

June 1984

The Origins of the Service State: On the Ironies of Intervention

Timothy W. Luke
Virginia Polytechnic Institute

Follow this and additional works at: <https://scholarworks.wmich.edu/jssw>



Part of the Social Work Commons

Recommended Citation

Luke, Timothy W. (1984) "The Origins of the Service State: On the Ironies of Intervention," *The Journal of Sociology & Social Welfare*: Vol. 11: Iss. 2, Article 8.

DOI: <https://doi.org/10.15453/0191-5096.1656>

Available at: <https://scholarworks.wmich.edu/jssw/vol11/iss2/8>

This Article is brought to you by the Western Michigan University School of Social Work. For more information, please contact wmu-scholarworks@wmich.edu.



THE ORIGINS OF THE SERVICE STATE:
ON THE IRONIES OF INTERVENTION*

TIMOTHY W. LUKE
Department of Political Science
Virginia Polytechnic Institute
and State University
Blacksburg, Va.

ABSTRACT

This essay discusses the growth of the interventionist "service state" in the United States since the 1890s. It indicates how the exhaustion of the national entrepreneurial capitalist model necessitated state management of the economy, society and culture in order to consolidate the emergence of a transnational monopoly capitalist mode of economic growth. These bureaucratic interventions, however, from the 1930s through the 1970s dangerously eroded the continuing reproduction of civil society. Hence, the new social movements of the 1960s and 1970s are discussed as popular efforts to countervail the bureaucratic logic of monopoly capital and the service state. The new social movements' focus on popular participation, community-building and political empowerment, in turn, might provide the organizational basis for creating new democratic economic, political and social alternatives to the over-administered consumer society constructed by the service state and transnational capital during the

20th century.

A new sense of irony pervades the leading academic, corporate and government circles in the United States as the current debates of the malaise of advances industrial society have unfolded during the present decade. It now appears, somewhat ironically, that the complex bureaucratic tools of corporate and state intervention, which initially were conceived during the Progressive Era, haphazardly constructed under the New Deal, and then, eventually employed after 1945 to manage economic growth and social development, in the last analysis, dangerously have eroded the most basic psychological and social foundations of industrial life. Ultimately, bureaucratic intervention has become a form of cultural subversion whose corrosive impact now manifests itself in profound social psychological crises: the "cultural contradictions of capitalism," the "fall of public man," and the "culture of narcissism" (Bell, 1976; Sennett, 1976; and Lasch, 1978). My purposes here, then are to illustrate briefly how the emergence of managerial capitalism, the formation of the service state, and the development of consumer society has led to these unexpected outcomes in present-day political affairs. And, in turn, I hope to suggest tentatively how the ensuing cultural crises possibly be mitigated.

I. Managerial Capitalism and the Service State

Over the course of America's rapid

industrialization from the 1860s through the 1890s, farsighted corporate and managerial leaders began to see the promising light of industrial co-operation and corporate regulation gleaming through the cracks of their competitive entrepreneurial practices. Throughout the Gilded Age, as production became more technology-intensive, as distribution increasingly demanded more elaborate managerial structures, and as consumption began to concentrate rapidly in new urban centers, traditional liberal philosophies espousing individual initiative, market competition and free enterprise seemed to point only down dead-end roads. To find a new formula for economic growth beyond classic liberalism, corporate leaders, such as International Harvester's George W. Perkins, increasingly favored market regulation and corporate concentration "because the end of competition would lead to more efficient industrial practices and the production of cheaper and better goods" (Spring, 1972, 8).

Entrepreneurial capitalism's gradual expansion, which began during the fourteenth and fifteenth centuries, (Wallerstein, 1974) encountered its practical limits in the late 1880s and early 1890s. Until that time, entrepreneurial capital transformed global economic relations by extending its rationalizing influence through trade and conquest into the comparatively pre-rational societies of the Eastern and Southern hemispheres. Yet, as the ink dried on the Treaty of Berlin in 1885 -- formalizing Europe's subdivision of the last unclaimed regions of the pre-capitalist world -- and as Frederick Jackson Turner called attention to the closing of the great North American Frontiers in the mid-1890s, the world economy was shaken severely by a massive

depression in 1893 whose impact forced the shaky entrepreneurial-capitalistic mode of production to change its operational rules.

To effect these operational innovations the more progressive business, industrial, and intellectual elites of America and Europe recognized the necessity of transforming capital from its traditional mode of extensive expansion via entrepreneurial commerce to a more organized mode of production, namely, centralized corporate concentration based upon intensive means of technical rationalization guided by scientific research. Hence, the transitional strategy from entrepreneurial to monopoly capital demanded greater state intervention, produced in the form of regulatory services, in order to coordinate the rational concentration of capital, the technical re-organization of labor, and the central management of social interaction in labor unions, schools, and the family.

Many leaders of the American corporate community recognized that such a transformation could only be worked out in a partnership with the federal government, which was the only political institution with the powers to unite the diverse regions, classes, and industries of the pluralistic American polity into a cooperative whole. The individuals, in turn, organized groups like the National Civic Federation in 1900, to encourage "some form of government regulation which would allow for the continued existence of the new corporate structures" (Spring, 1972, 10) in addition to collaborating with organized labor. During the Progressive Era, such figures as Herbert Croly in The Promise of American Life (1901) and Woodrow Wilson in The New Freedom (1913), both maintained that Yankee industry, modern science, and governmental authority should be used to place "our

businessmen and producers under the stimulation of a constant necessity to be efficient, economic, and enterprising" (Wilson, 1913, 22). Croly maintained that "in becoming responsible for the subordination of the individual to the demand of a dominant and constructive national purpose, the American state will in effect be making itself responsible for a morally and socially desirable distribution of wealth" (Croly, 1909, 23). Similarly, International Harvester's George W. Perkins nominated Washington as the arena to "which our great business problems could go for final adjustment when they could not be settled otherwise" (Spring, 1972, 9). For Perkins and many corporate leaders, the mechanism for coping successfully with the unprecedented demands of stabilizing corporate industrial capitalism "would seem to lie through the medium of co-operation, with federal supervision" (Spring, 1972, 9).

At this juncture, corporate managers and the leadership of the central government laid the foundations for a service state by assuming "that a democratically elected government, together with a business system dominated by private enterprise, can and should work in consonance to achieve certain economic objectives" (Ulmer, 1969, 4). These "objectives" turned out to be jointly defined, but corporate-provided and government-protected "minimum standards of income, nutrition, health, housing, and education, assured to every citizen as a political right" (Wilensky, 1975). Consequently, the historic task of the service state was to create the new collective social services that managerial capitalism required for its continued rational growth and productivity. Since the inception of the service state idea, then, as Alfred D. Chandler, Jr.

observes, "the government's most significant role has been in shaping markets for the goods and services of modern business enterprise" (1977, p. 494).

Beginning slowly with Theodore Roosevelt's and Woodrow Wilson's administrations, and maturing fully under Franklin D. Roosevelt's New Deal, a new state formation gradually was pieced together from: a) executive departments and federal judiciary of the national government; b) the managerial cadres of the new corporate elite; and, c) the corporate design for a society based on the mass consumption of material goods. Roscoe Pound has identified this political formation as a "service state," or a "state which, instead of preserving peace and order and employing itself with maintaining the general security, takes the whole domain of human welfare for its province and would solve all economic and social ills through its administrative activities" (Pound, 1952, 211). There arises with it "the idea that all public services must and can only be performed by the government -- that politically organized society and that alone is to be looked to for everything, and that there is no limit to the services to humanity which it can perform" (Pound, 1952, 212-213). The service state fully embodies "the idea of regimented cooperation for the general welfare;" and, as it develops, it becomes "par Excellence a bureau state. From the very nature of administration, the bureau state calls for a highly organized official hierarchy" (Pound, 1952, 213). Hence, the ultima ratio of the service state regime flows out of its instrumentally rational administration, typically mediated through the large centralized bureaucracy, whose dominant inclination is to foreclose alternative institutional and political options in

order "to organize the entire society in its interest and image" (Marcuse, 1972, 11).

In doing so, the service state openly supports the operations of the corporate economy and society bureaucratically: a) by intervening in industrial production through manipulation of aggregate demand, the money supply, employment levels, the price structure of commodities, or trade conditions to manage the business cycle; b) by stimulating increased technical innovation and scientific research developments to rationalize the technical means of production; c) by providing on a uniform, mass basis new educational, health, welfare, regulatory, commercial and legal services to improve productivity and expand consumption; d) by generating new markets for new public and private goods ranging from suburban housing, interstate highways or advanced weaponry to expanded leisure time, new consumer goods or mass college education; and, e) by encouraging new forms of social individuality based on clientage in providing "helping" social personal and family services.

Still, the service state could not assume this administrative mission in a vacuum. On the contrary, the impetus behind its administration of social relation came through its close collaboration with the managerial structures of corporate capital. In addition to encouraging state intervention and regulation, many corporate groups altered their internal control structures by expanding the organizational roles played by professional engineers and managers vis-a-vis the owner-entrepreneur within the firm. To assure the survival of corporate industrial production, these new corporate leaders gradually separated the functions of "managing" from "owning" and

"planning" from "producing," which took control of corporate capital away from the owners and control of productive skills away from the workers to entrust it to these new professional administrators and technicians.

Therefore, in 1900, General Electric opened the first corporate industrial laboratory in the United States to apply systematically rational scientific investigation to the business of production. By 1913-1914, Henry Ford installed the continuously moving assembly line in his Highland Park plant, which had been made possible, in part, by Taylor's, Fayol's, Gantt's, and Gilbreth's contributions to "scientific management." (1) By separating "planning" from "doing," or theory from practice, skill from activity, and thought from action, Taylorization began to strip the American working classes of their skills. Because of their alleged command over "the art of bringing ends and means together -- the art of purposeful action" (American Institute of Management, 1974, 23) in the daily management of the large industrial firm, These organizational trends legitimized the growing administrative regime of state bureaucrats and corporate managers.

In turn, the classic entrepreneurial capitalist forms of social exchange, personal identity, individual needs, and ethical beliefs slowly have been redefined in the United States to suit the demands of instrumental rationality, namely, corporate capital's economically-efficient, large-scale, high-volume exploitation of material and social resources. Thus, many large, multidivisional industrial firms such as Westinghouse, DuPont, General Motors, Standard Oil, and General Electric, began after World War I to link closely their

productive capacity with their newly-formed innovative (in-house research and development units) and distributive (intra-company and inter-firm advertising, marketing, financial, and service divisions) capacities to not only produce familiar products for existing markets, but to actually create and, then, administer completely new markets for new kinds of goods and services that would satisfy newly-created and corporate-defined individual needs (Ewen, 1976). As Chandler suggests, "After World War I the most important developments in the history of modern business enterprises in the United States did not come from enterprises involved in carrying out a single basic activity such as transportation, communication, marketing, or finance. Nor did they come from firms that only manufactured. They appeared rather in large industrials that integrated production with distribution. . .by moving into new products for new markets" (Chandler, 1977, 472-473).

These corporate goals, however, necessarily assumed the creation of a new kind of social individuality that no longer counterposed the respective interests of individuals and society, but rather integrated them by subordinating the former to the latter. Theodore Roosevelt, as an exponent of progressivism, called for the United States to develop "a system under which each individual citizen shall be organized with his fellows so that can work efficiently together" (Spring, 1972, 13). Only by fitting exactly the specialized tasks to which corporate capital might fit him -- both as a producer and consumer -- could this individual adequately fulfill his new socialization which "consists primarily in the discipline which he undergoes to fit him both for fruitful

association with his fellows and for his own special work" (Spring, 1972, 18).

Yet, with intense specialization in one area, each individual became incapable of dealing with an increasingly complex existence beyond the scope of his own narrow expertise. This trend, in turn, requires the further "stimulation of infantile cravings by advertising, the usurpation of parental authority by the media and the false promise of personal fulfillment" (Lasch, 1978, 43) to accommodate individuals to the new needs being presented in the consumer-based society of managerial capitalism. And "having surrendered most of his technical skills to the corporation, he can no longer provide for his material needs"; thus, this corporate-designed form of social individuality slowly erodes "everyday competence, in one area after another, and has made the individual dependent on the state, the corporation, and the other bureaucracies" (Lasch, 1978, 10-11).

Despite the central government planning experience of WW I and the expansion of corporate diversification in the 1920s, all of these attempts at macroeconomic organization could not forestall, in turn, the economic and political crises of the Great Depression in the 1930s. Of course, the American service state initially resorted to socially repressive legislation such as accepting the organization of corporate "sociology" departments, beginning prohibition, and pursuing the Palmer raids, as a means of disciplining the populace. However, these direct interventions proved inferior to the gradual construction of "consumption communities" (Boorstin, 1973, 89-166). Instead of state bureaucracies overtly repressing the working classes, the workers as consumers were prompted to discipline themselves

strictly in order to satisfy "their" new needs and gain access to Model T's, the suburbs, Woolworth's and the movies. Still, "the creation of these markets necessitated an abolition of the social memories which militated against consumption" (Ewen and Ewen, 1978, 48). In the process, great deal of the social self-reliance, ethnic uniqueness and personal autonomy that was cultivated under entrepreneurial capitalism was eclipsed by the new needs imposed by mass consumption and government regulation. For the self-sufficient individuals who matured beyond the reach of managerial capitalism, the new service state promoted "the consumption of their traditional relationship to nature, the destruction of skills by which that relationship was carried on, and the exhaustion of the social forms of customary life" as the "primary projects of American mass industrialism" (Ewen and Ewen, 1978, 48).

During Wilson's administrations, a number of programs and policies launched the service state's activities in America. The Federal Reserve Act (1913) and the Federal Trade Commission Act (1914) gave the federal executive and its bureaucracies the rudimentary tools to manipulate corporate activity and expansion through the national money supply and commercial codes. The Underwood Tariff Act (1913) and the Federal Farm Loans Act (1916) enabled the central government to open the hitherto restricted American market to crucial new centers of production and consumption around the world and to begin experiments in financing domestic agricultural production. By the same token, the spirited enforcement of the Sherman Anti-Trust Act (1890) and the passage of the Clayton Act (1914) "hastened the growth of big business in the United States" inasmuch as their

interpretation by the court system "provided a powerful pressure that did not exist elsewhere to force family firms to consolidate their operations into a single, centrally-operated enterprise administered by salaried managers," (Chandler, 1977, 499) and, each of these new policies slowly solidified the bonds between managerial capital and the national service state as they "fulfilled the same purpose of bringing private interests into the interior processes of government" (Lowi, 1969).

Moreover, a whole new wave of new debates and legislation arose as part of the Progressives' visions of the "New Freedom". As part of the on-going effort to discipline each individual to more closely integrate him into the administrative regime of large corporate and state bureaucracies, the Nineteenth Amendment (1920) granted women a greater stake in the system through the formal right to vote. Similarly, the Eighteenth Amendment (1919) empowered state bureaucracies with the task of policing the adult population's leisure time activities through prohibition to make them more "responsible" citizens and workers. And, perhaps more importantly, to finance this new regime of bureaucratic administration, the Sixteenth Amendment (1913) was enacted to rationalize the tax system of the central government. But, in so doing, the service state began to severely limit individual choice in that it gradually took "from the people more and more of their personal property and has determined how it should be distributed" (Moley, 1952, 187).

To illustrate, however, the tremendous expansion of state control over social relations that emerged with managerial capitalism, one need only consider the

revolutionary fiscal, labor and social welfare legislation of the New Deal. With the crisis of the 1930s, the political caution and corporate hesitation that had characterized many of the Progressives' modifications of the classical market formulae disappeared under the federal state's bureaucratically contrived plans for a national industrial recovery. As the national income fell by half from 1929 to 1932, corporate leaders became more willing to cooperate especially as the large multidivisional firms -- such as General Motors and General Electric -- saw themselves operating at twenty-five percent capacity in 1932 (Chandler, 1977, 496). As Gardiner C. Means claims, the New Deal was a "complete turning away from the classical model" in a collective search for "policies consistent both with the changed market structure and with a democratic society" (1964, 42). Consequently, the service state redoubled its interventionist efforts to control the intra-class (divisions among corporate groups, industrial sectors and financial circles) and inter-class (clashes between labor and management, agriculture and industry) conflicts that had abetted the coming of the 1930s Depression.

Here, the service state mobilized a familiar solution, namely, the "delegation of state power to monopolistic private organizations" (Wolfe, 1977, 144) largely based in the corporate sector. Its initial, and most important, moves came in overhauling the monetary system and credit structure. Banking reforms, monetary circulation changes and international banking connections were altered mainly under the Banking Act of 1935 to transfer "power over open market policies from New York to Washington" making the credit supply and monetary management "a practical instrument of government" (Means, 1964, 31). At the

same time, federal fiscal management turned to deficit spending as an instrument of stimulating production and market demand.

Simultaneously, a whole series of bureaucratic agencies charged with the task of encouraging administratively the corporate sector's productivity were organized by the state. The industrial codes of the National Recovery Administration, despite its brief term of operation, successfully launched a general economic recovery during Roosevelt's first administration and accustomed many corporate leaders, in spite of their grave reservations, to the state's activist role in the economy. Similarly, a whole series of diverse agencies were founded to stimulate production, provide jobs, give access to services, and regulate economic activity. Here, the Agricultural Administration, the Reconstruction Finance Corporation, the Works Progress Administration, The Tennessee Valley Authority, The Rural Electrification Administration, and the Civil Works Administration all provided a variety of services by means of the federal state recruiting its personnel from and sharing its power with the corporate or private groups most directly affected by its administrative intervention.

The same principles held true for organized labor. Continuing the theme of corporate collaboration, Samuel Gompers maintained that "the trade union movement is labor's constructive contribution to democratic regulation of large scale production" (Spring, 1972, 7). Although many of labor's leaders shared this perspective, most corporate groups continued to oppose organized labor even after it was granted its "Magna Carta" in the Clayton Act during 1914. Before 1933, most American workers basically remained craft-

oriented in their skills, shopfloor society, and labor organization. Partly broken by the scientific management movement and the assembly line system after 1910, the American working classes were still politically resistive and collectively unorganized up to the 1930s. Only one in ten American workers belonged to a union -- mainly craft unions -- and individual workers, as citizens and consumers, were subjected to the repressive policies of prohibition, political harassment of their ethnic society, and a rigid assimilation myth rooted in WASP conformity (Blackman, 1974, 19-25).

Beginning with the NRA and its Section 7A, however, the American labor movement slowly was integrated into the service state regime to assure that labor militancy would not short circuit the national industrial recovery. The principle of federally mediated collective bargaining was established as a firm precedent and gradually acknowledged by business circles. Passage of the Norris-LaGuardia Act, the National Industrial Recovery Act, the National Labor Relations (Wagner) Act, the Public Contracts (Healy) Act, and the Fair Labor Standards (Wage and Hour) Act all contributed to the halting efforts being made towards the rational administration of labor. In keeping with the logic of the service state, the determination of issues central to the individual's identity, independence and dignity such as minimum hours, wage scales, unionization, hiring, firing, disability compensation, personal welfare and contract bargaining all were reduced to regulated routine procedures by the bureaucratic administration of the federal labor bureaus, the large corporations and the national labor unions. What is more, in being promised some limited say over these material concerns, the union mem-

bership sacrificed job control issues, and subsequently "almost never asked to participate in decisions concerning output, pricing, scheduling and resource allocation" (Chandler, 1977, 494) in corporate decision-making.

All of these varied measures, in turn, were further strengthened during World War II as "the mobilization of the war economy brought corporation managers to Washington to carry out one of the most complex pieces of economic planning in history" (Chandler, 1977, 496). The bureaucratic rationality of the service state continued to unfold in the new wartime administrative offices -- the National War Labor Board, the Office of Price Administration, the War Manpower Commission, etc. The relative success of these measures "lessened ideological anxieties about the government's role in stabilizing the economy. Then the fear of postwar recession and consequent return of mass unemployment brought support for legislation to commit the federal government to maintaining full employment and aggregate demand" (Chandler, 1977, 496). Passage of the Employment Act of 1946 and the Labor Management Relations (Taft-Hartley) Act of 1947 reaffirmed the partnership of the service state and managerial capital to direct bureaucratically the internal processes of mass consumer society by maintaining programmed levels of aggregate output, guaranteed employment, predictable consumer demand and bureaucratically mediated labor conflict.

By 1948, one in three workers belonged to a labor union in the United States, and, even in the 1970s one in four workers remains affiliated with these corporate-modelled and state-monitored unions. Thus, by the 1950s, the American service state and managerial capitalism effectively

dismantled many of the old organic forms of community that had evolved under entrepreneurial capitalism. Clearly, packets of "outsiders" hung on in the South, the West, and in the decaying cores of many of the nations largest cities. Still, with the steadily expanding economy, the federal government also stimulated the revolutionary rearrangement of American urban life by subsidizing purposely corporate groups to expand housing construction in the suburbs, to redesign urban transportation around automotive expressway systems, and to provide relatively cheap automotive transportation and fuel in response to both producer and consumer demands. As a result, the traditional forms of organic community and social organization slowly disappeared into these new community structures of consumer society, while the inevitable contradictions between workers and owners, consumers and producers, labor and capital, citizens and the state became managerial problems to be dealt with by the experts of large administrative bureaucracies in both the "public" and "private" sector.

II. The Strategy Breaks Down

Meanwhile, internal political or social opposition to the service state and managerial capitalism continually was discouraged and repressed. Groups and individuals preferring to define and satisfy their own needs were encouraged through advertising, public education and social pressure to let their needs be defined by state or corporate bureaucracies and, then, satisfied by government-provided social services and corporate-produced goods. The state-employed professional educator was presented as knowing more and better than the parents; government-certified health

and medical workers were billed as more effective and rational than traditional household hygiene; and, store-bought goods were packaged to appear better than home-made products. Also, subsequent waves of government-sponsored red scares, witch hunts, counter-intelligence activities and McCarthyist purges, beginning in the 1900s extending up to the present, stymied most political opposition movements. Consequently, the service state system, instead of recycling the new ideas and practices of its internal opposition as important innovations, oppressed its opponents in order to manage the popular political process.

But, in having so strictly created the administrative conditions for the advanced rationalization of corporate capital, the service state after 1945 as it continued to grow through the Fair Deal, the New Frontier, and the Great Society -- systematically stifled traditional forms of communicative interaction and individual independence. The purposive-rationality of bureaucratic organization become both less purposive and less rational as it eliminated pre-rational forms of social interaction.

How was this possible? At one level, the corporate and state health delivery systems, for example, can train -- in a very purposive-rational fashion -- more doctors, build more hospitals and encourage more office visits to improve national health care and individual life expectancy. Yet, this same system can function only by relieving individuals of their own health and medical care skills. So as the complex health care system comes on line it continues to expand to the point that capital-intensive hospitals and expensively trained doctors are dealing mainly with

ingrown toenails, common colds and minor medical operations. Despite purposively and rationally building a sophisticated health delivery system, the robbing of health and medical skills from individuals by bureaucracies leaves life expectancy and other health indicators steady or declining.

Similarly, under service state administration, state-supported mass education made possible a tremendous expansion of the schooling system that purposively and rationally kept youth in school longer learning increasingly more sophisticated technical and social skills to better integrate their labor power and personality into the consumer society. However, the construction and operation of these educational administrations have led, at the same time, to rampant undiscipline and the failure to transfer skills. A major implication of taking away skills and responsibilities from most workers doing most jobs has been the falling rate of expectations and skills within education. Functional illiteracy begins in elementary school, considerable substantive ignorance is rife among secondary school students and thousands of college graduates are systematically overtrained and underemployed given the needs of the larger society. Again, the bureaucratic administration of education is neither purposive nor rational.

Eventually, many potential bases for social resistance, personal autonomy, or political opposition gradually were buried in the onslaught of mass marketed commodities, mass public education, and collective benefits of social welfare programs. Tradition succumbed to technique; yet, technique could envince such superiority only against and over tradition. Once

rationalized to suit bureaucratic administration, the communicative interactions of historically evolved communities lose their unique purposes and rationality under "purposive-rational" bureaucracies. Once the purposive-rational mode of action was left only to its own bureaucratic devices, as occurred increasingly during the 1960s, it proved neither purposive nor rational either within its own formal operations or in terms of its efficient delivery of services. Limited intervention, ironically, in the process of rationalizing social activity, turned into comprehensive domination. By doing so, it often destroys the very bases of personality, society and community which it sought merely to regulate. Therefore, and equally ironic, one survival tactic of the service state and managerial capital during the present cirses is a move towards revitalizing new forms of social, political and cultural reason to serve as alternative countervailing powers against the instrumental rationality that guides bureaucratic administration.

Seen in this light, the rise of the New Left, the New Right, and other "counter-cultural" forces might be seen as one outcome of limited decisions made within the corporate and state structures to encourage weak oppositional forces in academia, the arts, the press and the electronic media, which might serve as countervailing goal-setting forces against the service state's administrative regime. In a parallel fashion, one might identify the emergence of professional public interest lobbies, such as Ralph Nader's task forces, Barry Commoner's environmental institute, John Gardner's Common Cause organization, Jerry Falwell's Moral Majority, or Howard J. Phillips' Conservative Caucus, (Guinther, 1976; Lanouette, 1978,

88-92) which strive to bureaucratically mobilize interests against the bureaucratic decision-making of large corporations of the federal bureaucracy, as the new form for political opposition of managerial capitalism. Instead of being repressed, these weak oppositional forces are subsidized, lionized, and encouraged to prod the bureaucratic apparatus to perform more efficiently or humanely. (2) But, these counter-bureaucratic forces do not become powerful enough to disrupt or dismantle the apparatus as it currently functions -- as Nader's failure to get a meaningful consumer protection agency established, or Commoner's inability to gain support for an effective energy conservation bill, or Gardner's frustrations at winning a meaningful electoral reform program, or Falwell's difficulties in resurrected "traditional American values" all further illustrate.

In addition to these professional counter-bureaucratic lobbies, new oppositional mechanisms are being built into the service state itself. Beginning with Nixon's slow sabotage of various Great Society programs and continuing under Reagan's supply-side revolution, a new form of federalism has been developing, which seeks to halt the continuing subordination of state and local governments to central decision-makers. Instead of a single welfare state system operating from Washington, the instruments of revenue sharing, block grants, and community action programs are giving state and local decision-makers back some of the administrative discretion appropriated by the federal bureaucracy since the New Deal. Hence, the welfare state idea has been injected into cities, counties, and states as they too set up their own welfare divisions, community development agencies, and economic inter-

vention bureaus. In doing so, these multiple centers of power and decision-making are checking, countering, and countervailing the organizational dictates of the federal administrative regime.

Similarly, Congress has counterattacked against the Presidency in the early 1970s to contain its "imperial" authority. Most importantly, the Senate Watergate investigations and the House impeachment committees finally challenged the overwhelming power of the President and ended an executive regime that sought to undermine the very democratic structures which made its rule possible. The War Powers Act of 1973, the Budget Act of 1974, and the extensive expansion of the Congressional staff after 1974 all were significant new constraints on the President's ability to make war, to dispose of arbitrarily legally appropriated monies, and to unjustly manipulate information. These important legal developments, in turn are not simply fortuitous reactions to the Watergate affair. Rather they amount to a systematic attempt to revitalize the constitutional contradictions and political conflicts between the executive and legislative branches to keep the federal government more manageable, responsive, and controlled. And, as a result, these newly engendered negative forces have kept three Presidents -- Ford, Carter and Reagan -- well within the weakened scope of the post-imperial Presidency. (3)

A variety of internal reforms have developed to correct other excesses of the service state. A number of bureaucratic insurgency tactics ranging from whistleblowing to public employee unionization to information leaks as well as a series of new anti-bureaucratic legislation, such as sunshine laws, sunset provisions, and zero-

based budgeting policies, have begun to make bureaucratic decision-making more accountable and responsible as the aura of total power and total knowledge are pulled away from bureaucratic practices. Similarly, the service state is encouraging increased citizen participation as part of its standard operating procedures. Under Carter, these practices were fostered as exercises in democratic participatory management, while Reagan has recast them as advances for personal initiative, state's rights and Yankee self-reliance.

To rebuild older cities or to reform the welfare system, the service state is favoring municipal action over federal action, neighborhood action over municipal action, and individual decisions over state decisions. Thus, the revitalization of personal decision-making, as a source of opposition in the consumer society, gradually is being built into the bureaucracy in the form of professional community organizers, citizen committees, community liaison offices, and public hearings to improve the bureaucratic delivery system. Yet, the common thread uniting all of these developments remains their attempt to derail the purposive-rational uniformity of the service state in favor of their self-defined choices and community. These efforts, moreover, emanate from within the bureaucratic administration of the service state, but are directed against the increasing irrationalities of its administrative activity.

III. Beyond the Service State

As the economic, political and social crises of the late 1960s and early 1970s have illustrated, the state and the corporate social formations have confronted

challenges that their purposive-rational logic no longer seems capable of successfully managing. That is, the current alliance of the service state and managerial capital is gripped by a "rationality crisis" which, in turn, entails an equally threatening "legitimacy crisis." Once the pre-rational communicative interaction of the larger society was submitted to the rational imperatives of purposive-rational management, the instruments of social administration lose their original purpose. Having gone beyond mere intervention in the on-going historical process of economic exchange and social relations, the bureaucratic administration of managerial capitalism and the service state became forms of complete domination. But, in doing so, it destroyed the very forms of organic community and individual autonomy that prompted such administrative intervention.

Consequently, communicative interaction and emancipatory development, which rational administration was to have assisted and advanced, became frozen unnaturally in the purposive-rational control of corporate and state bureaucracies. Furthermore, these breaks in technical control have led to a legitimacy crisis. The service state's essential mechanism of legitimation lies in its administrative effectiveness at providing the collective social "goods" of political stability, economic growth, mass consumption of consumer goods and social welfare services. But, as the service state's "rationality crisis" disrupts its purposive-rational management of the economy, polity, and society, the administrative effectiveness at delivering the system's own self-defined social "goods" is weakened substantially, which severely shakes its "legitimacy" and rational purposes. (4)

Counteracting the ironies of intervention under these conditions, however, means more than simply reconstituting critical intellectual analysis and debate. The essential need for individual participation necessarily demands the re-politicization and renewed education of every individual to cultivate and use his personal choices, political skills, and individual discipline. Here, the activist must do more than merely define and criticize the mass de-politicization of the service state. Instead, the theoretically-informed politicization for free individuals in the organic communities of the family, neighborhood, or urban locality must help individuals escape from the naturalized social behaviors of personal commodity consumption, political apathy, and the passive acceptance of bureaucratic policies and mass culture to create new communities of competence (Luke, 1981).

Political activists and social theorists must elaborate new political forms for realizing a social individuality -- rooted in the organic community of the neighborhood, the family, or the city -- instead of a commodified consumerist personality; for personal political autonomy -- based upon renewed popular interaction and displacement of bureaucratic rule by reviewing individual skills for popular participation -- instead of passive political clientage; and, for individual social judgment -- grounded in the substantive rationality of organic community -- instead of the technical policy sciences of the service state's administration. Such a psychological renaissance, clearly, will demand the rapid revitalization of these autonomous public and private spheres given their past fragmentation by the service state. Nevertheless, these fresh

political spaces seem to be opening with new social movements: the voluntary simplicity movement, radical feminism, the black consciousness movement, alternative technology groups, the new ethnicity, and the ecology movement. These groups, in turn, could serve as the institutional foundations for renewing personally initiated and collectively conciliated communicative interaction.

By imparting skills and values for individual self-definition, self-constitution, and self-determination as a free individual interacting in a collectively constituted public sphere, these new social movements might be guided toward redeveloping personal autonomy. By critically reassessing politics in this fashion, the frozen social relations of consumer society -- the bureaucratic objectification of human behavior, the internalization of personal domination, and the justification of human dependence by reducing social relations to a technocratic elite's "authoritative allocation of values" -- can be attacked to regenerate individual choice and autonomy. At the same time, the passive life of administered commodity consumption must be demonstrated decisively to be degrading, dehumanizing, and inferior to the active praxis of communal creation promised by the participatory alternatives to the service state. (5)

References Cited

*Excerpts from this essay initially appeared in Telos 35 (Spring, 1978) and New Political Science 8 (1982).

1. For a well-argued historical treatment of scientific management of labor and

production see Bravermann (1974); Giedion (1948); and Noble (1977).

2. Indeed, these oppositional forces have begun to form entire alternative policy programs. In addition, such institutions as the Brookings Institution, the American Enterprise Institute, the Institute for Policy Studies or World Watch provide systematic policy critiques in their research and publications. Lanouette, (1978, 296-303).
3. Carter's Federal Personnel Management Project continued this de-centralizing tendency. By using a personal incentive system to increase the efficiency of the administrative apparatus and to improve the delivery of state services, Carter sought to abolish the hierarchical command relations of the New Deal bureaucracy. And, Carter was more intent upon reconstituting the apparatus than any of his recent precursors -- Johnson, Nixon, Ford -- who also had many of the same ideas. Still, as Reagan also has learned, it is difficult to administratively deprogram the administrative programmers.
4. See Alvin Gouldner, (1976, 195-273); and, O'Connor (1973).
5. This critical debate already has begun; see Brown (1973); Jacoby, (1975); Lefebvre, (1971); Leiss, (1976); Mueller (1973); and Sennett and Cobb (1972).

REFERENCES

American Institute of Management

- 1974 "What is Management." In Patrick E. Conner (ed.) Dimensions in Modern Management. Boston: Houghton Mifflin.
- Bell, Daniel
1976 The Cultural Contradictions of Capitalism. New York: Basic Books.
- Blackman, Jules
1974 "Emerging Trends." In Jules Blackman (ed.) Labor, Technology and Productivity in the Seventies. New York: New York University Press.
- Boorstin, Daniel J.
1973 The Americans: The Democratic Experience. New York: Vintage.
- Braverman, Harry
1974 Labor and Monopoly Capital: The Degradation of Work in the Twentieth Century. New York: Monthly Review Press.
- Brown, Bruce
1973 Marx, Freud and the Critique of Everyday Life. New York: Monthly Review Press.
- Chandler, Alfred D., Jr.
1977 The Visible Hand: The Managerial Revolution in American Business. Cambridge, Mass: Harvard University Press.
- Croly, Herbert
1909 The Promise of American Life. New York: MacMillan.
- Ewen, Stuart
1976 Captains of Consciousness: Advertising and the Social Roots

of Consumer Culture. New York:
McGraw-Hill.

_____ and Elizabeth Ewen
1978 "Americanization and Consump-
tion." Telos 37:42-51.

Giedion, Siegfried
1948 Mechanization Takes Command.
Fairlawn, NJ.: W. W. Norton and
Co.

Gouldner, Alvin
1976 The Dialectic of Ideology and
Technology. New York: Seabury.

Guinther, John
1976 Moralists and Managers: Public
Interests Movements in America.
New York: Anchor Doubleday.

Jacoby, Russell
1975 Social Amnesia: A Critique of
Contemporary Psychology from
Adler to Laing. Boston: Beacon
Press.

Lanouette, William J.
1978 "New Right Seeks Conservative
Consensus." National Journal
10:88-92.

Lasch, Christopher
1978 The Culture of Narcissism. New
York: W. W. Norton and Co.

Lefebvre, Henri
1971 Everyday Life in the Modern
World. New York: Harper and
Row.

Leiss, William
1976 The Limits to Satisfaction: An
Essay on the Problem of Needs
and Commodities. Toronto: Uni-

versity of Toronto Press.

Lowi, Theodore J.

1969 The End of Liberalism. New
York: W. W. Norton and Co..

Luke, Timothy W.

1981 "Regulating the Haven in the
Heartless World: The Same and
Family Under Advanced Capital-
ism". New Political Science.
7:51-74.

Marcuse, Herbert

1972 Counter-Revolution and Revolt.
Boston: Beacon Press.

Means, Gardiner C.

1964 The Corporate Revolution in
America. New York: Crowell-
Collier Press.

Moley, Raymond

1952 "What Liberties Are We Losing?"
In Sheldon Glueck (ed.) The
Welfare State and National
Welfare. Cambridge, Mass:
Addison-Wesley Press.

Mueller, Claus

1973 The Politics of Communication:
A Study in the Political
Sociology of Language, Social-
ization, and Legitimation.
London: Oxford University
Press.

Noble, David

1977 America by Design: Science,
Technology and the Rise of
Corporate Capitalism. New York:
Knopf.

O'Connor, James

1973 The Fiscal Crisis of the State.

~~New York: Mac~~. Martin's.

Pound, Roscoe

- 1952 "The Rise of the Service State and Its Consequences." In Sheldon Glueck (ed.) The Welfare State and National Welfare. Cambridge, Mass: Addison-Wesley Press.

Sennet, Richard

- 1976 The Fall of Public Man: On the Social Psychology of Capitalism. New York: Vintage.

_____ and Jonathan Cobb

- 1972 The Hidden Injuries of Class. New York: Vintage.

Spring, Joel

- 1972 Education and the Rise of the Corporate State. Boston: Beacon Press.

Ulmer, Melville J.

- 1969 The Welfare State: USA. Boston: Houghton Mifflin.

Wallerstein, Immanuel

- 1974 The Modern World System. New York: Academic Press.

Wilensky, Harold L.

- 1975 The Welfare State and Equality. Berkeley: University of California Press.

Wilson, Woodrow

- 1913 The New Freedom. New York: Doubleday.

Wolfe, Alan

- 1977 The Limits of Legitimacy: Political Contradictions of Contemporary Capitalism. New York: Free Press.