

**Corporatism in Denmark and Norway
- yet another century of Scandinavian corporatism?**

Mikkel Mailand

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*Employment Relations Research Centre (FAOS, Department of Sociology,
University of Copenhagen, Phone: 35 32 32 77, e-mail: mm@faos.dk*

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Abstract

The literature of corporatism tends to bypass most Scandinavian countries and ignore state–social partner relations not related to wage bargaining and income policy. This contribution attempts to overcome both these shortcomings. It concludes that corporatism is alive in Denmark and Norway. The social partners have, as general rule, been involved in formulating and implementing changes in welfare state policies, and corporatist arrangements are also seen in relation to some industrial relations issues. The two countries share a number of contextual features important for corporatism. However, in Norway ‘peak-level’ corporatism on wage setting remains stronger than in Denmark, whereas ‘meso-level’ corporatism (corporatism in specific policy area) is stronger in Denmark than in Norway.

1. Introduction

‘Corporatism’ has often been used as a term to describe decision-making patterns and institutional structures that involve both state and social partners in regulating work and welfare, especially income. In the 1970s, the term was applied in studies of a number of (Fascist) Latin countries as well as studies of (democratic) Northern European countries. In the latter, corporatism was often seen as a political exchange where the social partners were involved in decision-making in a political exchange for disciplining their members, especially the trade union members’ wage-demands. Corporatism became increasingly seen as an alternative to pure state-dominated modes of regulation as well as to modes of regulation building on the market-forces (neo-liberalism) or the will of trade unions and employers’ organisations only (voluntarism). It also became clear that even though relations between state and social partners in the Scandinavian countries seemed to have similarities with the Northern continental corporatist countries, social partners were in general stronger and industrial relations less dependent on the state in Scandinavia than in its southern neighbours. Still, researchers often included Scandinavia in the club of corporatist countries in Europe Sweden was often the country in focus (e.g. Korpi 1983; Katzenstein 1985; Rothstein 1992).

Less attention was paid to state–social partner relations in the two other Scandinavian countries, Norway and Denmark. Therefore, these countries will be the focus of the present article. Contrary to most other studies within the Industrial Relations-tradition, the present article examines not only corporatist arrangements in relation to regulation of wage-related issues, but also corporatist arrangement in a number of work and welfare policy areas, namely activation policy, continuous training and occupational pensions. This is so because the social partners’ participation in these areas is equally important in terms of legitimising social partners’ existence and government policies, improving the policies’ quality and facilitating the implementation of them.

Analysing the development of the past 15-20 years corporatism in Denmark and Norway in this way, and shortly discussing the findings up against corporatism in Sweden, will provide a fuller description of Scandinavian corporatism than found in previous research and allow us to answer the first research question of the article: *Is Scandinavian corporatism still alive in the new century?* Constructions such as the term Scandinavian corporatism will always hide important differences behind the similarities. Therefore the second research question will be of a comparative nature: *What are the similarities and differences in Scandinavian corporatism?*

This introduction is followed by a brief presentation of the academic literature on corpora-

tism. The third and the fourth sections present the historical background to corporatism in Denmark and Norway, as well as peak-level and sector specific forms of corporatism in the two countries. The final section discusses similarities and differences between the two countries, compares shortly the findings with corporatism in Sweden and discusses the future of Scandinavian corporatism.

2. Theory on corporatism

As a theory corporatism has its origin in the mid-1970s. It started out as a reaction to the then dominating pluralistic approaches to the study of relations between state and organised interest. Whereas the pluralistic approaches understood the state as a more or less neutral entity, attempting to mediate between various interests in society having equal opportunity for access to the state, the corporatist theories emphasised that the state was not neutral and that organised interest had unequal opportunities for getting access.

Regarding the content of corporatist arrangement, the studies of the 1970s focused mostly on income policy and wage bargaining. However, during the 1980s corporatist research started to focus on other political issues as well; to include policy implementation; and to include other levels than the national, for instance the political sector, the economical sector, the region or even the firm. One of the leading researchers from this period defined corporatism as 'a specific socio-political process in which organizations representing monopolistic functional interest engage in political exchange with the state-agencies over public policy outputs involves those organizations in a role that combines interest representation and policy implementation through delegated self-enforcement' (Cawson 1986, p. 8). This broader approach to corporatism has recently been taken up by Ebbinghaus (2002) and others and *is especially relevant for the following analyses of Scandinavian corporatism* and the argument presented in the introduction: that a full description of corporatism should not only include arrangement related to wage bargaining and income policy.

After the theoretical approach in the late 1980s lost credibility due to the spread of neo-liberalism and withdrawals from corporatist arrangements, the approach had a partial revival in the mid/late 1990s. A number of studies in Industrial Relations research have focused on the re-emergence of corporatism in EU-countries. These studies have shown that, despite of a general weakening of trade unions, tripartite policy co-ordination still has an important role to play in welfare and labour market regulation. The focus has mostly been on national ad hoc agreements of, the so-called 'social pacts', containing a political exchange between wage-restraint and policies aiming at employment growth related to, *inter alia*, unemployment benefits, active labour market policies, training, pensions or early retirement. Often the re-emergence of corporatism has been seen as the EU-countries attempt to fulfil the EMU criteria. Some of these studies (Fajertag & Pochet 2000; Bacarro 2003) show that tripartism since increasingly is found in countries that do not fulfil the theoretical pre-conditions for tripartist arrangements of having strong and hierarchical organisations in the labour market. Examples of such countries are Ireland, Italy, Spain and Portugal. Whereas these ad hoc social pacts became an important part of the corporatist literature in the 1990s and the present decade, studies of meso-level corporatism as proposed by Cawson have only been practised by very few researchers. In what follows we will attempt to include both.

3. Corporatism in Denmark

3.1 Historical background for corporatism

Denmark was industrialized relative late, whereas the institutionalization of Industrial Relations took place relatively early – the September Compromise in 1899, where employers organizations and trade unions recognized each other, is normally seen as the hey-day of organized IR in Denmark. The sequence of industrialization and institutionalization of industrial relations did create an IR-system marked by craft-divisions.

The social democratic party has since the 1930s played an important role in the development of the Danish welfare state, but it has been less strong than in the other Scandinavian countries - and when in government, it has often been in minority-governments. The tradition of minority-governments has continued into the later decades, but in recent years the governments have more and more often been without social-democratic participation. Hence, from 1982-1993 and again from 2001 to today liberal and conservative parties has been in office – however, they have not seriously challenged the welfare state.

The economy has been rather strong in recent years. In the mid-late 1970s and the 1980s Denmark experienced a couple of economic downturns, but in the mid-1990s unemployment started to decrease rapidly. Further, Denmark was not hard-hit by the international recession in the beginning of the present decade and with unemployment down to below 3 percent, labour shortage is felt. Like in Norway, labour migrations from the new member states has been one of the way to meet the demand for labour, but migration has been slower to take-off in Denmark than in its northern neighbour.

3.2 Social pacts and peak-level corporatism

Industrial Relations in Denmark has been marked by relative centralised coordination and strong, consensus-oriented social partner organisations. However, in late 1980s started a process that ended up in making sectoral framework agreements for company level bargaining the norm – a system that has been described as centralised-decentralisation (Due et al. 1993). The state and legislation has played a backward role in IR, mostly in relation to arbitration and conciliation and the rare interventions in collective bargaining round. Peak-level corporatist arrangement regarding wages and income policy has been limited. Hence, Denmark was not among the European member-states where governments and social partners signed social pacts during the 1990s and Denmark has never had a permanent general tripartite body. However, there have been plenty of other national level tripartite activities. This reflects the Danish model of industrial relations, whose core is a bipartite and relatively centralised system of collective bargaining between strong social partners, but where the social partners are involved in the formulation of legislation with relation to the labour market and in the administration of it (Due et al. 1993).

In the 1990s, however, there have been attempts to set-up permanent general tripartite structures and to reach social pact-like agreements. Although these attempts did not lead to any social pacts or general tripartite bodies of the scope and scale as those known from a number of other EU-countries, the so-called Tripartite Forum and its affiliated Statistical Committee did nevertheless play a role for a short period in the late-1990s. Moreover, it could be argued that although no explicit social pacts were signed in the 1990s, the so-called tripartite ‘Common Declaration’ from 1987, that prescribed wage-restraint, has been a ‘functional equivalent’ to the social pacts in other countries during the 1990s because it has been internalised to a very high degree in the actions of the key societal actors. The Common Declaration was terminated

in 1998, but a new bipartite agreement on wage-restraints was reached the same year in the form of the so-called Negotiation Climate Agreement ('Klimaaftalen'). With the Common Declaration's general agreement on wage-restraints and with wages and employment conditions nearly solely regulated by collective agreements, remaining issues to establish tripartite dialogues concerned mainly welfare issues.

3.3 Meso-corporatism - corporatism in specific policy areas

If one should talk about corporatism in Denmark it is more in relation to formulation and administration of welfare-state policies than in relations to IR. Below three work-and welfare related issues will be analysed. They cover only a minority of the relevant areas, but include some of the most important reforms in the recent development of work and welfare in Denmark.

The first *occupational pension*¹ fund was established in 1900, but no more than a third of the employees were covered in the 1980s. When the debate on occupational pensions began to take off in the 1980s it was an initiative of the government, but one that the trade union movement was interested in because they hope to have some form of control of the pension funds. The employers feared that the occupational pension would become 'economic democracy' (profit-sharing) through the backdoor and were especially worried about central funds dominated by employee representatives. Therefore, the trade union movement gave up their attempts to establish bipartite consensus with the employers and used instead unilateral lobbying for legislation in this area.

For some time it seemed as if the largest trade union confederation (LO)'s strategy to lobby for legislation would succeed. Following the Common Declaration in 1987, a long sequence of tripartite activity on occupational pensions took place in tripartite committees throughout 1987-88. Among other things, four specific models for the occupational pensions were proposed. They centred around, respectively, the individual wage-owner, the firm-based organisations, the sector-level organisations and the inter-sectoral level. The first model was unacceptable for LO while the Danish Employers' Confederation (DA) opposed the inter-sectoral model. The attempts to reach agreement on how to implement the occupational pensions failed, partly because some social-democratic leaders feared to provide the centre-right government with the electoral gains from such an agreement, and partly due to internal disagreement in the government.

The extensive tripartite work that was done on pensions prepared the ground and established consensus for a breakthrough in the collective bargaining round of 1991. In this round of bargaining, the sector federations played a stronger role than in previous negotiations. This - together with the fact that LO finally realised that the occupational pensions would not be introduced through legislation; that DA realised that some kind of occupational pensions would be introduced sooner or later; and that sectoral-based funds was one of the models within reach - led to the breakthrough in 1991. The sectoral pension funds took the form of investment companies with parity and trade union chairmen - a form that also the employers could accept.

Percentages of the employees covered by occupational pensions, as well as the percentage of the employees' income paid to the funds, have increased during the 1990s. In 2003, it was es-

¹ This section builds on Due & Madsen (2004).

estimated that 92 percent of all employees were covered, even though not groups of employees of these to the same extent. Referring to these calculations, the social-democratic government found no need to introduce the additional legislation as promised by the previous government. This would have extended the occupational pensions to all groups. Importantly, LO also accepted this decision.

In sum, the development of the Danish occupational pensions is the set-up of a new area dominated by bipartite relations. However, the state has played a role in this development too. The occupational pensions were extended due to foreseen problems in a unilateral government financing of pensions and the government orchestrated the tripartite committee work. Moreover, the government planned follow-up legislation. The outcome of the process was also that a clearer division of responsibilities has developed where the state is the sole responsible actor for regulating, financing and delivering old age pension, whereas the occupational pensions are subject to social partner self-regulation.

In the 1970s, Danish *activation policy* reflected an attempt to respond to the prolonged unemployment crisis. The social partners have had a say in the formulation and the implementation of the policy from its hey-day, and this influence was strengthened with the 1994 labour market reform. The reform was prepared in 1991-92 in a pre-legislative committee, where social partners had the majority of seats. When formulating the reform, the following social-democratic led government followed the recommendations of social partners). The labour market reform increased the influence of social partners by upgrading the Regional Labour Market Councils competences from consultation (in connection to some issues) to decision-making (concertation) and in making the National Labour Market Council advisor to the Minister of Labour. However, already in 1996 a process began that partly re-centralised activation policy and rolled back some of the newly gained influence of the social partners. Regarding the content of the policy, individual action plans, continuous training and - to some extent - subsidised jobs became the core measures of activation (Mailand & Due 2003).

Simultaneously with the labour market reforms, that mostly, but not exclusively, focused on changing the behaviour of the unemployed (the supply side), attempts were made to get the companies (the demand-side) more involved. The campaign *Our Common Concern – the social responsibility of companies* was launched in 1994. So-called ‘jobs on special terms and conditions’ and ‘flexijobs’ for people with reduced capacity to work were introduced in two versions - one administered by the municipalities and one by social partners through the so-called social chapters of the collective agreements. However, the collective agreement based jobs on special terms and conditions include no wage-subsidy and have therefore only been used to limited extent – which stand in sharp contrast to the version administered by the municipalities (Hohnen 2002). This does not mean the social partners have no role in delivering these the activation measures; however, their role is not to regulate these via collective agreements, but to convince their members of the value of using them.

The liberal-conservative government that came into office in late 2001 introduced a labour market reform that changed the content of the activation policy by emphasised more assistance in job search and to some extent also job training in the private sector, and limited the use of education as an activation tool. Moreover, after the reform social assistance and social insurance clients come under the same legislation and the tri- and multipartite bodies at the central level have been amalgamated. Finally, the reform opened up for increased use of new private actors such as temporary work agencies, private training institutions and consultancies in delivering the activation measures.

Hence, it could be said that the present liberal-conservative government at the national level continues its predecessors fluctuating involvement of the social partners that in an international comparative perspective might be strong, but still clearly ensure that government control is not lost. At the local-regional level, where the influence of the social partners previously might have been at the highest level, the social partners seemingly will be weakened in the near future, but it is too early to judge about the extent to which this will impact the corporatism in this policy area.

Continuous training took off when the labour market training centres – AMUs – were established in the 1960s. Over the years, a range of continuing training courses have been developed, some more vocational than others. The numerous courses can be divided into vocational adult education and training (in which AMU are one of the cornerstones), general adult education and training and general education ('folkeoplysning'). Continuous training - including training for employed - has to a larger extent than in most other EU-countries been publicly financed. The level of activity is the highest in the community. The so-called 'occupational self-governance' has been the governance model and bi- or tripartite bodies are found on all levels: An inter-sectoral council advising the minister, sector-based so-called 'Further Training Councils' as well as boards on the individual schools.

The latest continuing training reform from 2001 introduced the (tripartite) Board for the Labour Markets Financing of Education and Training. As part of the reform's aims to concentrate public finances on the less skilled and on formal or recognized competences as well as to include more companies in financing the activities, the board was asked to give advise on the total volume of continuous education and financing of the activities and how the different activities should be weighted. If the foreseen activities exceed the budgetary limit, the board has the opportunity to request for additional funding from employers. This is in line with another tendency to increase the role of the social partners in continuous training, namely the introduction or extension of employees' rights to take part in continuous training (Due et al. 2005).

The preparation of the 2001 reform took place without the participation of the social partners in the pre-legislative committee that concluded its work in 1999. However, the white paper was discussed in the 'Tripartite Forum' and its affiliated Statistical Committee (see above). During the negotiations, the social partners agreed with most elements of the reform as proposed in the white paper, including the guidelines for the Labour Market Financing of Education and Training which later became one of the new features in the reform (Due & Madsen 2005). Hence, what started out as a process the social partners was excluded from, ended up in a concertation process. More recently, civil servants published in autumn 2004 an in-dept study of continuous training in Denmark, which formed the starting point for tripartite negotiations in early 2006. These negotiations led to a tripartite declaration of intent that might again led to an agreement on a large-scale reform in the area in the coming years in order to make the social partners carry a greater part of the financial burden of continuous training. In the private sector collective bargaining in 2007 was as planned established. In the manufacturing industry all employers have from 2008 been obliged to pay approximately 35 Euro pr. employee to the fund annually - an amount that will double in 2009. From 2009 employees with more than nine month seniority will be entitled to have to up to two weeks of further training - free of choice - financed from the funds. Agreements on higher contributions to the fund are expected in later bargaining rounds (Due & Madsen 2006; DI & CO-industri 2007; Mailand 2008).

In sum, the role of the social partners is similar to the one in activation: consultation and oc-

asionally concertation when new legislation is implemented and permanent involvement of the social partners in implementation of the legislation at all levels. However, the area differs from activation with the set-up of new tripartite bodies and the division of responsibilities even more in flux than in the case of activation. In the future, bipartite relations might become more important for regulating the demand for - and financing of - continuous training.

4. Corporatism in Norway

4.1 Historical and economic context

Norway experienced a late and patchy industrialization with important connections to its natural resources. This development has – like in Denmark, but contrary to Sweden – fostered diverse patterns of unionism and class coalitions. The Norwegian economy is still dependent on exports based on natural resources.

Like in Denmark, the social-democratic party in Norway has been in government in most of the period from 1940s to the 1980s and the party has been stronger than in Denmark. However, during the last decades, the social-democrats have experienced long period in the opposition: from 1981-86, from 1997-2000 and again from 2001-05. The relationship between the greatest trade union confederation (LO) and the social democrats are still close, and contrary to the situation in Denmark, there are also close formal links (Lismoen 2002).

The long-lasting economic boom – supported by revenues from oil and other natural resources - has increased the demand for labour. An inflow of a large number of migrant workers from the new EU-member states has helped to satisfy this demand. Nevertheless, employers complain about labour shortages and the unemployment rate was in 2006 as low as 3 percent (Dølvik 2007, p. 27).

4.2 Social pacts and peak-level corporatism

Norway has traditionally had one of the most centralized coordination of industrial relations in Europe and the state plays - contrary to the situation in Denmark – a strong role also in wage-setting in the private sector. Union density is lower than in Denmark - around 53 percent – which might be because the trade unions do not administer the unemployment insurance funds as in Denmark.

From the 1970s, the dependence on natural resources led to even larger fluctuations in the economy than elsewhere and state intervention in wage-setting. As a response to an economic crisis, falling oil prices and industrial conflict the main social partners agreed in informal talks in 1987-88 with the Labour government to break the inflationary wage-spiral and restore competitiveness by a combination of centralized income policies and austere economic policies.

The informal agreement from 1988 was codified in the so-called Solidarity Alternative 1992 spelled out by a government appointed tripartite body. The aim was to halve unemployment in five and the tools a combination of wage moderation, tax reform, review of the competition of public expenditure, expansion of ALMP and training, structural policy measures and monetary policy, which would aim to achieve a stable exchange rate (Dølvik & Martin 2000, p. 280).

The Solidarity Alternative did not – in the short term at least – solve the problems of the

economy. Unemployment rose to 9 percent and private production declined. However, facilitated by the revenues from oil export and improvements in the international economy the Norwegian economy started to recover from 1993.

Despite of LO's commitment to continued wage moderation, the wage-restraint policy experienced a breakdown in 1998 after large-scale strikes led to record-high wage increases far beyond inflation. The change from a Labour-government to a centre-right government in 1997 contributed to ending wage moderation Solidarity Alternative. The new government proposed abolition of one holiday and suggested cuts in sick pay and other benefits as part of a crisis package, it upset the trade union movement and led to the first strike ever with participation of all trade union confederations. The development illustrates, according to some observers, the inability of the Norwegian trade union movement in to sustain wage-moderation under a long-lasting boom. (Dølvik & Martin 2000, p. 284-8).

The government nevertheless succeeded in getting the trade unions involved in yet another round of crises management in late 1998. LO had never allowed the other trade union confederations to take part in income policy talks, but this time all confederations on both sides were invited to the table in a number of tripartite committees. The most important of these were the so-called Arntsen committee set-up to prepare the 1999 pay round. In the committee it was agreed that the forthcoming wage increase should be limited to 4 percent. LO managed to get improvement in continuous training in exchange for their wage restraint promises (ibid.: 286).

In the present decade Norway was hit hard by the international recession, and 25.000 jobs were eliminated in the years 2002 and 2003. A new round of income policy concertation was initiated under the centre-right government which came into power in 2001 after just one year with a social-democratic government. The centre-right government attempted to introduce liberalizations in the labour market, especially regarding temporary workers, but their attempts were blocked by the Labour party that came into power again in 2005 (Dølvik 2007, p. 27)

4.3 Meso-corporatism - corporatism in specific policy areas

As in Denmark, Norway has corporatist structures within specific policy areas – both in relation to formulating regulation and in relation to implementing the policy.

One of these areas is *further training*. This area is covered by a corporatist tradition. The social partners are as a general rule involved in policy formulation and – though representation in boards - in its implementation at the 130 local training centres (European Commission 2003). Moreover, training has become a bargaining issue for the social partners at peak-level as well as at sector level (Skule et al 2002, p.273).

The latest large-scale reform in the further training area is the Competence reform from 1998. The reform cannot strictly be said to be sector-specific in that it was agreed upon in connection to an income-policy agreement (see above). The initiative to the reform came from the trade union confederation LO, who had identified further training as one of its prime targets. Already in 1994, LO and NHO (the employers' confederation) agreed to add a separate chapter on in the 1994 Basic Agreement on further training, and in 1996 the Parliament called the Government to set-up a committee to prepare a reform of lifelong learning. Hence, the reform was prepared in the Buer committee set-up with strong social partner representation. The committee's report from 1997 identified the workplace as the most important site for learning

and called for, *inter alia*, recognition of informal competences and right for employees to take study leave and a strong role for the social partners in the design of the coming reform, including the funding issue, through the national collective bargaining rounds (ibid. 271). The reform passed in Parliament and included the elements called for by the committee as well as tax-exemption for employers financing education and other elements (European Commission 2003).

To support the implementation of the reform, the issue of further training became part of the following bargaining rounds. In the 1999 bargaining round LO again agreed to exchange wage restraint for improvement in relation to further training. The government promised to spend 400 million NOK on a Competence Building Program. However, there could not be reached agreement on a model for financing educational leave. In the 2000 bargaining round further training was again on the table. This time LO proposed that wage restraint should be traded off against the employers' financing of life subsistence during educational leave. But the parties did not agree on this, and the LO-leaders' proposal was later turned down in a ballot of LO members. The members did not accept trading wages for further training – they preferred higher wages and longer holidays (Skule et al. 2002, p.271).

Like in Denmark, *occupational pension* has become one of the recent decade's most controversial topics in the welfare and work area, but much later than it in Southern neighbour. It is only within the last two or three years that a new pension system seems to have crystallized.

Compared to the situation in Denmark, the reform of the occupational pension system has in Norway been much more integrated in an overall effort to recast all forms of pensions at once. In 2001 a pension committee was set up to consider 'the main objectives and principles of an integrated future pension system', including a division of responsibility between the state and non-state pensions and the possibility for introducing a fund-based system. The committee - that had participation from experts but not from the social partners - recommended in 2004 a stronger employment dependent element in the pension system (Neergaard 2004). In 2005 the Parliament finally decided that all employees should have a statutory right to occupational pensions – in 2003 only an estimated 55 % of all employees had obtained that right (van her Kaar & Grünell 2004). The minimum contribution from the companies was set at 2 percent of the salary. A white paper followed from the agreement regarding the other pension-types than the occupational pensions was included in a government white paper in 2006.

Activation policy has not had such a strong profile in Norway as in Denmark, and spending on active labour market policy stood in 2004 at 0.4 percent of GDP and passive measures at 0.5 percent – the comparable figures for Denmark were 1.8 and 2.7 percent (OECD 2006, p. 271-274). In Norway, regional policies and state funding of enterprises in difficulties combined with the income policy described above was in the 1960s and 1970s the ways to seek the fulfilment of the full employment aim, whereas active and passive labour market policies played a larger role in the Danish attempt to cope with their unemployment figures, that was higher than in Norway (Halvorsen & Jensen 2004, p. 467).

Norway did, however, develop some active measures and when unemployment increased in the early 1980s the maximum benefit period was increased. At the end of the 1980s, the discourse started to change and the 'work line' (*arbeidslinjen*) and started to underline incentives to work, rights and duty. At the same time obligation to work was strengthened and the maximum period for receiving unemployment benefit was reduced to 3 years in 1998 and in 2003 to 2 years (Arbeids- og Sosialdepartementet 2005). Compared to activation policy in

Denmark there has in Norway been more worries about letting the unemployed taken part in training, subsidized employment and other ‘second chances’, and more emphasis has been put on benefit sanction, tightening of eligibility rules and so on (see also Halvorsen & Jensen 2004, p. 474).

The role of the social partners in the activation policy is not as developed as in Denmark, but the social partners do nevertheless have influence through a number of tripartite bodies as national as well as at local level.

5. Another century of Scandinavian corporatism?

5.1 Comparing corporatism in Denmark and Norway

Following from the above analysis there is no doubt that it in relation to the first research question is possible to conclude that *corporatism is still alive and kicking in both Denmark and Norway*. Industrial relations and welfare state policies have been restructured, but the social partners have as a general rule been involved both in the defining the restructuring processes and implementing them. So, overall, we find more status quo than change.

The second research question was of a comparative nature: What similarities and differences are then most important when comparing corporatism in the two countries?

There are a large number of *similarities* between the two countries, both in the context of corporatist arrangements and in corporatism itself. Firstly, the labour market parties are still relatively strong and consensus-seeking in both countries and - after economic ups and downs – both countries have experienced more than ten years of employment growth. Secondly, the social-democratic party have been a key player in both countries, and despite of long periods in opposition in recent years egalitarian norms are still dominant - the right-wing governments have not dismantled the welfare state. They have rightly restructured it, but so has the Social-democratic lead governments – and they have been no less willing to include the social partners in the processes than the Social-democrates.

Thirdly, corporatist arrangements are in both countries widespread in the three welfare-policy areas analysed, even though variations are found between areas, periods and between the two countries. Furthermore, it seems to be similar challenges the actors in the two countries have addressed in the three welfare areas in focus.

There are also a number of important *differences* in the two countries regulation and in where corporatism is found. The state has played a much more active role in setting wages in Norway than in Denmark and tripartite income-policy agreements are much more widespread in Norway. Hence, when Norway seems to be a more ‘traditional’ corporatist country, in that peak-level corporatism remains strong here decade after decade.

On the other hand, meso-level corporatism seems to be weakened and weaker in the three selected areas in Norway than in Denmark. This finding is supported by a recent comparative analysis which shows that the number of boards and committees with the involvement of social partners has decreased in Norway since the 1970s, which is not the case in Denmark (Christensen et al 2008). Because Denmark is combining voluntarism in IR with neo-corporatism in welfare state issues (see also Mailand 2005), and meso-level corporatism has not weakened in here, Denmark represent with weaker peak-level corporatism and stronger

meso-level corporatism the opposite situation of Norway.

Furthermore, there might be yet another difference related to the stronger state involvement in IR in Norway. In Denmark, corporatism has a strong informal component (see e.g. Pedersen 2006) in that the bi- and tripartite coordination especially in relation to IR often not takes place in formally corporatist bodies, but beyond them. The stronger state involvement in IR and the more developed formal institutions for this in Norway might result in different balance between formality and informality in Norwegian corporatism than in the Danish one – however, it is not possible from the descriptions above to tell if this is the case or not.

5.2 Future Perspectives

The question arises if corporatism can be sustained in these two countries. Contrary to the ad hoc social pacts experienced since the 1990s in countries lacking strong social partners, it is difficult to imagine Scandinavian corporatism without strong social partner organisations. Membership are declining, in both countries, but only slowly, and the social partners still have privileged access to the government in most policy areas, even in those where influence have been reduced, and regulations of wages and working conditions is no less objects for the social partners now than in the past decades. Challenges such as off-shoring, demographic changes, changes of governments, different forms of marketization, economic up- and downturns and – in Denmark especially – pressure from the companies to decentralise IR have transformed the established models of regulation, but have far from dismantled them. Furthermore, corporatist arrangements have in the latest years been seen in new areas, such as labour migration.

So, despite of the partial dismantling corporatism is still a relevant term for regulation of work and welfare in Scandinavia. It is likely that here will be such a feature as Scandinavian corporatism, if not for yet another century, so at least for the coming decade. However, if the present slow decline in especially the trade unions' organisational density in Denmark and Norway develops into rapid decline the future for Scandinavian corporatism might seem more troubled.

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