Review Article
Still Corporatism in Scandinavia? A Survey of Recent Empirical Findings

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This essay surveys empirical research conducted in the 1990s on the influence of organized interests in the Scandinavian countries of Sweden, Norway and Denmark. The essay consists of five main sections. After a brief introduction, the first three main sections survey the emergence, development and present state of Scandinavian corporatism. Then the question of the impact of corporatism on the Scandinavian societies is discussed, followed by an overview of the state of corporatism outside the traditional areas of the labour market, industry and agriculture. The essay closes with a brief conclusion discussing areas in need of further study.

Are the Northern Lights Still Bright?
‘Thus I believe there really are northern lights. They are beautiful. They can also give societies a rough sense of direction.’ This was the conclusion reached by Mancur Olson (1990, 91) when he made a more detailed investigation of the Scandinavian situation in the wake of his seminal *The Rise and Decline of Nations* (1982). With this book Olson launched the hitherto most systematic and theoretically coherent attack on the influence of interest organizations. But, according to Olson, Scandinavia represented a special case of ‘encompassing’ interest organizations. In this special case, the self-interest of the organizations resembles society’s common interest in economic growth. Consequently, according to Olson (1982, 89–92; 1990, 76–9), the impressive post-war economic development in Scandinavia must at least partly be attributed to the positive influence of interest organizations.

The encompassing Scandinavian interest organizations wield their influence in corporatist exchanges with the state, i.e. through their integration in the process of formulating and implementing public policy. Traditionally, the Scandinavian countries have been considered prime examples of corporatism.¹ But in the 1990s Scandinavian corporatism has come

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under increasing pressure. Scandinavians today seem to have less faith than ever in interest organizations and traditional patterns of interaction between the state and organized interests. In 1991 the Swedish Employers’ Confederation (SAF) decided to withdraw unilaterally its several thousand members of public agency boards, one of the cornerstones of traditional Swedish corporatism. This dramatic move, which soon led to the complete disbandment of interest representation in Swedish agency boards, was explained in the following way by the chairman of SAF:

> Few other countries have as powerful interest organizations as Sweden. LO, TCO, LRF, PRO, Hyresgästerna – even employers' associations – are all powerful actors who have succeeded in obtaining benefits for their members at the cost of the common good. . . . Through the corporatist system the clear connection between the government's decisions and the government’s responsibility is blurred. . . . Further, corporatism prevents change, innovation, and the necessary economic reorientation for Sweden. (Laurin 1991, 14–15, 17; my translation)

Negative evaluations were not a phenomenon to be found only among frustrated corporatist actors. Sentiments also turned negative within the Scandinavian academic community. The most unequivocally negative evaluation was made by the Swedish ‘Economic Commission’, a government-appointed commission of independent academics headed by economist Assar Lindbeck and entrusted with analysing the Swedish economic crisis in the early 1990s:

> The Swedish model mirrored the structure and distribution of power in an industrial society, which was characterized by a strong and well-organized working class represented by the confederation of Labor Unions (LO) and a unified group of industrial employers represented by the employers' confederation (SAF). . . . [It] led to institutions and structures that today constitute an obstacle to economic development because of their rigidity and their focus on economic security and distribution, with a minimum of concern for economic incentives and flexibility. The crisis of the Swedish model is, for these reasons, largely a crisis of institutions. (Ekonomikommissionen 1993, 18; my translation)

Although less dramatic, similar negative sentiments have evolved in Norway and Denmark (Fimreite 1997, 128–32; Blom-Hansen & Daugbjerg 1999, 212–16). Somehow, Olson’s main thesis – that powerful interest organizations ossify their societies – seems more pertinent for Scandinavian sentiments in the 1990s than the special and benevolent case of encompassing organizations.

Sentiments have thus changed, but something else has changed as well: scholarly interest. After a decade of waning interest, during which few new studies were undertaken in any of the three countries (Hermansson 1993, 14; Nordby 1994, 75; Ronit 1998, 6), the 1990s have witnessed renewed research interest in corporatism. A range of new studies have been conducted in all three countries and corporatism is clearly back on the Scandinavian research agenda.
The purpose of this essay is to take stock: what do we know about Scandinavian corporatism today? The essay will make a survey of empirical research conducted in the 1990s on the influence of organized interests in the Scandinavian countries of Sweden, Norway and Denmark. The essay consists of five main sections. In the following three sections, I survey the emergence, development and present state of Scandinavian corporatism. I then move on to a survey of the impact of corporatism on the Scandinavian societies. After this I provide a brief overview of the state of corporatism outside the traditional areas of the labour market, industry and agriculture before concluding the essay.

The Emergence of Corporatism

Prior to the 1990s, studies of Scandinavian corporatism paid only scant attention to the historical origins of corporatism (but see Heckscher 1946, 136–52; Moren 1958, 33–8). But in the 1990s this question has gained increasing salience. Scholars interested in the historical roots of corporatism have focused on two constitutive aspects of corporatism. The first concerns the dating of the rise of modern corporatism. Research in the 1990s demonstrates that the ‘formative moment’ of Scandinavian corporatism is probably to be found as far back as around 1900. The second aspect concerns the role of the state in the creation of the organizational-structural prerequisites for corporatism, i.e. centralized and representative interest organizations. I will deal with each question in turn.

The Formative Moment

Rothstein has introduced the concept of the ‘formative moment’ as the key to understanding the emergence and development of corporatism. A formative moment is, according to Rothstein (1992a, 17–18), a period of crisis whose solution surpasses the capability of existing political institutions. In these rare situations political actors can not only play the political game, but also change the rules of the game, i.e. they can create new institutions with lasting legacies.

However, while Rothstein must be credited with introducing the concept of the formative moment in Scandinavia and with inspiring other Scandinavian researchers to work with the historical dimension of corporatism, he must also bear the responsibility for a certain ambiguity as to the precise dating of this phenomenon in Sweden. On the one hand, Rothstein (1991; 1992a, 73–104) argues that the basic corporatist structures in Sweden were created in the first 10–15 years of the twentieth century. From 1903 Swedish local governments ran labour exchanges with corporatist boards. From
1907 these labour exchanges received support from the central government on the condition that they had corporatist governing boards. In 1912 the National Board for Social Affairs was established, and the National Pension Board followed in 1913. Both boards had corporatist advisory bodies. The Insurance Council and the Labour Council, both entrusted with court-like functions, were also established at this time with representation from organized labour and capital. There is, according to Rothstein (1992a, 99; my translation), ‘a direct connection’ between these early corporatist administrative institutions and modern Swedish corporatism. On the other hand, Rothstein (1992a, 110–36; 1992b) also argues that the formative moment of Swedish corporatism occurred much later, namely in the 1930s. He even narrows it down to 10 June 1932, the date when the Swedish parliament approved the government’s solution to the severe agricultural crisis caused by the depression. The solution granted the farmers’ peak association the right to impose fees on the products of unorganized farmers in order to stabilize prices and to establish price cartels in the form of cooperative dairies. In Rothstein’s eyes, what makes this crisis solution the formative moment of Swedish corporatism is the fact that the principles of this solution were soon transferred to the labour market. One year later the Swedish parliament’s ‘crisis agreement’ entailed a reorientation of the government’s unemployment policy, which from then on paid greater respect to the wage levels negotiated by the trade unions and to the unions’ employment of the strike weapon. In both agriculture and the labour market these crisis measures meant increased state cooperation with and support for the relevant interest organizations. In both areas, the measures soon led to dramatic increases in membership rates for the privileged organizations and thus paved the way for modern Swedish corporatism.

These two claims about the timing of the formative moment seem somewhat difficult to sustain at the same time. In defence, Rothstein argues that, as to the question of why the crises in the 1930s found corporatist solutions, ‘our thesis is that this goes right back to the establishment and the legitimacy of the administrative corporatist institutions around the beginning of the century’ (1992a, 344; my translation). However, this appears to be more a reformulation of the problem than a solution to it. It seems that unless one is willing to let a formative moment cover a period of 30–40 years (which to the present author is to stretch the concept of a ‘moment’ beyond reasonable limits), one is left in some doubt as to exactly when the formative moment of Swedish corporatism took place.

Matters are not really cleared up if other sources are consulted. On the contrary, we are faced with the same ambiguity: the 1930s are seen as a very important period, but so is the period around 1900. Lewin (1992, 58–62; see also Lewin 1994) considers the years from 1936 to 1948 very important
because fundamental agreements between organized labour and capital were made in this period (including the famous saltsjöbad agreement in 1938). Together, these agreements constitute ‘the foundation of the Swedish model’ (ibid., 60; my translation). At the same time Lewin speculates whether ‘the writing of history cannot be taken further back in time’ (1992, 93; my translation), i.e. to the years around 1900. Micheletti (1994, 79–94) finds that the 1930s constitute the decisive years for the development of corporatism. Her argument echoes Lewin’s main argument, i.e. that these were the years when the fundamental rules of the games were made in the form of a number of agreements between organized labour and capital. In contrast, Hermansson finds that ‘the basic features of Swedish labour market policy were created already in the 1910s’ (1993, 354–8; my translation) and that organized labour and capital already then had a prominent position in the formulation of labour market policy. The same ambiguity is found if the focus is shifted from the labour market to agriculture. Micheletti (1990, 41–4, 62–5) considers the 1930s a decisive period, not least because of the establishment of corporatist regulation of milk prices (cf. above), and she notes that ‘many of the current [corporatist] public bodies in the agricultural policy sector find their origin in the institutions from the inter-war period’ (ibid., 42). At the same time Micheletti (1990, 115–19) recognizes that some of the building blocks of agricultural corporatism can be found much further back in Swedish history.

In Norway, the historical roots of corporatism have been studied by Nordby (1994). However, he also finds it difficult to identify the formative moment. Instead he identifies several important historical periods. He discovers that the practice of consulting interest organizations in the formulation of public policy is found early in the twentieth century, and that the use of organized interest representation in government commissions had its ‘decisive breakthrough’ (ibid., 42; my translation) during World War I. But Nordby (1994, 43–52) also sees the 1930s as a very important period in which the ‘permanent breakthrough’ (ibid., 43; my translation) of the influence of interest organization on public policy took place due to the creation of a large number of public commissions and advisory bodies with corporatist representation. However, the ‘definitive breakthrough’ of Norwegian corporatism (ibid., 11; my translation; see also ibid., 52–60) did not materialize until after World War II because of the large increase in the number of public commissions and advisory bodies with corporatist representation and the establishment of internal corporatism in the public sector in which sectoral professions, notably within health care, wielded a disproportionate amount of influence.

Part of the difficulty in establishing the exact occurrence of the formative moment of corporatism probably stems from the lack of a properly specified definition of what exactly constitutes such a moment. This exercise in con-
ceptual clarification remains to be done in Sweden and Norway, but efforts in this direction have been made in Denmark. Nørgaard (1997, 1–60; 1999) argues that fundamental reforms of administrative structures require considerable inducements for political actors. These are found only in situations with an obvious mismatch between the interests of institutionally privileged actors and the interests of political parties. Such situations require a large incongruity between the administrative institutions and the context in which they are embedded. According to Nørgaard (1997, 54–8), the relevant context for administrative institutions within labour market policy is the industrial and occupational structure, the organizational structure of the labour market, the political institutions and the party system. Only when all these variables are in flux can fundamental reforms be expected. The last time this happened in Denmark was in the period 1900–1920 (ibid., 95–139). Nørgaard (1997, 140–202) demonstrates empirically that the corporatist administrative structures in Danish labour market policy were basically created in the first two decades of the twentieth century. He further argues (ibid., 223–334), although not without some reservations, that these corporatist institutions have not changed fundamentally since then. In Danish agriculture, Just (1992; 1995) also shows that corporatism has long roots. The first corporatist practices were tried out in the first two decades of the century, not least during World War I. But, according to Just (1992, 82–145), the apex of agricultural corporatism occurred in the 1930s, when the state delegated the responsibility for export regulation to the interest organizations of agriculture. The organizations established legally sanctioned export commissions with monopoly rights to regulate the export of agricultural products and with rights to collect obligatory fees to finance their activity.

We may conclude that considerable efforts have been put into the search for the historical roots of corporatism in Scandinavia in the 1990s. It seems fair to say that it has not really been possible to identify a formative moment, but that it has been possible to identify a formative period. Although this may be disappointing to advocates of the concept of formative moments, three important lessons can be drawn from the historical studies undertaken in the 1990s. First, corporatism has long roots. Previous corporatist studies have not paid much attention to the origins of corporatism. It is now demonstrated beyond doubt that corporatism was already well underway in the very first decades of the twentieth century.

Second, corporatism emerged almost concurrently in all three countries. The first two or three decades of the century were formative periods in all three countries. Third, the studies conducted in the 1990s basically agree that Rothstein’s term ‘formative’ makes sense. That is, corporatism did not quietly evolve out of the Middle Ages, but was intentionally created, and constituted a rather abrupt break with the past.
Were the Encompassing Scandinavian Interest Organizations Created by the State?

The fact that the actions of the state may have implications for the organizational-structural prerequisites for corporatism is uncontroversial. A case in point is the Swedish crisis measures adopted within agriculture and the labour market in the 1930s which made the membership rates of the relevant interest organizations skyrocket (cf. above). It is more problematic to establish whether such organizational-structural implications are intended by the state or constitute unexpected consequences.

Olberg (1994, 53–9) argues that if Mancur Olson’s claim about the beneficial effects of encompassing interest organizations is correct, then the state has an incentive to create encompassing organizations in order to reap these benefits. One may question this specific behavioural logic, but the same hypothesis can be arrived at from different theoretical vantage points. Lewin maintains that ‘organizations become an instrument for the state in the implementation of public policy. If there are no peak organizations, every wise government should create them’ (1992, 32; my translation). This line of reasoning is more compatible with traditional corporatist thinking, according to which only organizations with a certain degree of representativeness and internal discipline are capable of engaging in corporatist exchanges with the state (cf. Schmitter 1979 [1974]). In any circumstance it is a highly interesting question whether the state actively seeks to create large and centralized interest organizations.

Olberg (1994) has made the most systematic study of this question. He demonstrates that in the 1920s and 1930s the Swedish state actively encouraged the centralization and disciplining of the labour movement in order to create orderly conditions on the labour market. The state used sticks (e.g. threats of legal regulation of the internal decision-making procedures of the labour movement) as well as carrots (offers of influence on labour market policies) to obtain this result (Olberg 1994, 59–75). He further demonstrates that this policy towards organized interests was not an historical accident due to special circumstances in the 1920s and 1930s. He observes the same phenomenon in the 1960s when the Swedish civil servants demanded the right to strike. The state conceded this, but on the condition that the internal decision-making procedures used by the organizations of the civil servants were centralized. In particular, the state demanded – and was granted – that the competence to make decisions concerning conflicts should be centralized to the peak organizational level (Olberg 1994, 75–89).

Olberg’s claim that the state acts as an entrepreneur in relation to the centralization of interest organizations is supported by Micheletti, who finds the same phenomenon within Swedish agriculture in the 1930s. For
instance, according to Micheletti (1990, 43, 62–5), the state forced through organizational changes within the farmers’ movement to create a farmers’ association that it could work with on the regulation of the grain market. The same phenomenon is found by Rothstein (1992a, 218–31) within Swedish industrial policy in the 1930s. The state was willing to support small enterprises but on the condition that they created regional associations capable of administering the support schemes. Concerning unemployment insurance, Rothstein (1992a, 305-342; 1992c) demonstrates a close link between type of unemployment insurance system and degree of unionization. A voluntary, but publicly supported system administered by unions or union-dominated funds (the so-called Ghent system) gives workers greater incentives to join unions, leading to higher degrees of unionization than the other main type of system found in the Western world, i.e. a compulsory system administered by government agencies. At least in the case of Sweden, Rothstein demonstrates that the Social Democrats’ choice of the Ghent system in 1934 was very much influenced by considerations of exactly such consequences.

In Norway and Denmark the role of the state has received less attention in the 1990s. However, it does not seem unlikely that an entrepreneurial state might also be found in these countries. In Norway, Nordby (1994, 54–5) recounts (but does not investigate in any great detail) that the later prime minister, Gerhardsen, in 1941 favoured legal regulation of interest organizations, providing for only one organization to represent each societal sector. The aim was to create the organizational-structural prerequisites for Norwegian post-war social-democratic society. In Denmark, Due et al. (1993, 111–59) show that the introduction by law in 1934 of the right of the Danish state’s Mediation Board (Forligsinstitutionen) to link union ballots on mediation proposals across different collective agreements forced the interest organizations to centralize the conclusion of collective agreements to their peak levels. However, whether this organizational-structural implication was intended by the state is not investigated. Just (1995, 117–18) demonstrates that the Danish government was very sympathetic towards centralization within the agricultural interest movement in the 1930s. However, whether the government took any specific initiatives to obtain this result is not investigated. In short, the possibility of an entrepreneurial state in Norway and Denmark remains to be investigated, but constitutes a hypothesis worthy of closer examination.

The Development of Corporatism

The development of Scandinavian corporatism in the two or three decades following World War II is a curiously understudied epoch. Although most
observers agree that these decades constituted the height of Scandinavian corporatism (cf. the following section), the workings of corporatism in this period have not been studied in any great detail in the 1990s. This is remarkable because Scandinavian corporatism is likely to have undergone profound change during these years due to the rise of the public sector. The first two to three post-war decades witnessed the establishment of the Scandinavian welfare states and an apparently ever-increasing share of the labour force being absorbed by the public sector. In the mid-1970s about a quarter of the total labour force was employed in the public sector in all three countries. For several reasons this development is likely to have had important effects upon the workings of traditional corporatism. First, the growth of the public sector altered the composition of the electorate and the organizational structure of the labour market quite markedly. Public sector employees soon constituted a large vote potential to the politicians. Their organizations soon represented real competitors to traditional labour organizations. Second, the Scandinavian welfare state was (and is) largely a local government phenomenon. Local governments soon became major employers. A dramatic illustration of this fact was made in 1989 in Denmark when the municipal employers’ and employees’ organizations concluded their collective wage agreements before the national government and the private sector, thus setting guidelines for wage levels in the entire public sector as well as the private sector (Due et al. 1993, 373–81). It seems reasonable to hypothesize that the organizations of municipal employers and employees would be as eager for political influence as traditional interest organizations. Third, public sector employers are, by definition, politicians. In Scandinavia – most clearly in Sweden – this means that public sector employers are often Social Democrats. The introduction of public employers into corporatist exchanges means that part of the employer side of the negotiation table has a very close link to the labour organizations on the other side of the table. It seems likely that this somehow matters. A concrete example is given by Rothstein and Bergström (1999, 121–2), who report that the public sector employers’ representatives – i.e. Social Democratic politicians – coordinated their strategies with the labour unions prior to the meetings in the Swedish regional Labour Market Councils in the mid-1990s. Allegedly, this weakened the position of the employer side in the meetings.

However, the importance of the rise of the public sector remains a matter of speculation. It has not yet been studied systematically. One exception is Nørgaard’s (1997, 247–69) case study of the establishment of the Occupational Health Services (OHS) in Denmark in the 1970s. The question of occupational health and safety gained increasing political salience during the 1960s, and the government finally asked the peak capital and labour organizations to prepare a comprehensive reform. The reform proposal
presented in 1972 was quite predictable: occupational safety and health should be organized as regional, trade-specific or firm-specific OHS and form part of the existing National Labour Inspection. This was a central government agency under the guidance of a corporatist council consisting of representatives of organized capital and labour. According to the reform proposal, OHS were to be organized as part of the national administrative structure and under the supervision of a national, corporatist Work Environment Council as well as trade-specific corporatist councils. But it soon became apparent that the handling of occupational safety and health issues could no longer be done by the state and organized capital and labour alone. The interests of local governments had to be taken into account as well. They had important interests in the matter: they were rapidly becoming the largest public employer, and they were responsible for health and welfare services outside the workplace. Their interest organization, the National Association of Local Authorities, wanted two basic changes in the proposed reform complex. First, they demanded representation on the corporatist councils guiding the proposed OHS. Second, they wanted to administer – or partake in the administration of – the new public task of occupational safety and health. In the end, only the first demand was conceded. But the case is nonetheless indicative of the potential disruption of the traditional workings of Scandinavian corporatism caused by the rise of the public sector. It seems that this is an issue worthy of more scholarly attention.

Corporatism Today

Studying the development of corporatism across time has led many observers to the conclusion that Scandinavian corporatism has been in decline since the mid-1970s. This section will survey what can be said on this important question in Scandinavia on the basis of empirical research conducted in the 1990s.

Scandinavian studies conducted in the 1990s have made it very clear that studying the development of corporatism across time is difficult because it requires a systematic empirical measure of corporatism. Establishing this measure is a challenge of some magnitude. In fact, it constitutes one of the classic methodological problems within political science: how do we measure power? We may all agree in principle that power is a multifaceted phenomenon (cf. Lukes 1974), but how do we measure it empirically? It seems relevant to begin the evaluation of the development of corporatism across time with a short inspection of how Scandinavian observers have handled this question.

Corporatist studies from the 1990s indicate that there is no single good
answer to this question. The empirical indicators of corporatism used in the 1990s all have distinct strengths and weaknesses. This suggests, at least to the present author, that a plurality of methods should be advocated. The Scandinavian experience indicates that at least three different ways of measuring corporatism can be applied, as follows.

**Interviews**

Interviewing central actors constitutes the first empirical strategy for measuring corporatism. It has the distinct strength of making it possible to identify informal relations and processes among actors and to distinguish real from ceremonial decision-making arenas. But this strategy is not without problems. First, how much do participating actors know? They all necessarily possess only partial insights. Second, since all participating actors have interests to protect, the question is how far they can be trusted. Third, if researchers want to investigate matters that lie just a few years back in time, there is the problem of how much the participating actors can remember. Fourth, using this strategy to identify long-term changes requires interviews conducted at regular intervals across longer time periods. This raises a host of practical problems. Finally, it is questionable whether the participating actors fully realize the extent to which policy-making processes depend upon basic structural power relations in society. These are often taken for granted to such an extent that they are not actively reflected upon. An example of a study employing this research strategy is that of Rothstein and Bergström (1999).

**Official Documents**

Investigating public records constitutes the second strategy for measuring corporatism. It has the distinct strength of making it possible to establish what was actually said and done in various situations. Further, it is a strategy that may be useful in studies that cover long timespans, since public records can be found relatively far back in time. But the strategy is not without problems. First, the researcher is, at least in Scandinavia, confronted with an overwhelming amount of data. Selection is obviously necessary, but a precise selection criterion can often be difficult to justify on theoretical or analytical grounds. Thus, an element of arbitrariness enters into the data collection. Second, although the amount of data is overwhelming, the most interesting data might not be in the public records. This may be due to conscious choices (really dirty deals are never written down), but more unconscious factors may also be at work: actors who have engaged in intimate cooperation for long periods have a very precise impression of each others’ policy positions and may anticipate them in
initial report outlines, draft proposals, etc. Conflicts may thus never be
discussed, no minutes taken, no reservations made in official reports, etc. In
short, non-decision making is difficult to trace in official archives. An
eexample of a study employing this research strategy is that of Nørgaard
(1997).

Representation

The third strategy is to examine membership of corporatist institutions.
This strategy is basically an exercise in counting heads in public commis-
sions, advisory bodies, agency boards, etc. It has several distinct strengths.
Membership of corporatist institutions is likely to be in high demand to
organized interests because it gives access to power and information.
Representation may thus be a valid indicator of corporatism. Further, it is a
strategy that makes it possible to quantify corporatism and study it by
way of statistical methods. Finally, the strategy may be used in studies that
cover long timespans, since data on representation can be found relatively
far back in time. But like the other two strategies, it is not without problems.
Representation remains an indicator of, not a synonym for, corporatism.
Representation in corporatist institutions need be neither a necessary nor a
sufficient condition for influence. Real decisions may be taken in other
places, corporatist institutions may be bypassed, their advice may not be
listened to. The extent to which this happens is difficult to establish on the
basis of representational data. An example of a study employing this re-
search strategy is that of Hermansson (1993).

Representational data are the most widely used indicators of the develop-
ment of corporatism, and probably constitute the most systematic indicator.
Hence, I will start by surveying the representational studies conducted in
the 1990s. In Sweden, Hermansson (1993) studies the extent to which
interest organizations have been represented in public policy-preparing
commissions in 12 policy areas throughout the twentieth century. He finds
that in the first decades of the century policy-preparing commissions were
dominated by civil servants. From the 1930s until around 1980 corporatist
actors dominated the commissions. From then on, political party repre-
sentatives gained the upper hand. In Hermansson’s words (1993, 450; my
translation), ‘the analysis . . . shows how the Swedish system has changed
[over the course of the century] from a bureaucratic state via corporatism to
a party state’.

Hermansson’s study focuses on the formulation stage of policy making.
In a later study he and associates include the implementation stage in an
analysis focusing on developments in Sweden since 1960 (Hermansson et al.
1997). In this study corporatist representation is analysed in two policy
formulation arenas (policy-preparing commissions and the system of in-
viting organizations to comment on the proposals made by these commissions, the so-called remissväsendet) and two policy implementation arenas (public agency boards and various public advisory bodies). The study shows somewhat mixed results and concludes that organized interests have suffered no dramatic loss of influence. Still, Hermansson et al. conclude that ‘this study makes it possible, on empirical grounds, to verify that the rumour of the breakdown of corporatism is at least partially true’ (1997, 376; my translation).

In Norway, representational data have been used by Nordby and Rommetvedt to investigate the development of Norwegian corporatism. Both use the number of public bodies with corporatist representation as their empirical indicator. Public bodies encompass all types of policy-preparing commissions, agency boards, advisory bodies, appeal boards, etc. The results are summarized in Table 1. Both Nordby (1994) and Christiansen and Rommetvedt (1999; see also Rommetvedt 1997a; 1997b) use these data to support their conclusions that Norwegian corporatism has been declining since the mid-1970s.

In Denmark, Christiansen and Sidenius (1999) have investigated the development of Danish corporatism by use of representational data. Their results – quite comparable to the Norwegian data in Table 1 – are summarized in Table 2. As in Norway and Sweden, Christiansen and Sidenius (1999; see also Christiansen & Rommetvedt 1999) use these

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Note: The different results in the two studies are (partially?) due to Nordby including only permanent bodies.

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Note: The figures have been calculated from Table 1 in Christiansen & Sidenius (1999).
representational data to support their conclusion that a general weakening of traditional Danish corporatism has occurred since around 1980.

The question now is what the development of corporatism looks like if judged by other types of data. In Sweden, Rothstein and Bergström (1999, 64–72) use official documents to identify the development of the competence of the board of the Labour Market Agency, a traditional stronghold of Swedish corporatism. They find that the board’s competence has clearly diminished since the early 1980s and that the composition of the board has been concurrently broadened to include more interest organizations. According to Rothstein and Bergström, both factors indicate a weakening of corporatism. Consequently, the famous decision of the Swedish employers’ confederation (SAF) in 1991 to withdraw all its members from public agency boards, which led to the complete disbandment of interest representation in Swedish public agency boards, ‘cannot be seen as the beginning of a new phase where Sweden moves away from administrative corporatism but rather constitutes the end point of such a phase’ (Rothstein & Bergström 1999, 152; my translation). Micheletti (1994, 149–82) also identifies a general ‘de-corporatization’ of Sweden from around 1980. Her conclusion is based on a number of developments such as the new political discourse, new political cleavages, the development of the Swedish party system, dwindling organizational representation in various state institutions, and general organizational ossification. Within agriculture Micheletti (1990, 87–115) sees a similar development. Corporatism within Swedish agriculture has gradually developed from a tight policy network to a loose issue network to which other actors, primarily consumers and environmentalists, have increasingly gained access. Lewin (1992, 95–127; 1994) reaches a similar conclusion. Based on a combination of representational data and an evaluation of the degree to which corporatist agreements are used in economic policy, he finds that Swedish corporatism has been declining since around 1970. Fulcher (2000) reasons similarly. Judging from the development of public discourse and institutional traits in labour market, consumer and housing policy, Pestoff (1992; 2000) also finds a general decline in Swedish corporatism, but also dissents from this general view by finding some signs in the late 1990s that Swedish employers might be renewing their interest in corporatism. Dissent is also voiced by Hoefer (1996), who is unable to find significant changes in the attitudes of Swedish interest organizations towards corporatism in surveys conducted within the social policy area in 1986 and 1994.

In Norway, Lægreid (1993; see also Lægreid & Roness 1997) uses the development in the Norwegian state’s general utilization of public commissions and policy-preparing reports to investigate the development of corporatism. This indicator, which does not measure whether or not organized interests have actually been represented on these bodies, also suggests
that corporatism has declined since the 1970s. Based on a somewhat vaguely specified blend of indicators such as trade union solidarity, the objective demand for Keynesian economic coordination, public commissions, shifting norms and values, new interest groups, and the role of the state in Habermasian lifeworld problems, Eriksen (1990) also argues that Norway has developed into a post-corporate state.

In Denmark, Blom-Hansen and Daugbjerg (1999; see also Blom-Hansen 2000) conclude on the basis of a number of sectoral studies using a variety of data that a certain weakening of traditional Danish corporatism has occurred since 1980. In a more detailed analysis of agriculture Daugbjerg (1998a, 147–61; 1999) identifies the same phenomenon. Danish agricultural policy has traditionally been left in the hands of a tight policy network. In recent decades, however, this network has come under increasing pressure primarily from environmental interests. An analysis of four Danish policy areas in the 1990s by Mailand (2000) reaches similar results.

Summing up, we may note that the empirical studies conducted in the 1990s indicate, with very few exceptions, that traditional Scandinavian corporatism has been weakened in the past couple of decades. The extent of this weakening is a matter of debate, but the direction of the development is not. This conclusion has been reached by a number of different researchers using different types of data and different research methods. However, the methodological problems discussed in the beginning of this section should be kept in mind. Measuring the extent of corporatism is difficult and definite conclusions are hard to reach.

Does Corporatism Matter?

Corporatism is an interesting phenomenon to study only if it somehow matters for the society in which it is operative. However, identifying the effects of corporatism has proven to be no easy task. First, one may ask whether the effects of corporatism are positive or negative. In Öberg’s (1994, 7–13) apt phrasing, corporatism is a Janus-faced creature. One face is beneficial: interest organizations modify their claims through deliberative public decision making. Special interests are thus controlled and subjected to the general will. The other face is less beneficial: interest organizations capture the state. The state becomes a means for special interests to pursue their interests at the expense of the general will. Which face dominates is, of course, an empirical question. Second, one may ask what corporatism is likely to matter for. In the early corporatist studies conducted in the 1970s and early 1980s, much attention was paid to the macroeconomic effects of corporatism. This aspect still interests researchers, but attention has been focused on two other types of effects in the 1990s. First, does corporatism
lead to interest organizations modifying their claims and disciplining their members? If not, it seems difficult to sustain causal relationships at the macrolevel such as that between corporatism and economic performance. Second, Scandinavian researchers have increasingly focused on the effects of corporatism on the contents of public policy. In this section, I will survey these three types of effects in turn.

**The Behaviour of Interest Organizations**

The concept of interest intermediation is central to corporatist theory (Schmitter 1979 [1974]; 1982; Williamson 1989, 98–119). Intermediation presupposes that interest organizations possess a certain degree of internal discipline and a certain willingness to modify their interests. In traditional corporatist studies surprisingly little attention has been devoted to establishing whether these conditions are actually met. In Scandinavia, however, this question received considerable scholarly interest in the 1990s. The most systematic study has been conducted by Öberg (1994). Employing a comparative case research strategy, he investigates the internal organizational effects of corporatism on four different types of Swedish interest organizations: organized labour (LO), organized white-collar employees (TCO), organized agriculture (RLF/LRF) and the organized idealistic anti-alcohol movement (IOGT). For each interest organization Öberg selects a number of crucial situations for detailed empirical scrutiny in which organizational discipline and modification of claims are most likely to occur. In total, 17 such situations are identified within a timespan covering the period since the early 1920s. Öberg finds that discipline and modification often happens, but that it is no automatic effect of corporatism, not even in his 17 cases where this effect was most likely. In some of his cases, corporatism actually led to interest organizations radicalizing their claims. Öberg (1994, 263–71) concludes that the extent to which interest organizations discipline their members and modify their claims is contingent upon factors such as the existence of countervailing organized interests, the degree of difference in central actors’ interests, and public opinion.

Rothstein (1992a, 332–43) makes a similar type of study of the Swedish employers’ confederation (SAF). He compares SAF’s general opposition to rising public expenditure with SAF’s actual budgetary behaviour in five public agency boards in the period 1974–1983. He is not able to identify a single instance where SAF has worked for reduced agency budgets or agency activity. He interprets this as an indication of important behavioural implications of corporatism. It ‘is able to make representatives of organizations like SAF actually work against their own interests’ (ibid., 338; my translation). He further notes that SAF’s representatives on agency boards
sit for very long periods, usually up to 15 years. According to Rothstein (1992a, 340) this increases the likelihood that representatives ‘go native’.

Rothstein and Bergström (1999) investigate the disbandment of interest representation on the board of the Swedish Labour Market Agency in the early 1990s. The board was reorganized to include only ‘personal’ members, while an advisory body was established on which organized interests were represented. They investigate whether this change of status had any effect on the behaviour of the interest organizations. Based on interviews with central actors they conclude that the change from a proper board, responsible for the daily workings of the Labour Market Agency and its implementation of labour market policy, to an advisory body had profound effects on the behaviour of the interest organizations. As compromises are no longer really necessary the interest organizations have begun to radicalize their positions and do not really discuss them, but merely state them at the meetings of the advisory organ. Further, it is difficult for the representatives to create respect for their task within their own organizations. This makes it increasingly difficult for the representatives to clear their policy positions with their organizations before meetings on the advisory organs. In short, the disbandment of interest representation on the agency board has radicalized the organizations and made it difficult for them to maintain internal discipline (Rothstein & Bergström 1999, 101–43).

In sum, we may note that Scandinavian research in the 1990s has made a conditional verification of the assumption of corporatist theory that corporatism has a moderating and disciplining effect on interest organizations. Corporatist exchanges may have this effect, but it is not automatic. It is contingent upon certain societal conditions.

*Macroeconomic Effects*

Although the effects of corporatism on macroeconomic performance have not received the same attention as in the 1970s, some studies from the 1990s illuminate this type of effect. Lewin (1992, 76–82, 112–20; 1994) has investigated the macroeconomic performance of Sweden throughout the twentieth century and finds a certain correlation between the rise and decline of corporatism and the rise and decline of the Swedish national economy. He hesitates to ascribe the economic development fully to the influence of corporatism, but maintains that corporatism has contributed to ‘a general support for the goals of the economic policies and thus for their realization’ (Lewin 1992, 82; my translation). Pekkarinen (1992) investigates the macroeconomic performance of Sweden, Norway and Finland in the 1970s and 1980s. Based on comparative descriptions of economic policies and institutions, he finds that corporatism has influenced economic policy priorities and the degree of wage restraint demonstrated by organizations. Although
alternative explanations of these phenomena are not really investigated, he concludes that corporatism has generally served these countries well. Landesmann and Vartiainen (1992) have investigated the long-term macro-economic effects of corporatism. They compare the macroeconomic record of the high-corporatist countries Sweden, Norway, Finland and Austria with a number of other Western countries in the period 1960–1987. They demonstrate that the four corporatist countries tend to have a better record than the less corporatist countries. But again, alternative explanations to this pattern are not investigated. In sum, we may conclude that the studies from the 1990s have demonstrated a certain positive correlation between corporatism and macroeconomic performance, but the exact causal relationship remains understudied.

Effects on Public Policy

Studies on the influence of corporatism on the contents of public policy indicate that organized interests try to shape public policy according to their interests and that they often succeed. In a comparative analysis of Danish and Swedish agri-environmental policy, Daugbjerg (1998a, 82–110, 145–85) shows that the relatively lenient Danish nitrate policy towards farmers is due to the tight Danish agricultural policy network that made it relatively easy for Danish farmers to avoid tough regulation. In contrast, Swedish farmers have been hard pressed in defending their interests due to the looser nature of the Swedish agricultural policy network, to which countervailing interests such as consumers and environmentalists have had access. Daugbjerg (1998b) makes a similar argument in relation to green taxation in Scandinavian agriculture. In Denmark, where agricultural organizations are strong, green taxation was introduced late and with full reimbursement of taxes. In Sweden, where agricultural organizations are weak, green taxation was introduced early and with only partial reimbursement of taxes. Norway constitutes an intermediate case. A similar argument is made by Pontusson (1991) in a comparison of Swedish and French industrial policy. Differences are again related to the relative power of organized interests. In particular, Pontusson argues that the limited extent of Swedish state intervention in corporate investment decisions is due to the relatively privileged position of the Swedish employers’ association (SAF). A related argument is made by Christensen (1991, see especially 105–23) in an analysis of the Danish government’s deregulation campaign in the 1980s. Contrary to the government’s expectation, organized interests did not support the campaign. They feared that their position in well-established negotiation systems might be damaged. In the end, this lack of support turned out to be an important reason for the meagre results of the campaign.
Studies of the implementation of public policy point in the same direction. May and Winter (1999) demonstrate that if Danish municipalities cooperate with agricultural organizations in the enforcement of environmental regulation towards the farmers, then enforcement becomes less effective. They interpret this as an instance of regulatory capture. Christensen (1993) is even harsher. He finds that involving organized interests in the implementation of public policy leads to legal norms being superseded by political norms and to a general loss of accountability. This argument is substantiated in an analysis of Danish implementation scandals in the 1980s. A similar argument is made by Sidenius (1999) in relation to Danish policy towards shipyards. Shipbuilding is publicly subsidized, but administered by corporatist institutions. This allegedly resulted in severe administration failures and, finally, in a major scandal in the early 1990s.

As is evident from this survey of public policy effects, the focus has been on the second and less beneficial face of corporatism (cf. Õberg 1994, 7–13) in Scandinavia in the 1990s. According to the studies from this period, corporatism does not lead to special interests being subjugated to the general will, but rather to special interests dominating public policy. However, it must be kept in mind that the studies do not constitute a systematic investigation of public policy effects in Scandinavia, but are examinations of selected cases. It would be premature to draw general conclusions about the public policy effects of corporatism.

Corporatism Outside Traditional Areas

In Hermansson’s careful analysis of 12 policy areas in Sweden, tax policy stands out as the area in which organized interests have no influence at all. In Hermansson’s words, tax policy is a ‘political party monopoly’ (1993, 108–66; my translation). In Denmark, Blom-Hansen and Worsoe Laursen (1999) reach a similar result. However, both these studies are limited to the policy formulation phase. Focusing on the implementation phase of tax policy, Rothstein (1992a, 270–84) discovers that interest organizations are involved to a considerable extent, even though they do not dominate the implementation process. But interest organizations are represented on the board of the Swedish National Tax Agency, and they are also represented on a host of bodies giving advice on the practical administration of tax codes. From this we may learn two lessons. First, establishing the extent of corporatism is difficult without considering the full political decision-making process (cf. Blom-Hansen 2000). Second, corporatism is pervasive. It may be found in more areas than commonly thought. This essay has so far concentrated on corporatism in the traditional areas of labour market
policy, industrial policy and agricultural policy. This section will gauge the extent to which corporatism can be found outside these areas.

Christensen (1997) argues that corporatism is likely to be especially strong in public service areas. This is due to a combination of three factors. First, employees in public service areas are professionals with a strong preference for and tradition of self-regulation. Second, hierarchical management is made difficult because public institutions have political masters who often find it convenient to listen to demands and protests from professionals and their organizations. Consequently, employees are likely to be heavily consulted in the day-to-day operations of public institutions. Third, the microlevel corporatist networks in public institutions are embedded in macrolevel corporatist networks on the national scene, in which the organizations of public employees wield considerable influence. The empirical relevance of Christensen’s thoughts has been demonstrated in at least two areas in the 1990s. First, in the health care area Erichsen (1996; see also Nordby 1993) demonstrates through a comparative-historical analysis of Norway and Sweden that the medical profession has dominated health care policy because of its organizations’ access to central power, its staffing of the health bureaucracy at the central level and its prominent position at the microlevel of hospitals. In a similar vein, Pallesen (1999) shows that the Danish Medical Association has been very influential in the formulation of Danish health care policy throughout the century. Second, in the area of education Christensen (2000) shows how Danish policy makers’ leeway for reforms is circumscribed by the Danish Teachers Union. This union wields considerable influence at the national level through its stable contacts and interactions with the government and parliament as well as through the detailed collective agreements it negotiates with the public school owners, i.e. the National Association of Local Authorities. At the local level, legislation and collective agreements are implemented through negotiations between individual local authorities and local branches of the Teachers Union. In Sweden, similar observations have been made by Hermansson (1993, 217–33), who documents the teachers’ influence on the formulation of education policy, and by Rothstein (1992a, 284–305), who documents the teachers’ influence on the implementation of education policy. In Sweden, this has traditionally been more formalized than in Denmark because of the representation of the teachers’ organizations on the board of the National School Agency.

Another area in which organized interests have become quite influential in Scandinavia is environmental policy. From the Olsonian perspective sketched in the introduction to this essay, this is somewhat surprising because of the collective action problem involved in organizing the defenders of the environment. But Rommetvedt and Melberg (1996) and Christiansen (1999) demonstrate that idealistic environmental organizations have become more
influential through the 1980s and 1990s. Further, the influence of these organizations has become increasingly institutionalized by way of representation on public policy-making commissions, through obtaining the right to appeal against decisions taken by public authorities according to environmental laws, and through obtaining the legal right to be consulted on the preparation of administrative regulations according to environmental laws.

In the area of housing policy, Hermansson (1993, 390–422) shows that throughout the twentieth century Swedish regulation of tenanted property and the rights of tenants have been formulated in close cooperation with the National Federation of Tenants’ Associations, the Swedish Association of Municipal Housing Companies and the Swedish Federation for Rental Property Owners. In Denmark, Jensen (1999) identifies the creation of a ‘housing industrial complex’ in the wake of World War II, which left a large housing problem. The central actors were the Ministry of Housing, the National Organization of Housing Associations (the non-profit private owners of social tenant houses) and the government’s new Institute of Housing Research. This tight policy network succeeded in marginalizing traditional private rental homes because public support was granted to the housing associations only.

The list could go on, but the point should be clear by now: research in the 1990s has demonstrated that corporatism is pervasive. Corporatism varies in intensity across policy sectors, but corporatist traits can be found in more areas of Scandinavian policy making than traditional studies would have us believe.

Conclusion: The Associative State

This essay has demonstrated the existence of two empirical phenomena: Scandinavian corporatism has long roots and it is pervasive. Corporatist practices started very early in the twentieth century and they are found to a greater or lesser extent in most policy areas. The essay has further demonstrated that corporatism is important to study because it matters for the Scandinavian societies. It matters for the way interest organizations behave and it matters for the contents of public policy. Finally, the essay has demonstrated that Scandinavian corporatism is undergoing change. Corporatism as ‘a distinctive mode for making and implementing public policy’ (Schmitter 1982, 262) is declining. Interactions between the state and organized interests are becoming less formal in terms of factors such as presence in formal decision-making arenas and occupation of formal veto points. Interactions with the state seem to have taken a more lobbyist character. However, what this implies for the influence of organized interests is less certain. First, it should be kept in mind that we are dealing with
changes from a high level of corporatism (cf. note 1) and that consultation with affected interests remains deeply ingrained in the public decision-making process in all three Scandinavian countries. Second, although most studies point in this direction, it remains an empirical question whether corporatism constitutes the most effective way for interest organizations to influence public policy.

The essay has further made it evident that corporatism is back on the Scandinavian research agenda. But there are aspects of Scandinavian corporatism that remain to be studied. The essay has made it possible to identify three important lacunae in Scandinavian research on corporatism. The first is the implication of the rise of the public sector in the Scandinavian countries in the 1960s. As argued in the essay this development is likely to have had important effects upon the workings of traditional corporatism, but it remains an understudied phenomenon. Second, two of the three Scandinavian countries are now members of the EU. This means that interest organizations as well as national political systems must adapt to a new political environment. But the consequences of EU membership for the traditional workings of Scandinavian corporatism are a subject about which we know very little (but see Bregnsbo & Sidenius 1993; Sidenius 1998). Third, with very few exceptions Scandinavian studies of corporatism in the 1990s have a national focus. Cross-national analysis is virtually absent. This is a remarkable lacuna, because cross-national research has great potential. The Scandinavian countries present the researcher with an almost complete ‘most-similar-systems’ research design – a fact already noted by Przeworski and Teune (1970, 32) – and comparisons of the three Scandinavian countries are not impeded by the language problems usually inherent in cross-national research.

NOTE
1. According to the summary index of corporatism in 18 Western nations constructed by Lijphart and Crepaz (1991) on the basis of the measures of corporatism developed by 12 corporatist scholars, Norway is the world’s second most corporatist country, Sweden is the third most corporatist, and Denmark is the fifth most corporatist.

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