The purpose of this paper is to offer a tribute to the work of Ralph Miliband by examining the concept of 'capitalist democracy', a concept which played a central part in his work, and which forms the title of one of his books, *Capitalist Democracy in Britain*. The critical analysis which follows is in memory of Ralph Miliband as an inspiring teacher; for all too short a time a stimulating colleague; and a warm-hearted and generous friend. Whatever criticisms are raised are made as contributions to a debate which Miliband himself inspired and greatly developed – a debate about state power and class power, probing the limits of Marxist theories of politics.

The intention is to give an exposition of the term 'capitalist democracy', to examine its meaning, and to see what problems there are in the concept. By 'problems' is meant here the question of whether the term provides a useful means of understanding the nature of democracy in the contemporary world and of analyzing the structure of power in those systems which call themselves democracies. This involves discussing what light the label of 'capitalist democracy' casts on the problems facing those societies.

It should be made clear at the outset that the term 'capitalist democracy' is applied in the work of Ralph Miliband, and in this paper, to a certain kind of political system and its social context, and it may be useful to indicate briefly the characteristics of such systems, before giving an extended exposition and 'deconstruction' of the term. 'Capitalist democracy' is used in Miliband's work to describe a particular type of state, which could be also called liberal-democratic. Miliband uses the term capitalist democracy to refer, as he says, to 'the political system which has gradually developed in Britain since the passage of the Second Reform Act of 1867, and particularly since the suffrage came to include all adults by virtue of the Acts of 1918 and 1928'. This form of state is marked by a plurality of political parties competing for political or state power; such competition takes the form of electoral rivalry, settled by popular vote in regular elections open to all parties. This state form is also characterised by a separation of
powers in the state itself. The state apparatus in such systems of capitalist democracy has a number of branches which to some extent check and control each other. Among these elements of the state apparatus there is a representative assembly or parliament, which functions as a forum for examination and discussion of government policies, and acts as a central focus for political life. Such a system also possesses what could be called an independent and active 'civil society', which is marked by a range of pressure groups and associations of various kinds. This constitutes what C. Wright Mills called a 'society of publics', on the surface at least contributing a diversity of voices to an active public opinion and forming the source of various pressures on the holders of state power. So far in this description there is nothing that could not be equally well described by the term 'liberal democracy', or 'pluralist democracy', but the idea of 'capitalist democracy' is meant to suggest that this state system, with the characteristics described above, exists in a particular social framework or context, which is one of capitalism, and that this fact has decidedly important implications for the working of such political systems of capitalist democracy, whose main features have now been delineated.

We can note here that 'capitalist democracy' is to be distinguished from what Miliband referred to as systems of 'capitalist authoritarianism', of which fascism would be one, though by no means the only, variant. Such systems of 'capitalist authoritarianism' (overlooking specific differences between them) have the characteristics that they abolish the rights and liberties afforded by systems of capitalist democracy. They represent forms of strong state (what Poulantzas calls l'état d'exception) which limit, or destroy altogether, the power of criticism of the representative assembly. They severely restrict, to the point of annihilation in regimes of fascist totalitarianism, the 'space' of civil society and its independent groups and associations. In short, the term 'capitalist democracy' has built into it, so to speak, a contrast with forms of state which also exist within a capitalist context and which override or smash the degree of pluralism and autonomy of civil society from the state which exists in these systems of capitalist democracy. The point is very important, and is one which Miliband himself makes at several points. Criticism of the limitations imposed on capitalist democracy by its social and economic context should not blind one to the crucial differences between such systems and authoritarian forms of the capitalist state.

One other preliminary point may be worth noting too. In the present age these systems of 'capitalist democracy' appear to be dominant, at least in the sense that some of the chief rivals to these systems, which in the 20th century were fascism on the one hand and communism or Soviet-type systems on the other, seem to have disappeared as rivals to the capitalist democratic or liberal-democratic systems of what used to be called the
West, but which now have been eagerly accepted and taken up in Eastern and Central Europe, the countries of ex-Communism. This does not mean one has to endorse Fukuyama's famous claim, in *The End of History and the Last Man*, that 'we have trouble imagining a world that is radically better than our own, or a future that is not essentially democratic and capitalist', or his assertion in the same book that 'there is now no ideology with pretensions to universality that is in a position to challenge liberal democracy'. It does however mean that it seems a task all the more urgent to investigate the critical edge and explanatory use of the concept of 'capitalist democracy', since those systems to which the term is applied are held up, at least by some, as the only valid and desirable model for a modern political and economic system. It should be clear by the end of this paper that whatever else the term 'capitalist democracy' has to offer, it does serve as a critique of modern liberal democracy, and, at least in the work of Ralph Miliband, there is not only an implicit contrast with systems of 'capitalist authoritarianism' but also with a potential alternative, 'socialist democracy', and this too must be evaluated.

**Part One: the term explained and expounded**

It is necessary to give a fuller exposition of the concept of 'capitalist democracy' before seeking to assess its limitations and its use as a tool for explaining the reality of modern democracy. First, the term 'capitalist democracy' can be taken to highlight a central tension in those societies marked by the characteristics listed above, and which are often referred to as 'liberal democracies', or even 'democratic societies' *tout court*. That tension is between the democratic ideal of equality, of all citizens having certain basic rights of political participation, rights which are held equally by all citizens, and the pervasive structure of inequality in the social and economic context of these systems of capitalist democracy. The democratic ideal, simply put, is one of inclusion and equality, of 'everyone counting for one and no one for more than one', as Bentham expressed it. Over a certain minimum age, and this restriction presumably rests on an idea of common rationality, all people in the national territory are assumed to have the rational capacity of knowing their interests, of being able to assess competing political programmes, of having an equal right to stand for office and engage in the struggle for power through election. There is thus an idea of equality here, which is central to democracy, and which is seen as entailing that differences of wealth, intelligence, ethnic identity, gender, to take only the most obvious, should not count with respect to the rights of citizenship. Those citizenship rights involve the ability to participate, whether directly or through representatives, in the making of the society's collective decisions. In turn these decisions affect the way in which the society is governed, and hence help to determine the structure or
framework within which people's lives are conducted. Robert Dahl formulates what he calls a strong principle of equality, which he sees as a fundamental principle of democracy, in the following words:

All members are sufficiently well qualified, taken all around, to participate in making the collective decisions binding on the association that significantly affect their good or interests. In any case, none are so definitely better qualified than the others that they should be entrusted with making the collective and binding decisions?

Dahl also writes of the idea of inclusiveness as a criterion for the democratic process: 'The demos must include all adult members of the association except transients and persons proved to be mentally defective'? The democratic ideal rests on these twin ideas of people being equally qualified to take part in the collective decision-making process, whether directly or through representatives, and on an idea of inclusiveness, that the demos should include all those supposedly rational beings living within the territorial area of the democratic community.

The concept of 'capitalist democracy' suggests that there is a tension between the democratic idea of equal citizenship rights and the structure of inequality that exists in 'civil society', or rather in the capitalist economy within which democratic political institutions are situated. This tension is seen as significant for various reasons. In the first place social inequality may place a strain on civic or political equality. The greater command over economic and social resources which stems from a structure of social inequality, and which gives some individuals considerable power over others, can be translated into superior political resources or political influence. All citizens are equal at the polls, according to democratic theory. The vote of the rich person counts the same as the vote of the poor person. Without falling into too simplistic an analysis, social and economic inequalities can erode this democratic equality in at least two ways: one, in terms of influence over the holders of state power, since those who command substantial economic resources have more bargaining power over the state elite; two, in terms of 'agenda setting', of putting issues on the agenda and mobilising support and moulding consciousness. These tasks require economic resources, which are unequally held in this kind of society. Especially in an age of sophisticated information technology leading to the possible manipulation of consciousness, the greater such resources individuals hold, the more effectively they will be able to perform this task. The agenda of issues discussed, and equally important the issues not discussed, in a democratic society, are therefore determined, though not exclusively, by those who stand at the top of the economic and social scale. This obviously oversimplifies the issue, and the question of the relationship between capitalism and democracy is analyzed further below, but the critical thrust of the term 'capitalist democracy' is to contrast the sphere of political equality with that of social and economic
inequality, and to suggest that the latter has an impact on the former, and that this impact is a negative one. In this sense capitalist democracy satisfies the demand of R. H. Tawney for a term which describes what he called 'a type of society which combines the forms of political democracy with sharp economic and social divisions'. These social and economic divisions stem from a context of class power. Such class power is not the only significant dimension of power. However, it clearly has serious implications for the functioning of democracy.

Secondly, the idea of 'capitalist democracy' as developed by Miliband operates with an idea of 'containment', or the limiting of popular pressure or influence 'from below'. In Miliband's words, 'Democratic institutions and practices provide means of expression and representation to the working class, organised labour, political parties and groups, and other such forms of pressure and challenge from below; but the context provided by capitalism requires that the effect they may have should as far as possible be weakened.' This too can be explained with reference to classical democratic theory. The democratic aspiration is to a situation of popular power, in which the demos or people collectively, through established mechanisms and procedures, implement their will, or effectively exercise sovereignty. These formulations give rise to huge problems, some of which were classically dissected by Schumpeter in his famous critique of what he called 'the classical doctrine of democracy' in his book *Capitalism, Socialism and Democracy.* Is there such a thing as the popular will, how can it be formulated and discovered? If it can, is it 'one' or 'multiple'? Surely unanimity is impossible to expect in any complex modern society, and there is no such thing as 'the will of the people'; there are sectional and fractional interests or aspirations which are contradictory to each other. Even if this problem of discovering what the people's will is, or wills are, can be solved, through what mechanisms could it, or they, be realised? These are all key problems of the democratic project, seen as an 'unfinished journey', an attempt to realise something which can never be definitively or finally realised.

However, the thesis of capitalist democracy involves the suggestion that systems of liberal or capitalist democracy are well endowed with a range of structures and devices which seek to limit or contain the effective power of the people, and that such a politics of containment derives, again, from the capitalist structure within which liberal democracy is situated. In this sense the politics of capitalist democracy can be seen as a constant struggle on the one hand to extend democracy, to realise ideas of popular sovereignty, and, on the other, the countervailing pressure by holders of economic and social, as well as of political power, to push back such democratic advance, to maintain a space free from the intrusions of popular power. Thus the paradox or contradiction of capitalist democracy is that for
all the invocations of freedom and the people, popular power in practice is feared. The power holders in such systems seek to maintain a distance between their exercise of power and their accountability to the people, and to restrict the active involvement of the people in public affairs. Here too there are a number of issues which should be probed. In the words of Miliband, writing in his book *Capitalist Democracy in Britain* of the British political system, this system proclaims itself as democratic. It promises to realise what Miliband calls 'popular participation in the determination of policy and popular control over the conduct of affairs'. Yet the reality of British politics, so Miliband argues, is rather to limit and contain the exercise of popular power, so that 'Democratic claims and political reality do not truly match'. This is not to deny that there are in the British system, as in other similar capitalist democracies, a number of features which make it possible for the citizens to express their views, and for those to impinge on decision makers. Indeed, as Miliband points out, the fundamental fact of elections may mean that power-holders lose their hold on state power as a result of shifts in opinion as expressed in an election. Nevertheless, the term 'capitalist democracy' is meant to suggest that the pressures from below and demands for popular involvement in politics are contained and checked, for reasons which need to be explained.

The picture thus emerges of a movement for extending and deepening democracy, a movement which in societies like Britain has a long history, but a movement which power-holders in state and society have succeeded in limiting and controlling. The analysis of capitalist democracy promises to be an analysis of the institutions and structures which succeed in this task of neutralising public pressure. No less importantly, the analysis of capitalist democracy is meant to suggest, at least in general terms, ways in which these limitations or imperfections could be removed. We have here a set of hypotheses concerning 'the future of capitalist democracy' in Britain, or any other such society, which point to a number of possibilities for the development of such systems of power. To anticipate the argument, the perspective offered by Miliband is one of a class-based movement which would seek to remove the capitalist shackles (or fetters?) holding back the democratic participation of the citizens of such a society. Capitalist democracy therefore promises more than it delivers, it invokes the aspiration to rule of the people but cannot deliver anything remotely approaching this goal. The thesis of capitalist democracy suggests that the main reason for this is, to put it crudely, the fear that popular pressure would lead to demands which contradict the interests of the holders of economic and social power, the ruling class in Marxist language. There is thus a standing tension within liberal democratic societies, namely the fear that if such societies lived up to the principles of popular rule which they proclaim, this might be threatening to the inequalities of economic and
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Social power, the capitalist context within which the liberal-democratic state is situated. Let us now probe some of the implications of this idea of the 'politics of containment', taking starting points from Miliband's work.

There are two aspects to the question worth stating. First, this idea of capitalist democracies as systems of 'containment' rests on an assumption which is by no means a new one, but which has been articulated for as long as mass pressure was a feature of politics, i.e., it is concomitant with the political age of modernity inaugurated by the French Revolution. That assumption can be called the assumption of the radicalism of democracy, or the idea that democratic deepening and extending popular involvement in politics would in fact lead to demands for greater social equality or control over the private ownership and disposition of economic forces. In other words, the assumption is that there is a link between political equality, or the greater realisation of democratic demands, and social equality. This assumption is if not exactly as old as the hills then at least as old as the French Revolution and the onset of modern politics, and was, and indeed still is, shared both by those who welcomed the coming of democracy and those who feared it. Historically, one could cite Engels' exultant cry of 1843 that 'Democracy, nowadays that is communism', or the Duke of Wellington's fears that democracy would declare war on property, or the liberal de Tocqueville's prediction that when the people is sovereign it is rarely miserable. To take a more contemporary example, the late Friedrich von Hayek writes as follows in his essay 'Whither Democracy?', expressing his fears about democracy:

Agreement by the majority on sharing the booty gained by overwhelming a minority of fellow citizens, or deciding how much is to be taken from them, is not democracy. At least it is not that ideal of democracy which has any moral justification. Democracy itself is not egalitarianism. But unlimited democracy is bound to become egalitarian.

Indeed, Hayek goes on to write of 'the fundamental immorality of all egalitarianism' and its incompatibility with individual liberty:

While equality before the law – the treatment of all by government according to the same rules – appears to me to be an essential condition of individual freedom, that different treatment which is necessary in order to place people who are individually very different into the same material position seems to me not only incompatible with personal freedom, but highly immoral. But this is the kind of immorality towards which unlimited democracy is moving.

His proposed solution was to make a separation between a governmental assembly and a legislative assembly. The power and policies of the former would be subject to the laws laid down by the latter, and such laws could only be 'universal rules of just conduct', implying that the governmental assembly, bound by rules passed by the legislative assembly, would not be able to pass specific acts of redistribution or expropriation. Hayek writes that
Arbitrary oppression— that is coercion undefined by any rule by the representatives of the majority — is no better than arbitrary action by any other ruler. Whether it requires that some hated person should be boiled and quartered, or that his property should be taken from him, comes in this respect to the same thing.\(^{18}\)

In order to make the legislative assembly, whose laws restrict the power of the governmental assembly, sufficiently remote from popular pressure, Hayek suggested that it should be composed of men and women independent of political parties, above a certain age and of a certain respectable social condition and status, and free from any possible wish for re-election. In his words,

I imagine for this reason a body of men and women who, after having gained reputation and trust in the ordinary pursuits of life, were elected for a single long period of something like 15 years. To assure that they had gained sufficient experience and respect, and that they did not have to be concerned about securing a livelihood for the period after the end of their tenure, I would fix the age of election comparatively high, say at 45 years, and assure them for another 10 years after expiry of their mandate at 60 of some dignified posts as lay-judges or the like.\(^{19}\)

This suggestion may strike one as somewhat extreme, but it well illustrates the classical liberal fear of democracy as leading to egalitarianism in the social field, and the desire to contain it, in this instance by the 15 year-long tenure of office, in the legislative assembly, of middle-aged men, and, it must be said, women too.

This fear of democracy and the desire to contain it has been classically expressed by some liberals. But let us return to the concept of capitalist democracy. The argument here is that it rests on an assumption which was shared by those (like Hayek) who would be most unsympathetic to the term, and that assumption is that the consequence of extending democratic participation would be radical in the sense of posing a challenge to the existing structure of wealth and privilege. The question that this assumption raises is whether it was right to assume, whether in hope or fear, that democracy and democratic pressures would be 'revolutionary', or at least radical in the sense of offering opposition to capitalist power and to a deeply unequal distribution of economic resources. Of course this assumption was shared by both friends and foes of the process of the democratisation of the liberal state, but with the benefit of hindsight one may ask 'what did the ruling classes have to fear?' Why was 'containment' a necessary strategy on their part? For example, the movement to extend democracy in the USA does not seem to have unleashed demands of a socialist kind for restructuring of the social hierarchy. A recent study of *[The Radicalism of the American Revolution]* by Gordon S. Wood seems to suggest that its radicalism took another form, one of individual advancement, the idea that everyone's interest was as good as anyone else's and that the political system could be the vehicle for individual achievement rather than for a collective attempt to challenge the
social structure. Wood writes that the radicalism of the American revolution came to differ from the austere and rather elitist vision of the founding fathers:

A new generation of democratic Americans was no longer interested in the revolutionaries' dream of building a classical republic elitist virtue out of the inherited materials of the old world. America, they said, would find its greatness not by emulating the state of classical antiquity, not by copying the fiscal-military powers of modern Europe, and not by producing a few notable geniuses and great-souled men. Instead it would discover its greatness by creating a prosperous free society belonging to obscure people with their workaday concerns and their pecuniary pursuits of happiness—common people with their common interests in making money and getting ahead.

In other words, the creation of a working democracy, and a democracy of working people, was quite compatible with the absence of any socially radical movements challenging disparities of wealth and economic power.

Alternatively, if the strategy of 'containment' was indeed necessary because of the socially radical implications of democracy, then in what ways, through what strategies, and for what reasons, has it been so successful, in the societies of 'capitalist democracy'? This raises another related theme, which is central to the work of Ralph Miliband, and linked with the idea of capitalist democracy as a system strongly protected by institutions which ward off the potentially radical challenges of democracy and, linked with those challenges, of socialism. This theme is that of parliamentarism, of the use of parliament or representative institutions in general as a means of conciliation, of absorbing or defusing radical protest, while at the same time paying lip-service to the democratic ideal of popular participation. In Miliband's words:

In conditions of capitalist democracy, with universal suffrage, political competition, the capacity of the working class to exercise different forms of pressure, the crucial problem for the people in charge of affairs is to be able to get on with the business in hand, without undue interference from below, yet at the same time to provide sufficient opportunities for political participation to place the legitimacy of the system beyond serious question. The point is not to achieve popular exclusion altogether; that would be dangerous and ultimately self-defeating. The point is rather to give adequate and meaningful scope to popular participation; but to 'depopularize' policy-making and to limit strictly the impact of the market-place upon the conduct of affairs. Parliamentarism makes this possible: for it simultaneously enshrines the principle of popular inclusion and that of popular exclusion.

It should be made clear that 'to limit strictly the impact of the market place', in the sense of curbing popular power and containing the weight of public opinion, is quite compatible with increasing the impact of the 'market' on politics, in terms of letting the supposedly impersonal processes of the market carry on free from the dangerously egalitarian impact of popular pressure. However, the central point is that 'parliamentarism' here means the use of representative assemblies as devices to neutralise and contain conflict. Parliament is a central institution for
practising the 'politics of containment' necessary to ensure the stability of liberal-democracy.

Two points can be made in this context: one, the idea of containment or 'deradicalisation' seems bound up, at least to some extent, with the very nature of representation, of representative democracy as such, within which parliament has such a central role to play. This point has been made from a variety of theoretical perspectives, ranging well beyond Marxism, to elitism and even anarchism. As Przeworski well puts it, incidentally referring to Miliband's book *Marxism and Politics*, 'workers can process their claims only collectively and only indirectly, through organisations which are embedded in systems of representation, principally trade-unions and political parties', adding later on:

... relations within the class become structured as relations of representation. The parliament is a representative institution: it seats individuals, not masses. A relation of representation is thus imposed upon the class by the very nature of capitalist democratic institutions ... Masses represented by leaders: this is the mode of organization of the working class within capitalist institutions. In this manner participation demobilises the masses."

One way of drawing the consequences of this is an elitist one: there will always be an elite, distanced from and superior to the rank and file, because of the very structure of representative institutions.

The other point to be noted is of course that this 'deradicalising' effect of parliament, or representative institutions in general, does not signify that such institutions have no importance as elements which distinguish forms of capitalist democracy from forms of capitalist authoritarianism. It suggests, however, that parliamentary confrontations often take the form of ritual occasions (think of Question Time in the British case) which do not really contribute to one of the tasks which representative assemblies are supposed to fulfil, the education of public opinion.

*Part Two: examining the theory of capitalist democracy*

The democratic institutions and practices of the liberal-democratic state are thus limited and constrained by a system of social inequality which undermines democratic equality. It means that popular involvement in politics is contained by a network of institutions which distance the public from the effective exercise of power. But this thesis raises many large questions, two of which will now be discussed. First, assuming the thesis of capitalist democracy is correct in suggesting the large gap which exists between the democratic rhetoric of 'people power' and the reality of the effective exercise of power by a state elite, the question arises of explaining this gap. Is it the capitalist structure of social inequality which is the chief cause of the limited degree of popular participation in liberal-democratic societies or are other factors more significant? Secondly, what alternatives are there
to capitalist democracy, or how can the constraints which limit it be removed? These are large questions indeed.

We have seen from the Przeworski quotation that the lack of popular participation may be due to some extent not to the fact of capitalist power, but to the very nature of representation itself. Various theorists from Michels onwards, not to speak of earlier ones such as Rousseau, have suggested that the very process of representation creates an elite often different from the represented in their interests and concerns. Is 'containment' a result of the inevitable processes of representative democracy rather than of capitalist power as such?

Furthermore, the idea of capitalist democracy suggests that 'capitalism' and 'democracy' are in an antagonistic relationship, that it is the existence and power structure of the former which constrains and impedes the latter. This touches on one of the key debates in the currently growing field of the study of democratisation. As David Beetham suggests in his useful review of ‘Conditions for Democratic Consolidation', 'The relationship (i.e. of capitalism and democracy) . . . is an ambiguous one, and both positive and negative aspects need asserting together'. Beetham notes that the hypothesis that 'a market system is a necessary, though not sufficient, condition of democracy' is usually formulated as 'a relationship between capitalism and democracy'." On the one hand, capitalism has a strongly anti-paternalist thrust. Ideas of consumer sovereignty and individual rights as a consumer suggest ideas of voter sovereignty and competition for political power. We noted above the existence of a sphere of civil society as a crucial feature of liberal-democratic (or capitalist democratic) regimes. Such a sphere of civil society is fostered by a system of economic power (i.e. the market) separate from the state. In this sense, the defenders of capitalism can point to the fact that taking the sphere of production decisions outside the sphere of the state creates preconditions for centres of power in civil society which are independent of the state, and can function as sources of opposition and pluralism.

Of course, as Beetham also points out, the problem here is one noted above in this paper, that, in his words, 'The inequalities of wealth which come with market freedom tend to prevent effective political equality'. The holders of economic and social power have greater resources with which to influence the workings of democratic politics, and with which to penetrate the preserves of the state elite. One can also endorse Beetham's formulation that 'The experience of being treated as a dispensable commodity in the labour market contradicts the publicly proclaimed idea of the democratic citizen as the bearer of rights in a context of social _reciprocity_. What all this suggests is that the idea of 'capitalist democracy' contains a number of ideas which need careful probing. There is the connection, central to Miliband's work, between what he calls 'class power' and 'state power'. In
other words, how exactly does the power of an economically dominant group translate into political power? Or, to put it in Therborn's words, how does the ruling class rule?25 In what ways does the privileged economic position of those who control the productive resources of society erode or threaten to undermine the equality of citizens in a democratic society? And finally, what are the alternatives to capitalist democracy, how can its limitations be transcended? Mindful of the character Morris Zapp in David Lodge's novel Changing Places who (rightly) thought that 'any damn fool could think of questions', the real point was to come up with answers, the aim here is to try and suggest some answers to these questions, at least in terms of the problem of the alternatives to capitalist democracy.

There are two alternatives to capitalist democracy which are sketched out in Miliband's work. These are, on the one hand, 'capitalist authoritarianism', and on the other what he refers to as 'socialist democracy'. The former has been referred to earlier. It differs from 'capitalist democracy' in that the institutions and rights which offer the chance of 'pressure from below' are annihilated, whether by a monopolistic state party as in the case of fascism, or by military rule in cases of military dictatorship, or versions of clerical conservatism (like in Dolfuss's Austria) and other types of authoritarianism which do not aim at mass mobilisation (such as Portugal under Salazar and Caetano). The chances of such regimes being installed seem higher where the parties of the Left are divided, where parties or movements of the Right (or military leaders) can claim to be preventing a threat from the Left, real or imagined, and where the support for democracy is eroded by economic crisis, social dislocation, and deep uncertainty. These conditions all provide fertile ground for demagogic leaders and movements which promise the false solution of some kind of 'strong state' which will do away with the divisions and conflicts of liberal democracy and the opportunities it affords for 'pressure from below'.

In terms of the relevance of 'capitalist authoritarianism' to the situation of contemporary politics, there is one sense in which this scenario of the transition from capitalist democracy to capitalist authoritarianism is less likely, another sense in which it is still highly relevant to contemporary politics. The chances of this happening in contemporary systems of 'capitalist democracy' seem diminished to the extent that the fear of the Left and of socialism is reduced, though it should not be imagined that this is a permanent condition. On the other hand, it is dislocation, disruption and economic and social uncertainty which provide fertile breeding ground for movements of the extreme Right and demands for a strong state of capitalist authoritarianism. Such conditions may well arise where market relations are introduced by executive imposition, rapidly and without heed of the social consequences, in societies which were formerly Communist.
The analysis of the possible development, or rather degeneration, of capitalist democracy into capitalist authoritarinism is by no means a scenario remote from the politics of our own day.

Finally, to turn to what Miliband suggested was a feasible and possible alternative to capitalist democracy, which he labelled 'socialist democracy'. This was defined by him in no uncertain terms as totally distinct from what he called the 'anti-model' represented by Soviet-type one-party systems, which were notable of course for their denial of democratic rights, not least because of the lack of any genuine and effective controls over the leaders of the single party. Socialist democracy is defined by Miliband as 'an extension of capitalist democracy, and at the same time a break with it'. The problem here lies with specifying the nature of this socialist democracy and discussing the likelihood of it coming into existence – by what means, through what agency, through what policies?

Clearly, socialist democracy in this model differs, as Miliband also makes clear in his study Marxism and Politics, from the (classically Marxist?) model of the Paris Commune of 1871, in which the parliamentary state is smashed and replaced by an extreme, almost direct, form of popular democracy. We all know what happened to this model when it was introduced, very briefly, it must be said, in Russia in 1917. The claims for this model, that it was far superior to representative government of the parliamentary type, are well described by Neil Harding:

For a brief period of perhaps nine months after the October Revolution in 1917, the Bolsheviks committed themselves to the most audacious attempt at transforming the vocabulary and the practice of politics since the French Revolution of 1789. . . The idea of soviet democracy was directly counterposed to that of 'bourgeois', 'liberal' or 'parliamentary' democracy. It signified the direct, unmediated participation of the people in the administration of all public affairs."

We know that this version of direct participation was in practice short-circuited by the continued dominance and reinforced grip of the single (Bolshevik) party. However, leaving aside the special conditions of Russia after 1917, such a model of popular power is hard to apply in conditions of complex advanced modern democracies, not least because of the heavy demands it would make on the citizens of such a participatory democracy. This 'Paris Commune' model rests on an assumption of the 'transparency' of public affairs and politics which seems highly unrealistic.

However, Miliband's picture of, or aspiration to, a state of 'socialist democracy' is one which, as he says

would embody many of the features of liberal democracy, including the rule of law, the separation of powers, civil liberties, political pluralism, and a vibrant civil society, but it would give them much more effective meaning . . . In short, it would give the notion of citizenship a far truer and larger meaning than it could ever have in a class-divided society."
Miliband also suggests that there is a tension in this model between the need for a state in a socialist society, to steer the whole enterprise through, and at the same time a vigorous and independent civil society, to prevent the distortions of 'statism' which in the Soviet model (or rather anti-model) have crippled the socialist project. This makes the idea of a socialist democracy a difficult enterprise indeed, steering between Scylla and Charybdis, the Scylla being excessive state power and the danger of an all-too strong state, and the Charybdis being an excess of popular power, or rather a fragmentation which gets out of hand. The crucial dilemma is that the state may need to be strengthened in order to achieve changes in capitalist democracy, but the danger is that this 'transformatory state' may itself assume undemocratic features and escape accountability to the people. This dilemma of the 'transition' has been all too real a problem in the past history of the socialist project.

The idea of capitalist democracy has thus built into it some statement or view of a possible alternative to it, socialist democracy, which for Miliband has to be clearly distinguished from the model (anti-model) of Soviet Communism. This socialist democracy is seen as an extension of, as well as a break with, capitalist democracy, but there are two questions that badly need answering: first, in what ways is this extension-cum-break to be envisaged, what would it actually mean in practice? Clearly it does not mean 'smashing the state', it means complementing the representative parliamentary system by a network of associations of popular power, but this raises the question of how this is to be achieved. There is indeed a literature on 'democratic deepening' which Miliband does not take fully into account which addresses some of these questions. Such books as those by Benjamin Barber on Strong Democracy, Jane Mansbridge's, Beyond Adversary Democracy, and Paul Hirst on Associative Democracy seek to give from a range of different perspectives some realisation of the idea of extending participation. The problem is one of creating what Barber calls a situation of 'strong democracy', different from, in his phrase, 'politics as zoo-keeping'. Politics as a minimal activity to do with defence of one's interests is replaced by a form of democratic politics which develops people's horizons, knowledge, and civic capacities. But what is noticeable about at least some of this literature is that there is no explicit connection between the extension of this democratic participation and anything that is recognisably socialist. Indeed Paul Hirst in his book Associative Democracy announces that the Left-Right struggle is irrelevant, and that 'socialists have written themselves out of the task', in this case of helping the underclass, because (he argues) 'they have abandoned the task of building security and welfare through mutual institutions in civil society'. This is a highly contestable judgement, but the general point that emerges is this: there is no guarantee, so to speak, that the democratisation of civil
society will contribute to a socialist democracy, since the space opened up by this revived civil society may be used for a whole range of purposes, some of which do not contribute to the democratic control over the productive resources which is at the heart of the socialist project. Democracy and socialism need not necessarily go together. 'Democratic deepening' may not lead to the establishment of a socialist democracy.

**Conclusion**

By way of concluding remarks, it can be said that we live in a world where 'democracy', without any qualification, is exalted, where democracy and the associated ideas of popular sovereignty are saluted as the highest good. The concept of 'capitalist democracy', used by Miliband in a number of his books, serves excellently as a critical tool in deflating the pretensions, not of the democratic ideal, but of what could be called 'real existing democracies'. The concept highlights the crucial importance of the economic and social context in which the institutions of the liberal-democratic state are situated. Liberal democracy is indeed stunted by the inequalities which stem from its capitalist context, inequalities of class which give more effective power to men and women who control the resources of the economy. This power lies in their agenda-shaping role, as witnessed by the power of a Berlusconi or a Murdoch, and in their privileged access to the state elite. (Indeed, for a while, Berlusconi as Prime Minister was the leader of the state elite.)

However, there are problems with the concept of capitalist democracy. Used uncritically, it suggests that class is the only or main source of constraint on the realisation of popular power. It risks the underestimation of other limitations on democracy, whether they stem from gender divisions, ethnic and national divisions, or international factors (globalisation), all of which have proceeded apace in the very recent period. There is also the problem that the containment of popular pressure may be a feature not just of capitalist democracy, but of any system of representation. If a socialist democracy were to be achieved, which itself is of course an unlikely achievement in the present situation, it too would have to grapple with many of these problems which concern the implementation of popular power. There is also the key problem that the relationship between capitalism and democracy, or between the market and democracy, is more problematic than some uses of the idea of capitalist democracy allow. Under certain conditions, the growth of capitalism can stimulate demands for democratisation of hitherto non-democratic systems, and assist the development of a democratic civil society. There are thus three problems with the concept of capitalist democracy: one, it gives explanatory primacy to capitalism, and its associated class inequalities, in terms of explaining the defects of what could be called 'real existing
democracy'. The danger is of overlooking other dimensions of inequality and sources of 'democratic deficit', including the structure of representative institutions as such. Two, the concept of capitalist democracy, associated with the alternatives of capitalist authoritarianism and socialist democracy, risks a too rigid classification of forms of state, including a whole range of different types of capitalist democracy. The concept of capitalist democracy itself requires sub-divisions, applications to particular cases, as of course Miliband himself exemplified in his work on the British state. And three, the relationship of capitalism and democracy is itself problematic, and, as suggested above, capitalist pressures can in certain circumstances be seen as democratising ones. However, at the same time capitalist democracies do seek to deradicalise and contain democratic pressures, fearful that these may turn out to be socially radical. Yet this assumption too, the radicalism of democratic pressure, is something, as we have seen, that is not true under all circumstances.

Finally, there is the question of the alternative to capitalist democracy. This was posed by Miliband in two ways, one involving the possibility of a resort to capitalist authoritarianism, the other leading to moves towards a form of socialist democracy. The former possibility remains real enough, if not in the societies of Western Europe then in those of Central and Eastern Europe where over-enthusiastic imposition of a market society can set off dislocation and social misery which find expression in support for movements promising a strong state and which seek a scapegoat in whatever targets lie to hand. However, the huge problem remains of the vision of a socialist democracy, building on and extending the liberties of liberal-democracy, yet destroying the class constraints of this latter mode of democracy. The problem is that in the popular consciousness, and in large part because of the Soviet experience, socialism and democracy have become disassociated, socialism has come to be linked with ideas of a strong, not to say all-powerful, state and with centralised regulation of all aspects of social life. The fundamental problem remains one of combining democracy with social control and coordination over the productive resources of society. Miliband's vision correctly points out the limitations of liberal-democracy, and his agenda does remain our agenda, posing the question of how such a model of socialist democracy could get popular support, and how it could be implemented, without falling prey to the distortions which have crippled socialist movements in the past.

NOTES
1. An earlier version of this paper was given to a seminar on 'Democracy and Democratisation' at Leeds University, and I am very grateful to the participants in that seminar and to John Saville for helpful comments.
26. On these issues see *Journal of Democracy* Vol. 5, No. 4, October 1994, special issue on 'Economic Reform and Democracy', notably the article by Leszek Balcerowicz, 'Understanding Postcommunist Transition', pp. 75–89.
29. Miliband, 'The Socialist Alternative', p. 123. These ideas are further developed in
Socialism for a Sceptical Age, especially Chapter 3, 'Mechanisms of Democracy'.


31. Hirst, Associative Democracy, p. 10.