organization had deteriorated. Back in the days of Sam Rayburn and Lyndon Johnson, leaders spoke authoritatively for Congress because they controlled committee assignments and legislative scheduling—individual members could not afford to display independence. Committee chairmen also exercised formidable power over their domains. By the early 1970s, however, reformers had stripped the leadership of many responsibilities by opening the process of committee assignments and granting more autonomy to subcommittees. A chief executive found himself compelled to bargain separately with more than five hundred legislators, each devoted primarily to his or her own reelection. The arrangement wore down presidents and resulted in policy stalemate.<sup>2</sup> For the

<sup>1</sup> Michael Walzer, "Democracy vs. Elections," *New Republic*, January 3, 1981, pp. 17-19.

<sup>2</sup> Robert Lubar, "Making Democracy Less Inflation Prone," *Fortune*, September 22, 1980, p. 83; Everett Carl Ladd, "How to Tame the Special-Interest Groups," *Fortune*, October 20, 1980, p. 67.

voters politics presented a puzzle: although candidates for national office promised the right things, nothing got accomplished. Citizens finally expressed their frustrations in the massive vote of no confidence discussed by Burnham.

**A**lthough the foregoing view of party decay and policy deadlock seems plausible, Burnham's essay raises the possibility of a different explanation for recent political events. He focuses on the failure of the Democrats as a majority party to cope with a set of crises in American political economy and culture. I take political "crisis" to mean the exhaustion of all conventional policy options in an unsuccessful attempt to address a major social problem. Burnham's approach can be expanded to a general theory about political institutions in a crisis period that accounts more fully for developments during the Reagan tenure than does the doctrine of responsible party government.

As a universal proposition, we can assert that a crisis creates political opportunities for the minority (or opposition) party, regardless of its ideology. Opportunities arise from several factors. First, reacting to ineffective policies, the electorate abandons its longstanding loyalty to the majority party. Groups identified with the majority party begin to vote in much less predictable ways. Any competent opposition party can advance if, through its platform, the party forcefully dissociates itself from business-as-usual. Then, once the opposition gains office, it can profit from the policy momentum built up by an acute crisis. The public expects action and will prefer unusual departures to inertia. This means a president can call upon public support and get it, even when voters do not share his ideology. Also, Congress is more receptive to new programs because those members swept into office by the crisis realize why they were elected. Putting the matter bluntly, Congressmen have nothing to lose and everything to gain by backing the president's initiatives. Given that the public has lost patience and that standard procedures are futile, members know that reelection depends upon making a comprehensive alternative work. Finally, the erstwhile majority—now the opposition—tends to be weak and disorganized. Its members often break ranks to distance themselves from a discredited past. What remains of the new opposition lacks an imaginative counterprogram. A crisis, therefore, encourages the institutional conditions necessary for comprehensive and possibly revolutionary change.

The Reagan "revolution" illustrates the possibilities raised by a political crisis. Policy exhaustion began to appear after the early 1970s. Until that time the federal government intervened in the economy to insure full employment and price stability, following a policy direction first set by Roosevelt and Truman. But the Ford and Carter administrations discovered that moderating either inflation or unemployment entailed unacceptable costs. Carter, in particular, seemed over-

whelmed by the magnitude of economic decline, much as Herbert Hoover could not cope with the Depression fifty years earlier.

Using every resource at his disposal, Ronald Reagan did not succumb to the situation as Carter had. Burnham makes much out of the fact that the Republicans in 1981 controlled only one house in Congress, and that one by a narrow margin. Nevertheless, the party had made a spectacular gain in the 1980 elections, winning more Senate seats than any party had since 1958 and narrowing the Democratic margin in the House. Electoral success of this magnitude can only give a party a euphoric sense of mission. But it is at least as likely that the Congressional Republicans voted as a monolith because they had nothing to lose by following the President, as because of some deep ideological commitment. Republican legislators often take pains to sound more conservative when they sniff money in the hands of right-wing political action committees. On the other side of the aisle, the Democratic party contained a significant fraction willing to abandon the party's failed policies. Burnham demonstrates, too, that the loyal Democrats had no coherent program of their own—recall his closing image of Democratic leaders grovelling for support from commodity traders. The Congressional climate therefore was quite favorable for a Reagan initiative.

As president, Reagan also possessed two attributes lacking in his predecessor. First, Reagan and his advisers were ideologues with a specific program for visionary changes in public policy. We should not minimize the virtue of clearly articulated goals and the confidence to see them through. Second, Reagan had a keen sense of how to communicate with the public. He demonstrated this at the outset of his term when he orchestrated a media campaign to press for quick action on his plans to reduce taxes and social expenditures. Even during a crisis the personal characteristics of the main actors can prove critical, a point easily obscured if we regard politicians as mere agents of class forces.

The political adroitness of the Reagan administration confounds any doctrine of responsible party government. Despite the enormous Republican bankroll, the party is degenerate in a fundamental sense: party members act together in Congress only insofar as unity serves their individual interests. Reagan induced support for his program by persuading Congressional Republicans that its success would improve each member's political fortunes. But a president who relies on the self-interest of several hundred congressmen risks much. If the Reagan economic program results in further economic collapse and voters begin to repudiate the party, Republican legislators will abandon their monolithic behavior. The crisis, not the party, has been the principal factor working in Reagan's favor; so, too, could the crisis prove to be his undoing.

A final point on the relationship between crisis and political opportunity: nothing in Reagan's election and his early legislative victories justifies Burnham's claim that comprehensive change can only be accomplished today by moving to

the right. A crisis removes the impediments to a systematic redirection of the public agenda. Whether the opposition party chooses to pursue a conservative course depends upon the policies of previous administrations. Should we someday add supply-side economics to the long list of failed methods, an opening will be created for still another comprehensive solution. Eventually we may arrive at an election in which the boldest agenda will be put forward by an opposition that has turned to the left.

**D**o not look for such a contest in 1984. "Political capitalism," the report of its death greatly exaggerated by Burnham, shows signs of a swift and sure recovery. Corporatist thinkers for some time have been contemplating the causes of the economic and political debacles of the 1970s. Now, in business periodicals such as *Fortune* and *Business Week*, elements of a new strategy for political capitalism begin to take shape. In this context the discussion of party decline assumes its true political significance. The business press blames the collapse of party discipline for irresponsible Congressional spending and, by extension, for inflation. To those planning the agenda for political capitalism, stronger parties appear to be necessary instruments to restore fiscal restraint and facilitate a national policy of reindustrialization. With the Republican party securely in the hands of Reaganites, the Democratic party emerges as the likely vehicle for this agenda.

While Burnham argues that a contradiction between capital accumulation and social expenditures spelled the doom of political capitalism, the business press places a very different interpretation on the same developments. Growing federal budgets revealed the workings of an ad hoc system of state intervention. A messy pluralism, not political capitalism, lay behind the tendency to spend money without regard to the need for capital formation. The habit originated during the 1960s when the Great Society legitimized many claims upon the public treasury by groups that formerly had enjoyed little access to the centers of political power. Before long, organized interests demanding federal support had proliferated almost beyond counting. According to one *Fortune* article, "the groups formed to work on behalf of the beneficiaries of federal money were augmented by those agitating for environmentalism, consumerism, and other causes, and a third category pleading for protection or subsidies for sagging industries."<sup>3</sup> Each group concerned itself exclusively with its own demands for more spending, more regulations, more interference in the marketplace. The Chrysler bail-out symbolized the defects in a system that operated without central direction: major policy decisions reflected no broad economic rationality, no intelligent effort to separate winners from losers, but simply which interest

<sup>3</sup> Lubar, "Making Democracy Less Inflation Prone," p. 83.

could bring pressure to bear in Washington.

Not surprisingly, the analysis returns to the subject of party decline. Congress abrogated its responsibility to limit overall spending, preferring instead to smother interest groups with money. Gone were the old curmudgeons who ruled their committees with iron fists. Interest groups found it easy to treat subcommittees as forums for special pleading and favors. The arrangement encouraged the rise of "iron triangles" between the subcommittees, bureaucrats, and affected outsiders.<sup>4</sup> In the view of Everett Carl Ladd, a political scientist writing in *Fortune*, Congressional accommodation to all the liberal interest groups resulted in a relentless growth in spending, inflationary deficits, and the frustration of coordinated policies.<sup>5</sup>

The ideologues of political capitalism seek to reverse American economic decline by replacing random state intervention and short-sighted business planning with a fully articulated policy for reindustrialization. Within the corporate sector, adversary relations must give way to joint management-labor initiatives that promise to save jobs in exchange for wage concessions. Only the state, however, can give the overarching direction needed in the economy, through growth-oriented indicative planning. More important, *Business Week* argues, government must forge "a new social contract," a consensus between all social groups to support economic growth rather than redistributive public policies.<sup>6</sup>

To carry out this agenda, of course, certain barriers must be eliminated. Interest-group pluralism effectively denies the possibility of a single standard of public interest because demands do not always balance against each other. If there is to be a new social consensus, then we need to devise some system for ordering the claims upon the state. Furthermore, as the business press likes to say, sacrifices will have to be made in the public sector; after years of easy living off the federal gravy train, hard times and difficult choices lie directly ahead.<sup>7</sup> But interest-group politics does not encourage surrendering immediate gains for long-run benefits. The environment in which such groups prosper—Congress—must itself be rendered less hospitable.

In its search for legislative discipline, political capitalism thus turns to the doctrine of responsible party government. Ladd asserts that parties should stand for comprehensive programs and that Congressional leaders should be given the

4 *Ibid.*, pp. 80, 82–83; *Business Week*, "A New Social Contract," June 30, 1980, p. 88; Juan Cameron, "The Shadow Congress the Public Doesn't Know," *Fortune*, January 15, 1979, pp. 40, 42; Ladd, "How to Tame the Special-Interest Groups," p. 68.

5 Ladd, "How to Tame the Special-Interest Groups," p. 66.

6 *Business Week*, "A New Social Contract," pp. 86–87.

7 Lubar, "Making Democracy Less Inflation Prone," p. 86.

means to push their programs through. If leaders again determined committee assignments and administered other perquisites, members would no longer be free to operate as entrepreneurs devoted only to serving particular interests. Ladd argues, too, that restoring party-leadership powers would not be sufficient; federal spending must be limited by some superpolitical measure like a Constitutional amendment. Then individual members of Congress would welcome party leadership to act as a buffer between them and the annoying pressure groups. A party can dismiss claims on the public treasury in a way subcommittees and members are reluctant to do.<sup>8</sup>

Historically speaking, when strong leaders dominated Congress—in the 1890s and the 1950s—the result was a far cry from coherent policy. This record tells us something: the real issue today is not coherent policy as an abstract political good. Political capitalism seeks a particular sort of policy. The best way to achieve the new social consensus is to restrict the set of actors who will formulate it. Beneath the rhetoric of responsible parties lurks a strategy to modify access to political institutions. Strong parties would exclude the marginal special interests (everyone from environmentalists to “New Right” social-issue groups) by closing Congressional ears to all but what *Business Week* calls the “leadership groups.”<sup>9</sup>

As the corporatist ideologues realize, any new social consensus would have to speak to the needs of all Americans, especially the alienated underclass. *Business Week* emphasizes that the cost of reindustrialization should not fall disproportionately upon the poor. But fairness in no sense implies participation by the social groups with little influence; rather, the agenda of political capitalism calls for benevolent paternalism by leadership groups on behalf of the helpless. For example, *Business Week* suggests that the many millions of dollars spent on welfare be redirected into programs to create new jobs for inner cities.<sup>10</sup>

Presuming this commitment to equity is genuine, we might be tempted to dismiss access to political institutions as unimportant. However, the empirical record suggests skepticism about the language of shared sacrifice. To date the experiments undertaken to impose burdens on all classes—the austerity measures promulgated in cities like Cleveland and New York—reveal that those who begin with the least will pay the heaviest price. Such a result occurs precisely because austerity policies circumvent the public forums where the victims may speak for themselves. Business, government, and even labor leaders who talk loftily about common difficulties are insulated from the grim realities of doing without. It comes as no surprise when *Business Week*, having closed off the voices from below, can facilely “eliminate” the welfare problem.

8 Ladd, “How to Tame the Special-Interest Groups,” pp. 68, 72, 76.

9 *Business Week*, “A New Social Contract,” p. 86.

10 *Ibid.*, pp. 86, 88.

For the moment, a different capitalist ideology—the Reagan administration's retrograde faith in laissez faire—dominates national politics. The Republicans have shown that comprehensive policy is possible even under our weakened and fragmented party system. Nevertheless, if the Reagan program continues to undermine the economy, the Democrats may return to power in 1984. Here we come to an important convergence of interests between the party and political capitalism. To distance themselves from the Carter years, Democratic politicians will seek a program that addresses the problems of inflation, low productivity, and high taxes. In short, the Democrats will be looking for just the kind of policies advocated by political capitalists such as the editors of *Business Week* and New York banker Felix Rohatyn. Within the party, too, many functionaries share the corporatist belief that popular participation has become excessive. The politicians may have their own reasons: parties in their days of glory allocated money, jobs, influence, and lucrative careers. Just the same, political greed mixed with organized corporate support make for an idea—firm party discipline—whose time has come. Therefore the Democrats will help political capitalists conduct economic policy under the mantle of the state.

Despite all the corporatist planning, the strategy stands little chance of success. One requirement is that American businesses put aside their immediate concerns for their collective betterment. But these same corporations have accustomed themselves to the privatization of public policy; they court favors for themselves and are indifferent to the larger consequences.<sup>11</sup> Political capitalism anticipates a transformation of corporate psychology that is without historical precedent. Certainly the Democratic party will be an unlikely place to achieve forward-looking corporate consensus. Suppose business manages to unite against a set of progressive enemies and drive such forces out of the party. Nothing would remain then to hold corporate interests together. Instead, with each industry convinced of its patriotic indispensability, the Democratic party would become the arena for fratricidal and self-destructive combat among the so-called leadership groups.

**W**here can we find the source of a political agenda of the left? Some of the most hopeful signs in current politics may be described under the heading of "localism." Many hundreds of small community organizations have been founded upon the simple belief that shared geography implies shared vulnerability to the reckless exercise of corporate or state power. Increasingly these organizations join together in larger leagues and associations to exchange information

11 A. F. Ehrbar, "Pragmatic Politics Won't Win for Business," *Fortune*, June 4, 1979.

and to coordinate strategies aimed at issues beyond the local level. Critics tend to dismiss the local approach as short-sighted, exclusionary, and naïve about the structure of society. All these charges are valid to a degree, yet they do not nullify a fundamental truth in the localist movement: in a world of distant and alienating institutions, the devolution of state power to participatory associations becomes a first condition for radical change.

At some point in the future the community organizations may find themselves with many allies. Whether under the program of Reaganism or political capitalism, Burnham's "one-sided class war" will proceed, producing new casualties. Although some will abandon politics out of despair, a nucleus of the victims could become more receptive to an alternative movement. Support may come also from the liberal organizations and single-issue groups that presently target their efforts at Congress. The success of this technique has been predicated upon a national state that avoids conflicts through accommodation. As political capitalism reduces access to institutions, however, environmentalists, women's groups, consumer advocates, and others will need a new avenue to press their demands. A tension exists, however, between interest groups that have relied on federal largess, and localist elements seeking to assume state responsibilities for themselves. It is impossible to predict how this tension will be resolved.

Possibly there will be a linkage between community organizations and liberal interest groups, which may result in a new political party or in the seizure of a major party. Given the forces arrayed against such a progressive party, it would require a great deal of unity—the kind parties rarely display if internal discipline rests on shared ideology alone. Party organizers may find themselves attracted to the same strong-party model I have criticized here. So one further point about this model ought to be made: the doctrine of responsible party government rests on an assumption not compatible with radical democracy. Leader-dominated parties can claim legitimacy because they serve as instruments to achieve desirable policy outcomes. By implication the process of making policy matters less than its substantive result. "Democracy" consists of procedures that allow for the periodic ratification of the actions of party leaders in Congress, the White House, and other major institutions. But at the grassroots level people have learned to reject this concept of politics. They doubt whether they should be anything less than full partners in institutions they do not view as trustworthy. Community organizations know from bitter experience that the consequences of a policy decision can be fatal to a neighborhood and its people before four years have passed. When people see themselves as the objects of public policy they refuse to accept the passive role that is the implicit fate of the ordinary citizen in the strong-party model.

Thus any party of the left based on localist sentiment must incorporate the new popular assertiveness through internal structures that allow constant com-

munication between officeholders and members. In a sense the organization resembles a federation more than a traditional party. I do not doubt that this degree of democracy will prove awkward and that well-intentioned leaders will regard it as a nuisance and a handicap. Anyone who has ever attended a community meeting sometimes yearns for the efficiency provided by a top-down command arrangement. On the other hand, a little cleverness by party organizers would help reduce the centrifugal forces. Members can be made to realize, after all, that compromise secures the success of the whole and therefore of the parts. If this seems a tenuous foundation for a national party, we should recall that citizens have paternal friends who would gladly spare us the inconvenience.

**AUTHOR'S NOTE:** The author wishes to thank Stanley Kelley Jr. and Beth R. Morgenstern for their comments on an earlier version of this essay.