

accommodating change and diversity. In fact, Utilitarianism is one of the most influential schools of modern Liberalism. (Mukherjee and Ramaswamy, *op.cit.*).

It will be appropriate to mention Hegel's views on State over here. For him, the State represented universal altruism (State was an ethical entity with no element of coercion and fear). He perceived the State as an end in itself. He did not distinguish between private and public spheres. Bureaucracy was the most important component of the Hegelian State. Hegel actually modernised the idea of the organic State to fit the atomised market society that had developed in the beginning of the 19<sup>th</sup> century. In the words of Hegel, extreme poverty was an inevitable concomitant of a system of production based on private property. Such a highly atomised and conflictual society could not be expected to hold together without a strong and institutionalised expression of structures that could carry out the functions of government. The State was thus woven into civil society (Cf Low, *op.cit.*).

Adam Smith, a staunch Liberal, is often cited as the authority for advocating *laissez-faire* and State minimalism. He thought of the State as performing pertinent functions of defence, protection from injustice, and erection of public works and institutions. But beyond that, the State had to be confined and restrained. Liberal thought sustains itself on this premise; even though the Liberals started off with *laissez-faire*, they moved on towards 'restrained State intervention' over time.

It was John Stuart Mill who deviated from the classical economic theory of *laissez-faire* and advocated 'optional' areas of State interference. He visualised the State as a moral institution concerned with promotion of virtue and excellence in an individual citizen. Emile Durkheim maintained that the satisfaction of the need to be associated with others demanded some form of corporative association, a kind of moral order that could subordinate individual interest to a wider general interest. He looked forward to the re-emergence of the corporations in modern society as non-territorial occupationally bounded institutions extracting discipline from their members.

As Liberal perspective will be discussed in detail in Unit 4 of this Course, let us briefly highlight the different strands in Liberal thought in this Section. Modern Pluralism that advocates that 'intermediate institutions' such as churches, universities and professional or economic organizations ought not to be regarded as dependent organisations upon the will of a sovereign authority, but should enjoy a degree of rightful autonomy. It is an important strand in Liberal thought. Pluralism has been a profound liberal democratic reaction against the greatness of the State and absoluteness of sovereignty. It believes the State to be only an association of society like many other associations. The Pluralist theory assumes that functional tasks are divided among a variety of specialised agencies, each of which attends to its own specific goal and adapts its behaviour to environmental changes or the policies of other organisations, public or private, which affect the efficient performance of its duties (Self, 1985).

Corporatism, as Peter Self (*ibid.*) puts it, is even more slippery concept than Pluralism. As another important strand in Liberalism, it lays stress on the social nature and the need for a systematic social order, rather than opportunities for competitive pursuit of individual freedom and happiness. Corporate States have sought to limit the number of representative organisations and granted those they officially recognised a kind of monopoly where policies are decided within representative organisations. Corporatism can also be defined as a distinctive combination of political representation and State intervention (Jessop, *op.cit.*). Corporatism shares with socialism a view of competition as wasteful. Corporatism chains all private firms to the discipline of a national plan. The Neo-corporatist theory is more in tune with capitalist societies. Neo-corporatist theory recognises the significance of the cleavage between capital labour, and the groups that form around