

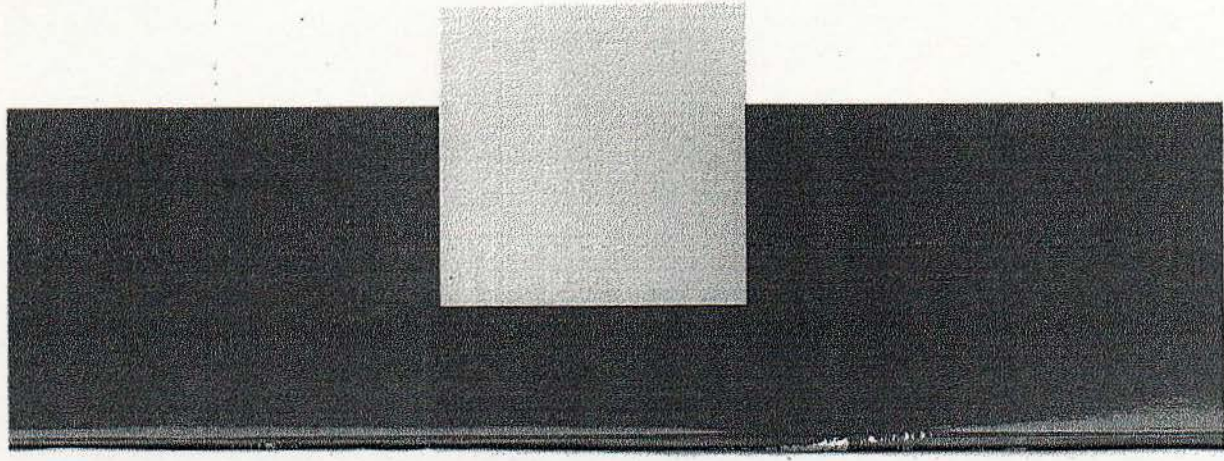
A continuación, se presenta una copia del artículo:

Garvía Soto, Roberto (1995), "Corporatism, Public Policy and Welfare: The Case of the Spanish Blind", *Journal of European Public Policy*, 2: 243-59.

En los márgenes he anotado las páginas del siguiente artículo donde aparece el mismo texto en español:

Garvía Soto, Roberto (1994), "Corporativismo en el área del bienestar. El caso de la organización nacional de ciegos", *Revista Española de Investigaciones Sociológicas*, 66: 53-72.

VOLUME 2 NUMBER 1 1994



Journal of European Public Policy

Corporatism, public policy and welfare: the case of the Spanish blind

Roberto Garvía

ABSTRACT

A general assumption in the literature on corporatism is that corporatist arrangements are unlikely to occur in the welfare arena. This literature has further predicted that for a corporatist arrangement to emerge in the welfare arena, it would have to be promoted by professional groups. This article analyses a case which runs contrary to this common understanding: that of a corporatist arrangement promoted by welfare recipients, in this case, the Spanish blind. The article briefly examines the nature of this corporatist arrangement, carried out by the state in conjunction with ONCE, the Spanish organization of the blind which monopolizes both the representation of the interests of the blind and the provision of welfare services for the blind. The article shows how this limited corporatist arrangement, which formerly only affected the blind, expanded over the whole disabilities policy arena, in such a way that the blind have managed both to govern the representation of interests of other organizations of disabled people and to take over public policies affecting these other groups. This expansion of a formerly limited corporatist arrangement is explained by the kind of interdependent relationship between ONCE and the state.

KEY WORDS

Blind; corporatism; disabled; public policy; Spain; welfare.

Corporatist literature has emphasized that corporatist arrangements are likely to emerge in the sphere of production, but not in the sphere of

71
28

2853

consumption. In the production sphere, in trying to advance their opposing interests, capital and labour may resort to collective action and, ultimately, be granted a representational monopoly and a hand in industrial relations and economic policy-making. This will take place whenever the state, willingly or reluctantly, intervenes in order to foster the control, predictability and self-regulation of capital and labour demands, under the assumption that the lack of such an intervention may critically affect either the relative standing of the country in the international arena, or the very governability of the country (Schmitter 1985).

In the consumption sphere a corporatist arrangement is described as unlikely to emerge for two reasons. First, whereas there is a social cleavage in the production sphere which strongly compels the opposing parties, i.e. capital and labour, to organize and mobilize, the lack of such a cleavage in the consumption sphere makes interest aggregation a less likely outcome. Second, as long as both the relative standing of the country and its governability are not affected by the way in which interests in the consumption sphere are organized, the state will not feel compelled to promote a corporatist representation system in this sphere (Cawson 1986: 127-49).

This explains why interest groups' literature has 'discovered' corporatist arrangements in the economic and industrial relations arenas, but not in the welfare arena. The latter is, typically, a consumption arena, in which welfare consumers usually have an individualized relationship with state agencies. If this is not the case, and welfare recipients manage to create specific interest organizations, these organizations operate in a pluralist scenario, competing for scarce welfare resources. A corporatist arrangement in the welfare arena might emerge, however, whenever monopolistic organizations of professional welfare providers (such as physicians or social workers), managed to work together in policy-making and in the implementation of welfare policies (Cawson 1982). In short, the literature has pointed out that corporatist arrangements are unlikely to emerge in the welfare arena. If, notwithstanding, a corporatist arrangement takes place in this arena, the literature predicts that it will emerge on the production side (in this case, promoted by professional welfare providers), but not on the consumption side, since welfare consumers are usually either unorganized or competing within a pluralist representation system for welfare benefits.

In this article I present evidence of the emergence of a corporatist arrangement in the welfare arena promoted not by professional welfare providers, but by welfare consumers. This arrangement emerged at the height of the Spanish Civil War (1936-1939), when the Francoist government, influenced by the Italian *corporativismo* and pressured by leaders of local organizations of the blind, decided to create the *Organización Nacional de Ciegos Españoles* (ONCE), an organization which would

monopolize the representation of the interests of the blind and run a lottery business in order to provide its constituency with all sorts of welfare benefits.

The case of the Spanish blind does not contradict altogether the former discussion, since the emergence of ONCE did not take place under a democratic regime, but under a regime determined to foster what has retrospectively been called 'state' (Schmitter 1979) or 'authoritarian corporatism' (Lehmbruch 1977). However, contrary to many other corporatist arrangements and organizations, ONCE was not dismantled upon the arrival of democracy in Spain (in the late 1970s). In this way, the case of the Spanish blind gives us an opportunity to study the performance of a corporatist arrangement in the welfare arena under both an authoritarian and a democratic regime.

The longitudinal analysis of this arrangement will show how resilient corporatism in welfare policies might be, contrary to similar arrangements in the arena of industrial relations. I claim that the resiliency of corporatist arrangements in the welfare arena can be explained by the distinctive interdependent relationship between the state and the provider organization. As regards the organization, as long as it monopolizes the provision of welfare benefits which are critical for a segment of the population, the state (be it democratic or authoritarian) depends on this organization (provided that the state regards it as its duty to protect the target population). At the same time, the provider organization depends on the state to grant and sustain its service monopoly. This interdependent relationship limits and determines the range of demands each partner might put forward and, thus, renders a high degree of predictability and endurance to the corporatist arrangement in which they are involved.

Endurance and predictability, however, do not necessarily imply immutability. As I will show, corporatist arrangements may display an expansionary drive and precipitate quite significant changes in the policy arena in which they are operating. More concretely, I will show how a limited scope corporatist arrangement, set up during the Francoist regime and operating in the disabilities arena, has expanded over that policy arena and transformed the incipient pluralist representation system, created after Franco's death, into a corporatist one.

In the first section of the article I will analyse how the Spanish blind managed to set up a privileged corporatist arrangement with the authoritarian state. To safeguard this privileged corporatist arrangement, ONCE had to prevent criticism from other disabled groups and interfere with the organization of the interests of these other groups. In the second section I will show how ONCE, as a result of this intervention, managed to create, in the early 1980s, a new corporatist interest representation system which best promoted the interests of the blind, and to take over new public responsibilities in the disabilities policy arena, expanding in this

way, a limited scope corporatist arrangement which finally affects not only the blind, but the entire disabled population. Finally, in the third section, I will outline the characteristics of the new corporatist arrangement and representation system currently operating in the disabilities arena.

ONCE not only monopolizes the provision of services for the Spanish blind, but is also the main source of their employment. In fact, the rate of unemployment of the Spanish blind is the lowest among the OECD countries (and is even lower, in fact, than that of the Spanish non-blind, see Garvía 1994). This reflects the special privilege that the Francoist state granted the blind in 1938: to run their own private lottery business. From that point on, state lotteries and the lottery of the blind have been competing, in either co-operative or conflictual terms, in the Spanish lottery market. This market, it is significant to note, has been, traditionally, the largest among the European lottery markets.¹ Hence, as a result of both its commercial privilege and the Spanish passion for gambling, ONCE has become one of the most important organizations in the country. In 1989 ONCE was the sixteenth most profitable Spanish organization, and by number of employees it ranked fourth. In 1992, ONCE's net profits amounted to US \$1.5 billion.²

THE AUTHORITARIAN PERIOD

It was the blind alone, among all the groups of disabled people, who were able to set up a national association well in advance of the Civil War (1936–1939).³ This association was composed of many loosely coupled local organizations, the plurality of which ran illegal, but tolerated, lottery businesses that competed with the state lottery. The blind found in the lottery business an expedient way of solving their two basic problems. First, the need to beg was eliminated, since by the selling of lottery tickets they could earn their living. Second, the funding of welfare programmes was made possible, since the blind were able to set up their own welfare programmes with the profits of the lottery business, which the state could have barely financed owing to lack of resources.

The blind, however, were not the only group engaged in the illegal lottery business. Mirroring the strategy of the blind, some groups of physically disabled and elderly people had set up their own lotteries. In addition, there were local charities which also promoted lotteries to benefit groups such as orphans and widows. However, according to the state lottery-ticket sellers (*administradores de loterías*), the lottery of the blind was the best entrenched in the illegal lottery market.⁴

The organization of the blind transformed itself into ONCE, in 1938, at the height of the Civil War. The blind obtained legal status for their

that the new nationalist state, involved in a civil war, would not be able to meet the welfare demands of the civilian and veteran blind. Thus, the following corporatist schema was going to determine the relations between the blind and the state: ONCE would be the single organization of the blind, and, with the resources collected through its permitted lottery business, it would take over state programmes for the blind, such as transfer schemes for the elderly, vocational training for the young, and educational programmes for blind children. In harmony with the philosophy of the authoritarian state, the everyday affairs of the organization would be closely supervised by a collegiate body composed mostly of bureaucrats of the General Direction of Social Policies, a state agency linked to the Ministry of Internal Affairs. This meant that ONCE was formally deprived of any decision-making power. In practice, however, and for most of the history of the organization in the Francoist period, ONCE was able to neutralize the decision-making power of the General Direction of Social Policies and even to elicit state support against the organizations of other disabled groups.⁵

For ONCE to meet its responsibilities and thus to honour the corporatist agreement, it was necessary that no other group but the blind sold lottery tickets. In this way, ONCE embarked on a political campaign to lobby the Ministry of Internal Affairs against other groups of the disabled, the elderly, and charities which still ran their illegal lotteries under the permissiveness of the local authorities. ONCE was successful, and the Ministry of Internal Affairs instructed local authorities to prosecute illegal gambling. Thus, most of the rival organizations which had been running lotteries for years were finally dismantled. In some cases, however, the local authorities arranged that the members of these organizations were allowed to sell the lottery tickets of the blind. In other cases, such as with local charities, ONCE made annual payments to them in exchange for the liquidation of their illegal lotteries. In this way, and finally enjoying *de facto* exclusive rights in the gambling market, ONCE committed itself to the task of broadening the scope of services which it provided for its members. Thus, new sheltered workshops were set up, and new benefits such as retirement pensions, sickness benefit, medical services, etc., were introduced.

Other disabled groups were clearly not as fortunate as the blind as regards welfare benefits. Among these other groups, the physically disabled were the most privileged, despite the restrictiveness of the public provisions targeted at them. These provisions were primarily concerned with their physical rehabilitation and did not provide employment or non-contributory pension programmes.⁶ It is no wonder, then, that the physically disabled created informal, loosely bound, local organizations at the end of the 1950s in order to claim welfare provisions similar to those

organizations began to claim the right to run lottery businesses and actually ventured into the lottery market.

ONCE devised two strategies to meet this threat. The first was the classic 'divide and rule' or, in the language of organizational sociology, 'boundary setting' strategy (Haldrich 1973). This consisted of making it possible for a limited number of physically disabled to join ONCE as lottery-ticket sellers. By opening or closing its doors according to the magnitude of the threat, ONCE could divide the physically disabled into two groups with opposing interests: those allowed to sell tickets for ONCE who, as expected, became staunch supporters of the organization, and those left out, who predictably persevered with their criticism of ONCE's privileged position. Their criticism, however, was partially neutralized by ONCE's public posture as their benefactor.⁷

The second strategy consisted of promoting the creation of a national organization of the physically disabled and making it financially dependent on ONCE's resources in order to control its demands. This being during the time of Franco's authoritarian regime, however, neither the physically disabled themselves nor ONCE could set up this organization. Eventually, on behalf of the blind, the General Direction of Social Works set up the *Asociación Nacional de Inválidos Civiles* (ANIC) in 1958. ANIC's charter was to monopolize the representation of the interests of the physically disabled, in the same way that ONCE monopolized those of the blind. Until its disappearance at the end of the Francoist regime, ANIC performed two functions. The obvious function was to provide jobs for its members in sheltered workshops, or in occupations such as selling state lottery tickets, or 'minding' cars in public parking lots. The hidden function, however, was to prevent the physically disabled from promoting illegal lotteries and from undermining the privileges of the organization of the blind.

This strategy worked satisfactorily for the first few years, but soon the General Direction of Social Works learned how to exploit the situation. It gradually demanded more and more funds from ONCE in order to strengthen ANIC, hinting that otherwise it would no longer pursue rival organizations of the physically disabled which engaged in illegal gambling. The truth was that the General Direction of Social Works needed funds for both ANIC and the recently created FNAS.⁸ These requests created a certain amount of turmoil within ONCE. It was ready to buy the compliance of the physically disabled, but it wanted to set the price itself. Thus, ONCE realized that, in order to control the demands of the physically disabled, the state was of little use: the blind themselves had to exert direct control over every rival organization which operated in the same policy arena.

In summary, during the Francoist period, ONCE was able to keep its privileges and control the demands of the physically disabled groups. This

was, however, more expensive every year, since the state gradually committed itself to supporting other disabled groups and, consequently, requested more and more money from ONCE. Moreover, controlling the physically disabled groups' demands promised to be more difficult in the future. The authoritarian state of the late 1960s and early 1970s was in a process of limited liberalization in both economic and political terms. As a result, ONCE had to begin to deal with a network of totally new local organizations for the physically disabled, such as advocacy groups of parents with disabled children, which were set up on the fringe of ANIC.⁹

THE DEMOCRATIC PERIOD

These local organizations for the physically disabled coalesced with new organizations of the physically disabled, which were created with the emergence of the democratic regime by those who did not want to join ANIC. This brought about the obsolescence and the dismantling of ANIC in 1978.¹⁰

However, the physically disabled did not find it easy to replace ANIC with a new national organization. First, in addition to the problems generally associated with the logic of collective action (Olson 1965), the physically disabled faced the problem of mobilizing and organizing people by means of a stigma.¹¹ Second, the aggregation of demands was hampered by the fact that the recently created organizations represented people with different demands, which originated from specific needs (i.e. creeping paralysis, polio, osteoporosis, and so on). Third, some of their most important demands (such as the removal of architectural barriers in public places) could be met only by local governments. Moreover, many local leaders thought that it was useless to devote much time and effort to creating a national organization as the emerging quasi-federal Spain would make it inefficient.

The final and most important obstacle to creating a new national organization was that the physically disabled held different opinions regarding the strategy to pursue. On the one hand, there were those who thought that the scarcity of employment and welfare programmes was because of the lack of social concern by the authoritarian regime. They considered that by sit-ins, demonstrations and hunger strikes they could mobilize public opinion in such a way that the new democratic regime would almost automatically meet their demands. They questioned the desirability of a national organization, since, they feared, such an organization would eventually hamper the participative and democratic character of their movement. In contrast, there were those who wanted to put an end to the 'street mobilization' methods and transform the social movement into a formal organization. Their goal was to collect and

2860
prioritize the demands of the different groups and create an institutionally responsible organization which would monopolize the representation of its members *vis-à-vis* the state and other interest groups. With these goals *Coordinadora Estatal de Minusválidos Físicos* (CEMFE) was finally created in 1977. However, in order to win over the most sceptical local organizations, CEMFE was excessively democratic, sluggish in its decision-making process, and, occasionally, on the brink of disintegration.¹²

2861
The internal problems of CEMFE do not fully account for its rather unimpressive record, however. The economic crisis of the late 1970s and early 1980s made it difficult to fulfil the demands of the physically disabled. There were, basically, three demands. Regarding the removal of architectural barriers, the central administration passed a decree in 1983 ordering suitable modifications to public sites and buildings. However, this decree was completely symbolic, since the Ministry of Finance did not allocate the necessary funds. Similarly, regarding welfare subsidies, in 1982 parliament passed a comprehensive Act (entitled LISMI – *Ley de Integración Social del Minusválido*), which was to provide a minimum income for the unemployed disabled. When this provision was implemented, however, it turned out that only 20 per cent of the disabled population was entitled to receive a subsidy which, moreover, only amounted to half the legal minimum wage. Finally, regarding employment, LISMI re-enacted an unenforced 1970 decree, which specified a 2 per cent employment quota for the disabled in companies with more than fifty employees. This provision, however, still remained unenforced since it increased regulation of the labour market precisely at a time when employers and government were, against the opposition of the unions, trying to make this market more flexible. (In fact, the non-enforcement of these affirmative action measures allowed employers and unions virtually to ignore the disabilities policy arena.) By 1986, only 12 per cent of the employable physically disabled had a job (INSERSO 1989, vol. 1: 156).

It was not surprising, therefore, that hundreds of the physically disabled joined a new private organization which provided them with their most desired goal: employment. This organization was called PRODIECU and was, in fact, an illegal lottery business set up in 1985 by non-disabled people. For a few months PRODIECU operated only in Catalonia. In order to extend its market outside Catalonia, PRODIECU set up a puppet organization of the physically disabled called *Asociación de Promoción de Empleo de Minusválidos* (APEM). APEM enjoyed a closed shop agreement within PRODIECU, so the disabled who wanted to sell PRODIECU's lottery tickets had to be APEM members. PRODIECU, however, was unable to exert a tight control over APEM for very long. As soon as the illegal lottery spread throughout the whole country, APEM leaders

a self-governing organization which would eventually run a legal lottery business, i.e. an ONCE replica for the physically disabled.

2862
APEM failed in its fight with PRODIECU, but its defection caused the latter to create a new puppet organization: *Confederación Española de Minusválidos* (COEM). COEM proved to be more loyal than APEM. Certainly, it also campaigned for the lottery of the physically disabled, but, unlike APEM, it envisaged a lottery business operated by a private organization (i.e. PRODIECU). In any case (and apart from this 'dance of acronyms'), ONCE realized that its worst nightmare had come true: approximately 7,000 physically disabled were engaged in a lottery business which directly competed with the lottery of the blind. These people, moreover, irrespective of the petty rivalries between APEM and COEM, were obviously claiming that, by selling their rival lottery tickets in every city in the country, with a similar problem (the difficulties of the disabled in finding jobs in a market economy), they were entitled to a similar right (the right to run a lottery business such as the blind had had since 1938).

However, ONCE was not alone in facing problems. CEMFE's monopolist claims were challenged by the pluralist associative movement to which PRODIECU had given rise. However, CEMFE quickly proceeded to take advantage of this new scenario. Unlike APEM and COEM, and in order to fill a distinctive niche which justified its existence and guaranteed its survival as an interest organization, CEMFE decided not to support the claims of the disabled for a lottery. This decision certainly put CEMFE in a difficult position regarding its natural base, but it gave it the opportunity to present itself as a law-abiding, responsible and accommodating organization which, by moderation and bargaining, would contribute to the solution of the social problems of the physically disabled. In short, CEMFE found in the PRODIECU affair the opportunity to be granted the public status for which it had been striving since its foundation.

For its part, ONCE was eager to strengthen CEMFE – the only national organization of the physically disabled which did not endanger its privileged position. Thus, CEMFE and ONCE found a common ground for compromise, and in the latter part of 1985 the two organizations reached several agreements. After repeatedly and publicly denouncing PRODIECU as a company which profited from the hardships of the physically disabled, CEMFE received economic and administrative support from ONCE. With this support, CEMFE set up its own vocational training programmes as a way of providing selective incentives to its natural base, and of strengthening itself *vis-à-vis* its two competing organizations. Moreover, ONCE decided to reform its lottery in order to increase its labour force by 1,000. The new salespeople had to be

process of these new sellers. Therefore, unlike APEM and COEM, CEMFE was qualified to provide well-paid, legal and permanent jobs. In short, a new and more resourceful CEMFE emerged, but the viability of this new organization drastically depended on ONCE's generosity.

ONCE was again applying the two strategies which it used in the authoritarian period. First, by admitting a limited number of physically disabled, ONCE managed to divide their interests. Second, ONCE (and not the state, as was the case with ANIC) was successfully promoting and co-opting an interest organization which did not question its privileged position in the disability policy arena. However, that organization, CEMFE, did not monopolize the representation of the physically disabled, since approximately 7,000 of them continued to sell PRODIECU's lottery tickets. Therefore, the promotion of CEMFE was insufficient as a strategy for preserving ONCE's privileged position. It was necessary to urge the state to dismantle the illegal lottery run by the physically disabled. The state, for its part, pursued a similar strategy. First, the illegal lottery of the disabled was competing with state lotteries and so reducing state revenues. Second, the lottery of the physically disabled was placing the state in an embarrassing situation, since this lottery was overtly exposing its inability to tackle the problem of unemployment among the physically disabled. However, dismantling PRODIECU would not be a simple task, since it meant leaving thousands of the physically disabled unemployed. This prevented the state from taking prompt action against the illegal lottery. The state's procrastination, however, was damaging ONCE and was assisting the lottery of the physically disabled, since public opinion began to shift towards the idea that the physically disabled, like the blind, were entitled to have their lottery.¹³

ONCE was very much aware of the state's difficulties and proposed its own solution to the problem of the illegal lottery. This was as follows: ONCE would hire 7,000 physically disabled people, the estimated number of sellers of the rival lottery. The state, relieved of the embarrassment of leaving unemployed this number of disabled, would then be able to take police action against the promoters of the illegal lottery and dismantle the business. The monumental task of hiring 7,000 workers would require some reorganization. In order to do this, ONCE envisaged a substantial reform of its lottery which could substantially reduce the market share of state lotteries. In short, ONCE's strategy was to defeat PRODIECU in the political arena (and not in the market arena); to strengthen CEMFE and control the future demands of the physically disabled; and to make the state pay for it.

The state rejected ONCE's proposal. Certainly, it wanted PRODIECU to disappear, but not at the expense of state revenues. Before accepting such a reduction, the state wanted to discover whether it would be able to solve the problem of the illegal lottery either at ONCE's expense or

without cost. It tried the former at the beginning of 1986, when it suggested that ONCE hire 7,000 disabled without reforming its lottery. As might be expected, ONCE rejected this idea since it meant sharing its income with the physically disabled. ONCE made a counterproposal: if the state agreed to its projected lottery reform, 5 per cent of the new lottery profits would be allocated to a Solidarity with the Disabled Social Fund, which ONCE would promote. ONCE suggested that the likely reduction in the state's revenues, owing to the increased competition, might be partially compensated by a reduction in public expenditure, since part of the profits of the new lottery of the blind would be earmarked to support programmes for the disabled. In short, ONCE was ready to share costs with the state.

Again, the state rejected this proposal because it wanted to test whether it could dismantle PRODIECU without any significant cost. Thus, in April 1986, four Ministries released an official *communiqué* aimed at PRODIECU's sellers. The *communiqué* was a mixture of paternalism and threats. It sympathized with the adverse living conditions of the physically disabled, which had driven them to place themselves under the influence of a 'handful of unscrupulous entrepreneurs'. The *communiqué* reassured them about the state's commitment to their welfare, and promised to devote more public funds to employment programmes. Finally, it reminded them that they were engaged in an illegal activity, and warned that police action would be taken if they continued selling PRODIECU's lottery tickets. They did, and the police sealed PRODIECU's headquarters. The physically disabled demonstrated, began to print their lottery tickets elsewhere and resumed selling. In the end, presumably afraid of the political costs involved, the government suspended police actions.¹⁴

This response infuriated ONCE, which publicly announced that it was going to carry out its projected lottery reform without state authorization. The organization considered that, as the state did not control the lottery of the disabled, it could not claim any control over the lottery of the blind either. ONCE's announcement was an ultimatum to the state: either it accepted ONCE's proposal, or it had to face a new embarrassing situation in the gambling market.¹⁵ The announcement made the state and ONCE wary of each other. ONCE was frightened by the thought of having gone too far; its leaders began to think of the RUMASA case.¹⁶ The state feared that ONCE would actually carry out its ultimatum. This is exactly what ONCE did, despite its own concerns. Hence, in October 1987, without state authorization, the new lottery of the blind (*el cuponazo*, 'the biggest lottery ticket of the blind') was on the market. The state accepted this outcome as a *fait accompli*, authorized *el cuponazo*, and deployed the police in what was called the Lottery-Ticket Operation (*Operación Boleto*). Thus, PRODIECU's sellers were urged to go to ONCE's offices

in order to sign a permanent, well-paid and legal labour contract. This was the end of PRODIECU.

At this point, it is necessary to explain why the state, rather than proceeding against ONCE, preferred to endorse its proposal. The state could certainly have decided to deprive the blind of their unique privilege to run a lottery business, and provide them with welfare programmes on the same basis as other disabled groups. However, as legitimate as this decision might have been under the new democratic and liberal Spain, such a decision was quite impracticable. Essentially, ONCE and the state were (and still are) interdependent. On the one hand, the state depended on ONCE, because the latter monopolized the provision of critical services and employment for the blind; on the other hand, ONCE depended on the state, because the latter could at any time remove ONCE's privilege to run a lottery business. This interdependent relationship had worked smoothly for many years. The PRODIECU affair, however, altered this balance of power since the state, as it painfully discovered, further depended on ONCE to put an end to the illegal lottery of the disabled. This explains why the state agreed to ONCE's proposal, and eventually how ONCE was able to transform its most threatening experience (7,000 physically disabled running a rival lottery) into an opportunity to reaffirm its position of privilege.

THE EXPANSION OF CORPORATISM OVER THE DISABILITIES POLICY ARENA AND THE CREATION OF A NEW INTEREST REPRESENTATION SYSTEM

As a result of the PRODIECU affair, and the combination of the efforts of ONCE and the state to tackle the unrest of the physically disabled, the original corporatist arrangement between ONCE and the state expanded and a new division of labour between the two partners was established. Today the state provides the disabled population with medical rehabilitation programmes, non-contributory benefits and basic education, while ONCE has assumed former state responsibilities for the entire disabled population, such as the funding, planning and administration of programmes for the removal of architectural barriers in public sites and buildings and for employment programmes.

In order to carry out its new welfare roles, ONCE created *Fundación ONCE*, honouring its old proposal to set up a solidarity fund in exchange for the dismantling of PRODIECU. In this way, some of the welfare programmes previously supported and devised by the state are now administered by the blind, in close collaboration with the interest organizations of the physically disabled (COCEMFE, previously CEMFE), the deaf-mute (CNSE) and representatives of the mentally handicapped (FIAPAS). These organizations have a voice in the governing

collegiate body of the *Fundación*. In fact, there seems to be a great degree of collaboration between these organizations and ONCE. This is not surprising, since ONCE is generous in providing funds for the *Fundación*. As a result of this collaboration, the *Fundación* created more than 1,000 new jobs for disabled people in its first year, far in excess of the 300 public jobs which the state created through positive discrimination policies in the three years prior to the setting-up of the *Fundación*.

However, the fact that these organizations depend on ONCE's funding to meet some of their demands places them in a subordinate position with regard to ONCE, which, in this way, is able to control their demands. This control may be loose when it comes to demands which do not critically affect the privileged position of the blind, but it is explicit and tight with regard to demands which positively do. Thus, according to the *Fundación* statute, the *Fundación* cannot enter the gambling market (article 10e). More significantly, however, 'the *Fundación* can neither behave in a way, nor set forth demands, which runs counter to the legitimate interests of the founder [this is to say, ONCE], be these activities performed either directly or indirectly, privately or publicly' (article 4.3). It is unlikely that the interest organizations of the non-blind disabled could ignore these provisions, but in order to prevent this, ONCE has taken further measures. Thus, ONCE has eight of the fifteen seats on the governing body of the *Fundación*. In addition, a state agency has one seat, but this agency is not a full member of that body, which means that it can be displaced at the discretion of ONCE. In short, ONCE has taken over new public responsibilities, and created a new interest representation system which best promotes the preservation of its privileged position in the disabilities policy arena.

CONCLUSIONS

This article has dealt with corporatism in welfare policies, a research topic neglected by the existing literature, which has focused primarily on corporatism in the economic and industrial relations policy arenas. In terms of welfare policies, the literature has predicted that either these corporatist arrangements will not take place, or, in cases where arrangements of this type do emerge, that they will be sponsored by professional organizations, which have a vested interest in this arena. Our case study suggests qualifications to these predictions since it has been shown that a network of self-help organizations of welfare claimants, and not a professional group, promoted a corporatist arrangement in an authoritarian state. The arrangement has proved to be not only resilient, since it outlived the authoritarian period and is still in operation in democratic Spain, it has also been driven by an expansionist logic, since the original corporatist arrangement, which affected only one category of welfare

recipients, has been enlarged to affect other groups of welfare consumers.

The persistence of the corporatist arrangements studied here has been explained by the interdependent relationship in which the two partners of this arrangement are engaged. As long as the state (be it authoritarian or democratic) acknowledges its responsibility to guarantee the provision of welfare benefits and employment to a given segment of the population, it will be dependent on the organization to which it has granted the monopoly of that provision (given the second condition that, for whatever reasons, the state deems it neither possible nor desirable to become the main provider). In turn, the organization depends on the state to endorse its public status as a provider monopoly.¹⁷

To the extent, however, that the state sees advantages in maintaining this interdependent relationship, the organization is automatically supplied with a power basis, ready to be used whenever a third party threatens to disrupt its privileged relationship with the state. In the particular case study analysed in this article, the resolution of this threat took the form of an expansion of the original corporatist agreement, by which the blind took over new public responsibilities which affect not only the blind, but the entire disabled population. It might be argued that this expansion of the original corporatist agreement has deepened the interdependent relationship between the state and the organization of the blind and, by the same token, has increased the power basis of the organization *vis-à-vis* the state, which, facing the highest rate of unemployment among the EU countries, relies on ONCE for the provision of employment not only for the blind, but also for a significant segment of the disabled population. Thus, corporatism is certainly *not* dead. Indeed, it can have an expansionist power, as the Spanish case demonstrates. Thus, in order to make better judgements about the future of corporatism in the current liberal and market-oriented climate, it might be useful to de-emphasize the focus on the economic and industrial relations arena and pay more attention to policy changes in the welfare arena.¹⁸

University of Carlos III, Madrid, Spain

NOTES

- 1 In 1991, per capita lottery expenditure in Spain was ECUs 108. Second in the ranking were the former Federal Republic of Germany and Greece, both of which had an estimated per capita expenditure of ECUs 74. Data from *Gambling in the Single Market*.
- 2 In addition to this, ONCE was, up to the end of 1993, one of the most powerful multimedia consortia in the country, since it owned more than 100 radio stations, participated in one national and two regional newspapers, was the most important shareholder of one of the three private TV channels and had its own news agency. In spite of these investments in the media and other sectors, more than 90 per cent of ONCE's...

- 3 The first national association of the blind was created in 1924. The blind took the lead over any other group of people currently referred to as 'disabled', because they had been organized since the fourteenth century in specific guilds and brotherhoods. These self-help organizations survived the liberal nineteenth century, and the blind entered the twentieth century with an impressive network of loosely coupled local organizations. For the history of these organizations, see the following periodicals: *El Monitor* (Madrid: 1894, in braille), *Los Ciegos* (Madrid and Bilbao: from 1916 to 1941), *Boletín del Centro Instructivo y Protector de Ciegos* (Madrid: 1931-1933). In addition, check *La Luz* (Madrid: 1930-1936), the authorized periodical of the *Federación Hispánica de Ciegos*, established in 1932.
- 4 For the complaints of the *administradores de loterías* against the blind, see *La Gaceta del Administrador de Loterías*, a section of the periodical *La Reforma Social*, specially the article 'La rifa de los ciegos' in *La Reforma Social* 15: 29-30 (June 1935).
- 5 The process by which an organization manages to take over the state agency specially entrusted with the task of monitoring that very organization, and thus benefit from the powers attached to that agency, has been studied elsewhere (Suleiman 1987; Lowi 1979). The logic of this process is the following: the state agency's monitoring power is, very likely, inefficient, since the organization to be monitored has an expertise as regards its operations and specialized proceedings which the state agency lacks. It might happen, thus, that there is no possible monitoring without the co-operation of the organization to be monitored. In the long term, the state agency no longer monitors the organization and both end up considering that the actual role of the former is not to exert any control, but to promote the organization's interests and protect it from public scrutiny.
- 6 There was an active employment policy and a disability pension scheme only for the war veterans who had fought in the Francoist army during the Civil War. The rehabilitation programmes for the civilian physically disabled were administered by the *Instituto Nacional de Reeducación de Inválidos* (created in 1933) and the *Patronato de Lucha contra la Invalidez* (created in 1949). Both institutions relied heavily on the assistance of the Church for their everyday activity.
- 7 In 1968, 2,844 sellers, 18 per cent of ONCE salespeople, were physically disabled.
- 8 FNAS is the acronym for *Fondo Nacional de Asistencia Social*, created in 1960. FNAS supported and supervised welfare programmes for the mentally handicapped, orphans and destitute elderly.
- 9 The economic liberalization of the regime began with the 1957 cabinet reshuffle, by which the 'technocrats' obtained governmental positions. This new government enacted the 1958 Collective Bargaining Act which allowed employers and workers to engage in collective bargaining, bypassing the official vertical union. This Act was followed by the 1959 Economic Stabilization Plan, devised to open the country to international markets. A timid political liberalization followed. In 1966 a Press Act was passed, by which pre-publishing censorship was suppressed, and the 1964 Associations Act allowed specific interest groups, such as parents with disabled children, to organize (Jordana de Pozas 1967). These advocacy associations of parents of children with disabilities did not join ANIC because the latter was the organization of (and not for) the disabled.
- 10 ANIC's personnel and assets were taken over by *Servicio Social de Recuperación de Minusválidos* (SEREM), a state agency which granted official certificates of disability to applicants and administered physical rehabilitation

- 11 With regard to the organizational deficit of stigmatized populations, see Scotch (1988) and Hahn (1988).
- 12 For an account of the social movement of the physically disabled in this period, see Díaz Casanova (1985).
- 13 In the years when PROIECU was running its lottery, no reliable survey was done to assess the degree of public acceptance of this lottery. However, ONCE had several reasons to fear that it was broadly accepted. One of them was quite unambiguous and had to do with the results of a pre-test for a ONCE commercial. The slogan of the commercial was 'Avoid imitations'. This slogan had to be dropped from the campaign. A member of the marketing department of ONCE explains why: 'In principle, the slogan was "Avoid imitations". I was present at the pre-test, which was conducted by a discussion group. The people in this group rejected the commercial, and it had to do with the slogan. They said that ONCE did not have any right to use that slogan, because it discredited our competitor. Evidently, they were referring to PROIECU' (ONCE 1986: 53).
- 14 Again, it is impossible to assess accurately public opinion as regards the lottery of the disabled. But public reaction to the PROIECU seizure was the opposite of what was expected by the government. In fact, after that seizure, it was not difficult to find in the letters to the editor sections of some papers statements such as this: 'I have a disabled 21-year-old son who has begun to live independently thanks to this [PROIECU] lottery. ... Therefore, as a father, I want to say very plainly to the state that it should not dismantle PROIECU, because, after all, this company employs thousands of disabled throughout Spain. Rather, the state should keep a close eye on other corruptions which have been taking place. Further, I would like to suggest that, before ruining a company, a replacement should be considered in advance; because now they plan to leave destitute, once again, a section of the population which has been traditionally neglected' (*El Periódico*, 7 May 1986). About those 'other corruptions which have been taking place', see the following note.
- 15 Apart from the PROIECU case, the situation in the gambling market was already an embarrassment. The disagreements between the central and the regional governments, regarding the claims of the latter for regulatory powers over their territorial gambling markets (as a way of protecting the regional lotteries against the state lotteries), had resulted in inefficient regulation of this economic activity. National and regional governing parties blamed each other for this unintended result, from which, however, some profited. This period was characterized by many cases of political scandals related to gambling. On the regulation deficit in the Spanish gambling market, see Guirao (1985); on political scandals associated with gambling, see Garvía (1992: 201).
- 16 For many years, RUMASA was one of the biggest Spanish corporations, with diversified interests in many sectors such as banking, insurance, tourism and wine production. In the early 1980s, however, this company was facing bankruptcy, and the socialist government took it over.
- 17 For a discussion of the interdependence between private welfare providers and the state, see Kramer (1989) and Kuhnle and Selle (1992).
- 18 This article was written at the Center for European Studies, Harvard University, with the support of a Fulbright/MEC scholarship.

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