The Role of the Trade Unions in Social Restructuring in Scandinavia in the 1990s

Henning Jørgensen*

Social restructuring and the search for a “Scandinavian model”

If welfare state developments during the post-war period could be seen as a “politics against market” experiment (Esping-Andersen, 1990, 1996), welfare state restructuring and policy developments during the 1990s have surely become more like “politics with markets” or even “markets against politics”. State interventionism has been abolished in quite a number of policy areas, there has been a call for more liberalism on the labour market, and corporatism has fallen into discredit. Slogans like “from welfare to work” and “to make work pay” have called for new solutions to societal problems, and in some systems unemployment benefits and social assistance have been lowered, and people forced to accept job offers with little consideration for the quality of the jobs. At the discoursive level, the welfare state and its socialization of rights has been replaced by more individualization of risks (Crespo and Serrano Pascual, 2002). Nowadays, neo-classical analyses, “new public management” and other justifications for these changes are popular. The trade unions, once deeply integrated into the political decision-making processes in many countries, have been blamed for many inflexibilities and disincentives in the labour market and have suffered a loss of power in the face of neo-liberal and neo-conservative offensives.

But there was a diversity of paths to transforming the welfare states throughout Europe during the last two decades (Scharpf and Schmidt, 2000, Lödemeel and Trickey, 2000; Pierson, 2001; Sarfati and Bonoli; 2002, Barbier, 2003). Almost all European countries have had to cope with unemployment problems and social reform questions (Gallie and Paugam, 2000). Activation systems and social protection systems have been reformed in different ways, so there is no uniform welfare state restructuring and no clear European convergence process to be witnessed. States have chosen differently. The “one-size-fits-all” solution so popular in international organizations like the OECD and IMF and on the right wing of the political spectrum does not seem to correspond to the choices of policy-makers. The political answers and adaptations to external changes of economic and cultural elements

* Professor in political science and director of CARMA, Centre for Labour Market Research at Aalborg University, Denmark.
differed. Through social pacts, the trade unions also achieved some political importance in more European countries during the 1990s (Fajertag and Pouchet, 2000; Jørgensen, 2002b), and in some systems corporatism still plays an important role.

Among the countries that performed relatively well during the 1990s, securing high employment rates and low unemployment figures, are the Scandinavian countries, 1 especially Denmark. Non-liberal reform measures are part of the picture. No doubt the Scandinavian countries still set standards for reforming labour market policies and social protection systems, even though the pressure on competitiveness has been persistent, including permanent wage moderation. But – as documented in this journal – the answers in Scandinavia have not been uniform either. The largest changes are found in Sweden, including an apparently dramatic change of corporatist arrangements. But none of the countries have been willing to pay the price of a “blue revolution”, showing that reforming welfare systems and labour market policies need not happen at the expense of social solidarity. In Sweden, attempts to raise employment and reduce unemployment at the expense of inequality and wage dispersion have also proved unpopular. Equality, high productivity and low unemployment have corresponded well in the Scandinavian countries (Rothstein, 1992; Esping-Andersen, 1999), and their performance has simply been better than low-income countries like Spain, Italy and Greece with weak social welfare systems and also better than France, Germany and the UK. As to the question of policy profiles, there might not have been major qualitative changes in the Scandinavian countries, but the way policies are decided and implemented – the policy style (Jørgensen, 2002a) – has changed in a number of respects. In this article, the question of the role and political participation of the trade unions in Denmark and Sweden will be addressed, investigating the political orientation of the trade unions, the access and influence in relation to the political-administrative system, and the ways in which trade unions have been important political actors.

Traditionally, all Scandinavian countries are classified as corporatist with very strong labour movements (Lijphart and Crepaz, 1991; Treu, 1992; Crouch, 1994), but as neo-liberal offensives and conservative governments have tried to deregulate and make labour markets more “flexible”, the trade unions and the corporatist arrangements have been put under pressure. Was there a common “model” as to the role of the trade unions in social restructuring in the 1990s? Did the respective trade unions suffer a great loss of power in the systems or did they still succeed in influencing policies? And did they change their fundamental preferences and priorities during the 1990s?

---

1 “Scandinavia” normally covers Denmark, Norway, and Sweden. The phrase the “Nordic” countries includes Finland and sometimes Iceland as well. In this article only Denmark and Sweden are systematically covered as Norway is not a member of the EU, but references will also be given to Norwegian and Finnish experiences during the 1990s.
My main thesis is that reforms of labour market policies and social protection systems are closely related to the presence and actions of the trade unions, and that corporatism as well as trade union lobbyism is a continuing element of Scandinavian policy developments, but also that the role and orientation of the trade unions have changed more in Sweden than in Denmark. During the 1990s, “the Scandinavian model” broke down in a number of ways. Thus, similarities between the systems in relation to welfare reforms and labour market arrangements look a bit arbitrary, due to the fact that choices of policy-mix and incorporation of trade unions in the political processes have not been uniform. The way trade unions interact with the political and administrative system reveals their behaviour as political actors. Their role in social restructuring is, however, also a question of political influence and of self regulation in collective bargaining. Collective bargaining regulates not only wages and working conditions but also broader and “softer” issues, which normally are characterized as part of social policy, including pension rights, vocational training and education, and sick leave. Therefore, social reforms cannot be seen only as a question of social restructuring and political decisions at state level, but are also part of the development of collective bargaining.

In relation to the European Union, Scandinavian choices have differed. Sweden (and Finland) joined the EU in 1995 and adapted in several ways to economic and monetary integration. Denmark has been an EU member since 1973, but voted “no” to the Maastricht Treaty in 1992 and “no” again to the euro in 2000. Denmark had the courage to implement an active, Keynesian fiscal and labour market policy in 1993-94 and had success. Norway decided not to join the EU, but to coordinate its economic policies in accordance with EU decisions. The Social Democrats came into power again in 1993, in Denmark, and in 1994, in Sweden, after the 1991-94 conservative government (while the Social Democrats won power in Finland in 1995, but lost power in Norway in 1997). The close relationship between the trade unions and the Social Democratic Party has often been described as one of the prerequisites of societal corporatism, but as demonstrated below, this is not necessarily the case. Correspondingly, common pressures for adaptation in the labour market will not be met by a uniform reorganization of negotiation structures and (de) regulation. National answers will be formulated. In this article, I shall try to present an alternative line of argumentation to the widespread theory that economic pressures will determine and bias social restructuring.

Negotiation systems and pressures for regulation

It has been a popular view for some time that internationalization and “globalization” of economic relations through more intense competition will lead to deregulation, flexibilization, decentralization and undermining of
social systems. But empirically there is no trend of convergence to be wit-
nessed. Theories of convergence suppose that regulation systems and wel-
fare state arrangements are to change in line with economic requirements. The essence of this kind of thinking is that structure will follow function. But the functionalist essence of the convergence theory draws the wrong parallel from how the market is supposed to be functioning – e.g. by “natu-
ral selection” through market competition – to how politics and profes-
sional regulation are functioning. This depends on quite another set of social and political logics and historical institutional factors within each country (Jørgensen, 2002a). To make nation states act and react, there is much more than international market forces at play. The EU’s economic and political regime, of course, exerts some pressure on the member countries, but it is still the individual states that develop and implement adaptation strategies. Therefore, one has to analyse the important changes in institutions and stra-
tegies within the national frameworks and then look for divergences and possible convergences.

As to the two Scandinavian countries included here, comparative conside-
rations are given the character of analyses of “most similar cases”. Com-
mon traits (small open economies, strong labour movements, comprehen-
sive welfare states) make a reduction of complexity possible from the outset, and then we can go on to analyse the historical-empirical variances in the factors exposed.

The Nordic countries have different connections to the EU. Finland has gone into the economic and monetary union without any reservations, while the Danish people refuse to do so. Sweden has also chosen to stand outside (and Norway is not a member at all). Furthermore, different monetary regimes exist in the countries: Denmark has a fixed foreign exchange quotation, while Sweden, Finland and Norway have floating rates of exchange.

Economic developments were also divergent in the 1990s. Sweden and Finland faced a severe recession at the beginning of the decade, almost bloc-
ing economic growth. In Sweden, devaluation and political efforts at market adaptation made the system unstable for some years. Norway, due to its oil resources, was not heavily affected by economic troubles, and the Norwegian economy recovered well from its bank crises and smaller recession at the beginning of the 1990s. Denmark had economic problems from the late 1970s onwards, and with the exception of the period 1984-86, reco-
very did not occur before the mid-1990s, which was also due to the new 1993 government’s mix of Keynesian fiscal policy and active labour mar-
et policies. Socially, Sweden and Finland were shocked by the unusually high unemployment figures that rose sharply from 1990. Norway had small fluctuations compared with Sweden and Finland, and an unemployment rate below 5 per cent did not cast very dark shadows over the social picture. Denmark had severe problems in the first half of the 1990s but became a European success story within a few years. As to welfare reforms, Sweden and Finland were more dependent on solving the public expenditure
problem than Denmark and Norway. Cost containment in public spending also occurred in Norway but here because of political will – not because of economic pressure. External pressures varied slightly, but major differences were related to internal pressures and policy choices.

As to adaptation of negotiation systems in the 1990s in the Scandinavian countries, Denmark decentralized wage negotiations, as did Sweden, where macrocorporatism and formal centralization partly collapsed, but was again counterbalanced by strong coordination mechanisms and conciliation institutions on sectoral levels (Dølvig and Vastiainen, 2002; Elvander, 2002a and b). Norway re-centralized negotiations and Finland maintained strong centralization even under hard economic conditions. The conditions for effective coordination of wage policy and public policies do not exist only in centralized or fully decentralized wage negotiations, but are to a high degree dependent on the capacity for both horizontal as well as vertical coordination of arrangements and agreements (Traxler et al., 2001). A weak vertical steering of incomes policy can easily provoke poor results. It is thus coordination capacities and systemic “flexibility” that count. And the Nordic countries have shown a remarkable degree of stability and adaptation, promoted by cooperative actor strategies. National collective agreements are still the dominant form of regulation of wages and working conditions in all Nordic countries. However, incomes policy has not been seen in Sweden, while this is the case in the other countries. Also in the public sector, general collective agreements are made at national level, but implementation involves decentralized collective actors as well. The dual role of the public sector as both employer and interventionist agent in society has resulted in heated political debates on public actions. New regulations are called for. As about one third of all wage earners are employed by the state, counties and municipalities, this is a factor not to be underestimated when evaluating the actions and priorities of the trade unions in social restructuring in the 1990s.

- Political participation by the trade unions

Reforms in social and labour market policies have taken different shapes and directions, but do we also see different actor systems in the three countries and are trade unions following different strategies? Even if the trade unions are present in all the systems, variable goals, resources and results can be found both in labour market regulation and in political decision-making. In order to highlight the role of the trade unions in the restructuring of the welfare and labour market systems, it is appropriate to look at both access structures and ways of influencing public policy in the three countries. Institutionalized forms of influence can be aimed at both politicians and bureaucrats, and the political-administrative system can give...
privileged positions to interest organizations in corporatist arrangements. These kinds of inclusion of interest organizations can be of a segmented nature, the best known of which are perhaps the political and administrative bodies proposing and implementing labour market policies (Hermansson et al., 1999). Non-institutionalized forms of influence can vary from direct actions (strikes, sit-downs and so forth), direct contacts (lobbyism), agenda-setting via the media and permanent contacts with the media.

If we look closer at the modes of political participation, making a distinction between interplay with politicians and with bureaucrats, combining this with the degree of institutionalization, we arrive at different forms of corporatism and lobbyism (see Figure 1).

Figure 1: Interest organizations and modes of political participation

<table>
<thead>
<tr>
<th>Addressers</th>
<th>Institutionalization</th>
<th>Strong</th>
<th>Weak</th>
</tr>
</thead>
<tbody>
<tr>
<td>Politicians</td>
<td>Political corporatism</td>
<td>I</td>
<td>II</td>
</tr>
<tr>
<td></td>
<td>Political lobbyism</td>
<td>IV</td>
<td></td>
</tr>
<tr>
<td>Bureaucrats</td>
<td>Administrative corporatism</td>
<td>III</td>
<td>IV</td>
</tr>
<tr>
<td></td>
<td>Administrative lobbyism</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The rules governing behaviour tend to be vague or even ambiguous when it comes to lobbyism, which definitely is not the case in more institutionalized forms of corporatism. By investigating the modes of political participation, we also get a picture of the policy style of the 1990s in each country. The question is whether some form of corporatist co-determination has survived in Denmark and Sweden, and if new kinds of lobbyism have replaced “old” corporatist arrangements (Schmitter, 1974; Schmitter and Lembruch, 1979; Öberg, 1994). The role of trade unions in the restructuring of social protection systems and labour market policies is accounted for by national stories of labour market and policy developments during the 1990s.

The analysis also shows that there is plenty of room for manoeuvre in economic and social policy in each country. No evidence is found to support the popular view of welfare states being economically inefficient and only creating disincentives to work. The policies implemented have not been retrenching welfare spending, and even improvements of social standards and employment arrangements can be found. Universalism has been the firm basis of equality-oriented policies, especially in Denmark. The labour market and social policies regimes have been preserved. At the foundation of these regimes the powerful trade union movement is found. A well-organized and mobilized working class has been the basis of co-operative strategies, both professionally, in relation to employers’ organizations, and politically, where co-operation with Social Democratic governments has often been strong. But throughout the 1990s changes occurred in this respect. It is important to stress that, in Scandinavia, unemployed people remain in the trade unions, and the unions develop comprehensive programmes and initiatives for reintegrating
unemployed members and for improving the public social and activation systems. The trade unions are strong political actors.

Trade unions in all Scandinavian countries have traditionally been in favour of strong welfare states and an activist approach in public policies. More specifically, this amounts to positions like these, found around 1990:

- **a comprehensive and powerful public sector with social responsibilities for all citizens.** This must encompass social protection, social services, education, housing, and also address other social needs. A high degree of universalism is fundamental – also for the legitimacy of the welfare state.

- **full employment and active employment and labour market policies**, making it possible for the national economy to be both competitive, balanced and to find fair solutions to problems. This presupposes co-ordination of macroeconomic policies and sectoral policies, and the social partners (or “the labour market organizations” as they are called in Scandinavia) must tackle wage bargaining within a course or corridor compatible with productivity developments and wage increases in other countries.

- **all citizens are entitled to basic social protection regardless of their labour market status.** There must be a flat-rate basic security, financed by high taxes, but here is also an earnings-related unemployment security. This Ghent-system is the only element of social insurance, and it is administered by the social partners (except in Norway).

- **the Scandinavian countries are small decentralized countries in which municipalities perform most social services, and have strong democratic traditions to build upon.** The municipalities are in strong positions in the state system, they allocate the majority of public expenditures, and they perform most welfare tasks, close to the citizens. There must be short power distances everywhere.

- **income distribution must be relatively equal**, and this is to be secured by a progressive income tax system. The trade unions are in favour of solidarity policies, both in wage bargaining and in public interventions. Poverty rates are accordingly low.

- As social and labour market arrangements rest upon individual rights, **women** are not economically dependent on a male breadwinner, and **gender equality** is to be considered one of the pillars of the Scandinavian welfare states. Women have the highest participation rates in Europe, and they are represented on an equal basis in the trade unions with men. The unions have been “feminized”.

- **the strong trade unions** have high organization rates, ranging from 56 per cent to about 85 per cent, and a broad coverage of collective agreements secure that minimum wages are relatively high and that few people are without professional protection. A tradition of voluntaristic regulation is very strong in Denmark and Sweden. The Swedish labour movement has often been considered one of the most powerful in the world, penetrating most fields of Swedish society, from local religious boards to national decision-making bodies.
Let us see what happened during the 1990s, how the orientations developed in each country and eventually changed the preference structure of the trade unions, and what degree of success the trade unions have had in influencing public policy-making.

**Sweden**

Apparently, the most dramatic changes have taken place in Sweden. Although firm retrenchment policies (Pierson, 1994, 1996) have not been implemented, the public sector has been on the defensive, and the traditional strong corporatist bodies in Swedish policy have been changed in a number of ways (Svensson, 2001). The very existence of a well-defined “Swedish model” might be questioned. Special attention is therefore given to the Swedish case first.

A historical compromise between capital and labour laid the foundation of the (old) Swedish industrial relations system in the 1930s (“Saltsjöbadavtalet”). With this “New Deal” came intensive public interventions in the labour market, which was especially strong from the 1950s onwards. The social partners were placed in privileged positions as corporatist decision-makers and implementation agents. A centralized system paved the way for the concept of the Swedish model with strong fiscal policies and active labour market policies, formalized in the so-called “Rehn-Meidner Model” (Kjellberg, 1998; Rothstein, 1992). The labour movement was in a strong position and Social Democratic majority governments could extend the industrial and political strength of the trade unions to the political-administrative system. Parallel developments took place in Norway in the 1930s, but the importance of active labour market policy and administrative corporatism never reached the same high level as in Sweden. In Denmark, the private labour market regulations system was established much earlier, before 1900. The “September Compromise” of 1899 was the first basic industrial agreement in the world and it is still defining the rules of the game in collective bargaining. Basic agreements saw the day in Sweden in 1938. 

Goals in public policy in all Scandinavian countries have been to secure full employment, balancing economic developments and implementing social reforms in order to grant social citizenship to everyone. The trade union movement has been advocating social reforms and welfare state arrangements and the Social Democratic parties have been in governmental positions most of the time since the 1930s. One of the important traits of the systems has been the combination of centralization and decentralization in both industrial relations and in public decision-making. Early on, the union workplace organizations representing the national associations at enterprise level became part of recruitment, staffing and bargaining processes.

---

1 In Norway this happened in 1935, in Finland in 1944.
And at national and sectoral levels, collective agreements were made, constituting a three-tier system of collective bargaining – in Denmark from the 1930s, in Norway from the 1940s, in Finland from the 1960s, and in Sweden from the 1950s, with the most centralized system in accordance with the wishes of the Swedish employers’ confederation, SAF. This strong centralization in Sweden disappeared again during the late 1980s and 1990s, and also to some extent in Denmark, due to actions by the employers. This has left the Swedish LO (Federation of Trade Unions) with decreasing power and increasing legitimacy problems. LO used to have a powerful influence over affiliated unions due to the abolition of balloting on collective bargaining results from the late 1940s.¹

With the expansion of the public sector since the mid-1960s, the traditional blue-collar unions have been supplemented by new types of white-collar unions (with a majority of women), also strengthening the role of bargaining cartels and corporatism within the public sector. At every political and administrative level – municipality, county and state – unions are present on internal advisory boards and take part in decision-making arrangements, which strengthens the dual system of representation and co-operation. In the public sector, the unions have a membership basis of over 90 per cent, while the private sector has figures down to about 70 per cent in Denmark and about 75 per cent in Sweden.² Tension arose between the central organizations in Sweden, as decentralization of bargaining structures developed over the past two decades and corporatist arrangements came under attack. The centralized system was partly dissolved, and the trade unions were no longer united. Labour legislation in the 1970s covered a wide range of areas (labour law, wage earners’ funds, job protection and so forth) and was a political reaction to a radicalization of the union agenda, which in the 1980s made the employers’ federations more unsatisfied with the “historical compromises”. The solidaristic wage policy, functioning as an extra-governmental form of incomes policy, was unpopular too. A general industrial conflict in 1980 and subsequent new strategic considerations on the side of capital paved the way for a more militant approach, and this counter-offensive was implemented in the late 1980s and the 1990s. The strategic position of the social forces and class organizations was shifting. Capital (especially multinational companies) has been on the offensive, trying to undermine the traditional axis of LO and SAF.

¹ Unlike Denmark and Norway, where the use of membership ballots on draft agreements put a great deal of pressure on union negotiators, and in case the union members vote “no”, politicians are much keener to intervene politically in order to prevent general strikes and lockouts. In Norway, the extensive use of compulsory arbitration is also very important. In Denmark, the state has a mediator, who is given the right to aggregate ballot results from different sectors and unions in order to prevent a “no” response to the draft. Otherwise, blueprints for agreements are often transformed into laws.

² Norway has no union unemployment insurance funds (which are run by the state) and with the absence of this institutional pillar for the trade unions lower density is to be expected. This is down to 56%.
On the side of the wage earners, the organizational picture has also been shattered. TCO (Swedish Confederation of Professional Employees, founded 1944) and SACO (Swedish Confederation of Professional Associations, founded 1947) have become very important in both the industrial and the political sphere. They were also appointed members of many commissions and boards in the Swedish system (Lewin, 1992).

In 1992, SAF simply withdrew from corporatist representation, among which the AMS (“Arbetsmarknadsstyrelsen”, the leading board of the labour market authorities) was the most prominent (Rothstein and Bergström, 1999). Administrative corporatism suddenly seemed to break down. SAF would no longer give legitimacy to policies, which, to an increasing extent, were made by leading administrators following New Public Management concepts, and macrocorporatism was now seen as a potential obstacle to market clearing and social restructuring. So strategic orientation in a pro-European and market-oriented direction also paved the way for this dramatic shift on the side of the employers. The political system reacted in an unusual non-Social Democratic way to this.

Today, representatives on the boards are granted a personal mandate by the government, and, in actual fact, it is still people from the labour market organizations who are the decision-makers. But this situation also gives the organizations the chance of operating more freely as lobbyists. And they do. The unions also use direct contacts more often, especially trying to influence politicians. Employers’ organizations rely more heavily on intense contacts with bureaucrats and civil servants. But the reorientation shows that political agenda-setting is now considered more important than the implementation stages of policy development.

SAF wanted a “change of system” of corporatist representation, but ironically, the employers’ confederations were forced to participate in political corporatism in the form of central wage concertation under the auspices of the state in the 1990s, following proposals from a tripartite “national mediation commission”, the Rehnberg Commission. Strong fragmentation of the bargaining system, high unemployment figures (8.2 per cent in 1993), and the need for reconciling wage increases, inflation and social reforms were met by a state-led effort of political re-regulation in 1991-95. Stabilization agreements were extended to all kinds of unions. This re-centralization threatened the tradition of strong self-regulation by the social partners, and, in 1997, they made a new kind of “compromise”, an industrial agreement (called “Industriavtalet”), which again stressed institutionalized self-regulation, but with neutral mediators at national and sectoral levels (Elvander, 2002a and b). State conciliation is now out for most union members. Private conciliation and regulation has replaced state conciliation for about 60 per cent of the total labour market. But this new negotiation system is not favoured by TCO and SACO.
The old Swedish “model” was difficult to identify at the beginning of the 1990s. More market-friendly policies were adopted and the unemployment benefit system was depreciated (Svensson, 2001; Klitgaard, 2002). The strong state interventionism of the 1970s vanished in many areas. Much of the labour legislation of the 1970s was abolished (on job security in 1974, union workplace representatives in 1974 and co-determination in 1976), and the role of solidaristic wage policy also lessened. Unemployment insurance benefits were – officially due to problems of public budgets – lowered from 90 to 80 per cent in 1993 and again to 75 per cent in 1996, and then upped again to 80 per cent. Work requirements were strengthened and the period of support shortened. In this respect, the Swedish unemployment benefit system was slightly winged. Childcare was also reformed at the beginning of the 1990s, with support for more private opportunities. Free choice was introduced in several policy areas. Trade unions warned against the effects on social redistribution. The social restructuring of the protection system was, then, negotiated with the trade unions. The social dialogues could continue, but often in new forms and more political arenas.

The labour market organizations still send representatives to almost all committees and most commissions, although one-person commissions have grown in number over the last decade. Still, within labour market and social policies, the trade unions have firm representation in preparing legislation and programming policy implementation.

So what conclusion can be drawn concerning the question of the role of the trade unions in Sweden in the 1990s? The way private influence is institutionalized changed for certain. Political corporatism in Sweden was more state-led in the first half of the 1990s, as the economic crisis also hit Sweden extraordinarily hard, but social pacts were more restricted to wage moderation, without incorporating a large number of social protection issues, as was seen in other European countries. Advisory councils and bipartite bodies (on supplementary insurance and job security schemes, for example) were set up with union representatives. In relation to administrative corporatism the trade unions used to be member of the executive board of government agencies, which have great autonomy in Sweden. Now “personal mandates” dominate, and this makes it much more difficult to hold organizations accountable for public decisions and arrangements, but the appointed representatives still have the opportunity to influence these. In 1960, interest group representatives held 69 per cent of the seats in government agency boards within the labour market field, but the figure in 2000 dropped to 23 per cent (Svensson and Öberg, 2002). Trade union participation and influence may not have disappeared in Swedish administrative...
corporatism, but the old tripartite government bodies no longer exist at central or decentralized level, with the exception of the Labour Court and the Pension Insurance Fund. The Swedish trade unions are very occupied at the moment with political questions in relation to pensions. The class struggle will also be a struggle for future pension and cash benefits.

When it comes to non-institutionalized forms of participation, these have clearly grown in importance for the trade unions. Direct contacts with the politicians are frequent and of wider scope, and contacts with bureaucrats occur on a daily basis. Consultations take place all the time at all levels. More seldom is the use of direct actions (strikes, sabotage and so forth) and the use of consulting agencies, lying between the public and the private sector, becoming political actors for organizations with major resources, is still of marginal importance. Media contacts, however, are becoming more and more important. From a recent survey it is clear that the political representatives are the most important addressees (Svensson and Öberg, 2002). Fifty-five per cent of the trade unions report contact with public representatives at least once a month (whereas employers’ organizations are down to 39 per cent, which is still not a low figure). Lobbying is a normal political activity of trade unions. One should also notice that over the last two decades about 70 per cent of the trade unions have created separate departments for information, media contacts and public agenda-setting. The class struggle has, in part, been transformed into a media struggle.

The strong political orientation of trade unions is also documented by another Swedish investigation, suggesting that LO is paying special attention to the Social Democratic Party – which is in power and has organizational and ideological affinity to LO – and this also accounts for TCO and SACO, but these organizations also emphasize direct contacts with ministries (see Table 1, Svensson and Öberg, 2002). These figures, from 2000, also confirm that employers are focusing more on civil servants.

Table 1: **Proportions of individuals representing labour market actors (employers, LO, TCO and SACO) who make contact with central political and governmental institutions once a month or more (per cent)**

<table>
<thead>
<tr>
<th></th>
<th>Social Democratic Party</th>
<th>Conservative Party</th>
<th>Committee on Labour Market</th>
<th>Ministry of Industry &amp; Commerce</th>
<th>Ministry of Finance</th>
<th>Labour Market Board</th>
<th>Board of Occupation, Safety and Health</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employers</td>
<td>21</td>
<td>19</td>
<td>3</td>
<td>18</td>
<td>10</td>
<td>13</td>
<td>16</td>
</tr>
<tr>
<td>LO</td>
<td>59</td>
<td>0</td>
<td>9</td>
<td>27</td>
<td>13</td>
<td>11</td>
<td>13</td>
</tr>
<tr>
<td>TCO</td>
<td>30</td>
<td>4</td>
<td>8</td>
<td>29</td>
<td>12</td>
<td>14</td>
<td>4</td>
</tr>
<tr>
<td>SACO</td>
<td>27</td>
<td>15</td>
<td>4</td>
<td>11</td>
<td>11</td>
<td>4</td>
<td>4</td>
</tr>
</tbody>
</table>

The confirmation of politically-oriented unions is strong. Especially in relation to administrative corporatism, Sweden now performs differently
from its neighbouring corporatist countries. Agenda-setting and political influence in commissions and other arrangements on the input side of the political system do not seem to have been weakened on the side of the trade unions. Empirical findings stress the importance of lobbyism and direct contact with politicians and bureaucrats, but they do not tell us exactly how powerful the unions have been. Indirectly, one can see that they did not succeed in preventing the political authorities from partly destabilizing social security, reducing benefit levels and not improving occupational safety and health.

The existing programmes have been trimmed, but most of them have not been transformed. State interventionism has weakened, while the public sector has been enlarged, and self-regulation has been reintroduced in industrial relations. There are good reasons to believe that the trade unions are still considered key political actors in the Swedish system, although the central organizations have been weakened, and this has paved the way for social restructuring not always to the advantage of the wage earners. Sweden has witnessed a partly successful employer-driven deregulation and decentralization in the labour market, but the universal welfare state arrangements have not been dismantled and support for universalism is still high.

**Denmark**

The early foundation of a private negotiation and conflict resolution system in Denmark made LO (Danish Federation of Trade Unions, founded 1896) and DA (Danish Employers’ Federation, founded 1898) central actors in the industrial system and significant political actors as well. The first corporatist body in Denmark was formed in 1898, a year before the “September Compromise”. The social partners regulate issues which in other systems are handled politically (i.e. working hours and minimum wages) and they also run a “private” industrial court system (“Arbejdsretten”). The historical heritage of the Danish system is reflected in the fact that only marginal changes have since been made to the original agreement (in 1960, 1973 and 1993). Strong and powerful collective actors are able to modify and adapt rules to changing circumstances and pressures more easily than legal regulations, and the mechanisms for resolving conflicts work quickly and efficiently. But it is the collective actors that count, not the individual worker or employer, as in most other European systems.

The Danish system is a highly voluntaristic regulations system combined with strong labour market policy arrangements in which the social partners are the most important decision-makers. The central actors and some academics (Due et al., 1994) refer to this as the successful “Danish model”. The limited legal and political intervention in Denmark generates problems, as not all employers and employees are covered by collective
bargaining, and this applies to almost one quarter of the total labour force of 2.8 million people (Due et al., 1994; Scheuer, 1996). Because of this, in 2002, the EU forced the Danish authorities to accept supplementary legislation in relation to EU directives, while throughout the 1990s the social partners and the Ministry of Labour did not want any political intervention at all but practised implementation only through collective agreements.

In the post-war period, the Danish industrial relations system was highly centralized. A state mediator played an important role in avoiding open conflicts when agreements ran out. This is not always the case today and open general conflicts do break out, the last one occurring in 1998. Politicians had to stop the conflict after one week. Agreements are normally subject to endorsement by the membership of union ballots, which gives respect and legitimacy to the regulations (Ibsen and Jørgensen, 1979; Scheuer, 1998). In the organizational system, based predominately on crafts and not on industrial unionism as in Sweden, LO is still the most important actor with 1.4 million members, but white-collar industrial unions have also come to play important roles, representing, amongst others, union members of the FTF (Central Confederation of Salaried Employees, founded 1952), the AC (Central Confederation of Professional Associations, founded 1972, the members of which have academic degrees) and certain “service” unions. There is a very complex pattern of trade unions in Denmark, but only the three central organizations have permanent places in corporatist arrangements. Nowadays, LO organizes only about two-thirds of all members, FTF about 15 per cent, and AC 7 per cent. In LO, private-sector unions are still dominant and the close collaboration between LO and DA means that private-sector views and influences are dominant, too. Problems do arise from the fact that DA represents all the employers in labour market discussions and decision-making processes.

Even during the widespread economic crisis of the 1980s and early 1990s, Danish trade unions were able to recruit more members, which was also due to the close link between the trade unions and the unemployment insurance funds. Union density rose by 3 per cent between 1975 and 1989, peaked in 1995 at 84 per cent and is now down to 81 per cent. Decentralization of wage bargaining and collective agreements accelerated during the 1990s – one could talk of a “centralized decentralization” (Due et al., 1994) – and was operated mainly along industrial lines, which are inappropriate within the predominantly general and craft membership structure of the organizations. A solution was sought in the unions’ bargaining cartels, but success has been limited. In the public sector, two bargaining cartels also exist, for the state and municipalities respectively, but here the organizations are

1 Structural change on the side of the employers’ organizations during the first part of the decade called for new considerations and actions on behalf of LO, as central organizations’ authority is weakened in times of decentralization. The changes also stressed the central role of agenda-setting and participation in decision-making in public policies for the central organizations. And they have greatly intensified this.
deeply involved in daily co-operation with employers in the public institutions. Internal administrative corporatism was thus strengthened during the 1990s (Jørgensen, 2002a) and this is an important factor in the resistance to rapid social reorganization.

A Social Democratic-led government took office in 1993 and started to reform labour market policy and rules concerning unemployment benefits (after proposals made by the “Zeuthen” commission in 1992). Important arrangements were made during the 1980s in labour market policy, such as reforms of the job offer scheme (originally invented in 1978) and the first efforts to give unemployed people rights to vocational training and further education. But, on the whole, the labour market policy was not very active; it was in deep need of reformulation. In 1993, a new policy-mix with expansive financial policies and a new need-oriented activation system was introduced, together with a reform of the rules for having access to renewed unemployment benefit. From being able to stay 7 years in the system, it gradually came down to 4 years during the 1990s. This was decided by a Social Democrat-majority government. The level of unemployment insurance benefits was not reduced, but new rules might be seen as creeping disentitlement. Young people under 25, in particular, were compelled to take up job offers at reduced pay or enter into education. This tightening of rules went hand in hand with the introduction of a personal action plan for each unemployed person, starting different kinds of activation. Training and education are now the most important measures used in the new system, administered by 14 regional labour market boards. These boards are corporatist bodies with representatives from the trade unions, the employers’ organization, the municipalities and the county (Jørgensen, 2000, 2002b).

Administrative corporatism in Denmark was strengthened in the 1990s. Here, deliberative processes and joint decision-making took place, programming the implementation of regional labour market policy, assisted by the public employment service system. Finally, with the support of the trade unions, leave schemes were introduced in 1994: educational leave, sabbatical leave and parental leave. Only the latter is still in use now, but all three schemes proved popular. Many trade unions were active in influencing municipal decisions on better childcare. This was also a way of promoting female labour market participation. And improvements were seen in almost all of the 275 municipalities. The employment rate rose during the 1990s and over 200,000 new jobs have been created since 1993.

Wage increases were moderate during the 1990s, even if unemployment dropped remarkably quickly from 12.4 per cent in 1994 to 5 per cent in 1999. Foreigners talk of the “Danish job miracle”, with a flexible labour market, effective labour market policies, growing employment and no serious economic problems in the balance of payments (Cox, 1998; Auer, 2000). On the other hand, an early retirement scheme, introduced in 1979, has proved very popular, and early retirement, combined with smaller numbers of young people entering the market, now seems to bring future
problems to the supply of labour. Discourses are now moving from unemployment problems to those of supply and quality of labour.

From the late 1980s, employment-related pension schemes were introduced in private collective agreements, and they have been extended ever since. This is a first step away from the universal welfare state arrangements in Denmark and a first step towards European integration, as these earnings-related schemes break with the principle of citizenship and tax financing. This change has happened without much public debate on solidarity and change of system, but it was the trade unions who advocated this “innovation”. The trade unions, both private and public, pressed for more political and social reforms, and, in fact, the political system improved some of the schemes during the last part of the decade. However, the Danish labour market actors and the political system were reluctant to reform schemes for immigrants and refugees. In the first half of the decade, they were put in marginal positions on the labour market and many of them have never been given a chance in this respect. They now constitute about one half of all the people on social assistance, administered by the municipalities, and much political attention is given to these groups in Danish society. The role of the trade unions was not very flattering in this respect, and joint campaigns run by employees and public authorities for more social inclusion have only recently become successful, overcoming the merely symbolic character of the inclusive labour market. Prevention, retention and integration are the three elements of the Danish inclusion strategy. But help has been given primarily to those already employed. Thus, the top organizations of the employers and trade unions seem to have reduced corporate social responsibility to mean internal social responsibility rather than external social responsibility (Bredgaard, 2003). “Social chapters” in collective agreements give opportunities to employ people with reduced working capacities at reduced wages, but only a few thousand people have been helped in this way until now.

In social policy, restructuring has taken more forms and paths (Kautto, 1999; Jørgensen, 2002a). Service provisions have been improved in a number of areas, especially childcare and home care, but altered in accordance with NPM concepts, while income transfers, both in relation to temporary, “passive” benefits and activation services have been lowered in some respects. Trade unions are in favour of a public guarantee that all children between one and five years of age can have a place in a kindergarten or some other type of public care, and this was almost achieved in 2000, partly because of increased government subsidies. Local trade unions are often most active in trying to influence decentralized politics and administration to the benefit of their members. In Denmark, the welfare state is first and foremost a welfare municipality.

In sum, the Danish welfare system has only been subject to moderate changes. A new “social reform” was established in 1998 without political conflict, but also without commission work, and the trade unions were mostly
interested in the law on active social policy, even if their interest in social policy matters increased throughout the decade – as did that of the employers’ federation, perhaps to even a greater extent. Activation occurred both in the state system and in the municipalities, and the social partners were also represented in the social policy arena in 1998 through “local coordination committees”. This constitutes yet another corporatist arrangement in Denmark. The social partners have broadened their political attention and agenda-setting activities to almost all policy areas, which was not the case only two decades ago.

The policy style of the 1990s changed in some areas, becoming more consultative and intergovernmental. Sometimes the political system made its own proposals and only allowed the social partners to comment on these drafts, thereby relegating them to lobbyists. There are now fewer official commissions, as documented in Table 2 (source: Christiansen and Rommetvedt, 1999, p. 198).

Table 2: Number of boards, councils, commissions etc. in Denmark, 1980-1995

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total number</td>
<td>732</td>
<td>515</td>
<td>387</td>
<td>369</td>
</tr>
<tr>
<td>Boards, etc. with members from interest organizations</td>
<td>537</td>
<td>394</td>
<td>326</td>
<td>246</td>
</tr>
</tbody>
</table>

It is, however, a qualitative question what the importance is of this numerical reduction of political corporatism seen against the increasing reliance on administrative corporatism in the Danish system. Some might think that neo-liberal policy changes will undermine the faith in the efficiency and effectiveness of corporatism and increase lobbyism, the non-routinized contacts (Svensson, 2001; Christiansen and Nørgaard, 2003). The Danish developments show that there is no causal connection at work here. Both corporatist and lobbyist arenas have become of vital importance to the trade unions, also given the fact that Denmark has often minority governments and a tradition for incorporating the interest organizations in political life as “affected parties”. Previously, reforms were planned first, through extensive and protracted committee and commission work, usually resulting in a lengthy report. Legislation took place afterwards. In the 1990s, politicians no longer accepted this significant time lag, and partially changed the policy style in a number of policy areas. “Quicker” decision rounds were made with selective incorporation of interest organizations and with partially hidden agendas. This applied to reforms of adult vocational training and education and part of labour market legislation as well. Many social policy decisions were taken in budget rounds behind closed doors in negotiations between government and local government organizations. But the results were often disappointing, with loss of legitimacy in several cases. Accordingly, the trade unions (and other interest organizations as well)
have tried to use informal contacts and forums to influence public policy, and they often take the initiative. Figures of growing intensity of contact with the central authorities 1976-2000 look like this (Christiansen and Nørgaard, 2003, p. 109):

Table 3: Percentage of organizations with at least monthly contact with public authorities

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Blue-collar orgs</td>
<td>41</td>
<td>66</td>
<td>71</td>
<td>89</td>
</tr>
<tr>
<td>White-collar orgs</td>
<td>39</td>
<td>51</td>
<td>55</td>
<td>67</td>
</tr>
<tr>
<td>All organizations</td>
<td>25</td>
<td>33</td>
<td>35</td>
<td>44</td>
</tr>
</tbody>
</table>

The result has been a more pluralist picture – already visible in the 1980s under conservative governments – but the privileged positions of labour market organizations have not been fully disarmed, administrators always contact the private organizations, and corporatism is still a systemic trait. Government, parliament and the bureaucrats must rely on the co-operation of trade unions, but the norm for involving the social partners has been weakened.

The Social Democratic-led governments from 1993 have created new forms of access and influence for the organizations, and mostly so for the old class organizations. The most resourceful organizations are also given the best opportunities to be present. But class relations are no longer so unambiguous, and LO loosened its ties to the Social Democratic Party in 1995 (and fully broke with the party in 2003). LO wanted to be able to act more independently and now have contacts with all political parties and bureaucrats at all levels. The reciprocity and transparency of contact patterns have been reduced. Findings suggest, however, that the stronger the resources and capabilities on the side of the organizations, the stronger they will be integrated and have influence (Christiansen and Nørgaard, 2003). No neo-liberal Eldorado has been established by setting the trade unions outside political influence and power in Denmark. Even a new Liberal-Conservative government from 2001 did not dare to break with the strong social partners, although the government wanted a “work first” approach to activation policy and a “package of freedom” to be implemented. Radical changes have not been seen yet.

■ Conclusion: national adaptation and trade union lessons

Social restructuring in Scandinavia is a mixed result of legislation, public policies, corporatist arrangements and self-regulation in collective
bargaining. The social and labour market reforms of the 1990s have brought into focus one industrial relation and four public policy topics:

– securing real wages and improvements of working conditions, working time, and quality of jobs, despite even more decentralized bargaining patterns.
– from passive income support to active policies, improving the activation systems with special attention given to the importance of job training and further education and thereby improving employability.
– fighting unemployment by strengthening incentives to take up a job and having duties and sanctions implemented along with offers, also reforming the unemployment insurance system and the public social assistance schemes.
– increasing activity rates, which is heavily dependent on public policies and social services, with support for childcare as decisive.
– income security supported by employment promotion. Public reforms try to encourage people to enter the labour market, even those who previously were non-workers (single mothers, disabled persons, older people, immigrants and refugees), while still guaranteeing basic welfare for all citizens. Paid work is now seen as the best and most important form of welfare and social integration, and each person has – morally – to take care of finding a job for herself or himself.

Social policy has been more closely linked to labour market measures and goals. Societal values change, and the new discourses stress individualization of risks as opposed to earlier socialization of risks. This also applies to women. Changes in policy orientation generate new policy issues and problems to be dealt with – but the answers are national, diverging. Common discourses are to be compared with different social restructuring results. No retrenchment policies, de-collectivization, or precarious employment relations have been tolerated in the Scandinavian countries, and the universal welfare state has not been seriously threatened, also because of the stability of the collective bargaining systems and the political influence of the labour movements. Path-dependent and path-shaping developments are still evident, but specific to each system. Even the Swedish changes and adaptations cannot be characterized as path-breaking developments, but we can talk of new labour market regimes in Sweden and Denmark, covering relations, norms and political regulations at all levels. Collective agreements, conflict resolution and cooperation between the social partners have been restructured – and more radically so in Sweden. Formative moments and different perceptions among the actors still explain much of the changes. Different national solutions framed by the universal welfare state have been the result – also due to the fact that the trade unions have used their strong political position in the systems to prevent a retrenchment policy from being implemented. Needless to say, the trade unions are not the only type of actor to take credit for this, but they have been influential social and political forces.
Continuity and stability more than flexibilization and neo-liberal restructuring have been the results in the Scandinavian countries. The pillars of the labour market and policy systems have not been shaken. The central role played by trade unions in wage determination and macroeconomic steering, in employment policies and development of social policies is still alive and kicking. But a multiplicity of wage earners, organizations, and interests are now to be seen in the landscape. The LO and its opponent employers’ federation are to lose the pivotal position in the systems. As collective agreements are no longer made solely at the central level, standardization has gone and more horizontal ways of coordinating understandings and actions have been the result. Internal pressures and changes in power positions and organizational patterns are some of the most important challenges to the Scandinavian trade unions. It is not “globalization”, “flexibilization” or “individualization” in themselves. Increasing feminization, white-collar employment and trade union activity have changed the operational standards of the systems, but mostly in the direction of stronger support for public welfare arrangements and combinations of “flexibility” and “security” (which might be called “flexicurity”).

Complex patterns of influence and incorporation of the trade unions emerged in the Scandinavian countries in the 1990s, Sweden being the system undertaking the largest changes, especially with the declining importance of administrative corporatism. But in Denmark, this “old” type was cemented and even enlarged during the 1990s, and corporatism experienced no

---

1 In Norway, the LO (Confederation of Trade Unions, founded 1899) and the employers’ confederation, the NHO (founded 1900) have had key positions in the industrial relations system consisting of both centralized and decentralized elements in bargaining processes. During the past decades, several other organizations have also placed themselves as significant actors in the system, especially in the public sector. In the late 1970s, the Federation of Norwegian Professional Associations (AF) and the Confederation of Vocational Unions (YS) were established on the basis of earlier units and independent unions. As to questions of labour market policy, competence development, parental leave and pensions, the new trade unions have been very active in trying to influence public policy, even though they were excluded from many committees in the first half of the 1990s. Relative fragmentation of white-collar unions and the strong centralization of LO (compared to the Danish LO) and its close relationships to the Social Democratic Party account for this policy choice. The number of committees has now fallen, while more direct contacts with politicians and bureaucrats are rising.

Parallel developments have recently been seen in Finland. Here, the trade union movement was weak for a long time. Only at the end of the 1960s did SAK, the Finnish LO, start to have significant influence in wage formation and in public policy. This is also due to the fact that the Finnish Social Democratic Party never had as strong a position in society as in the other Nordic countries. In the trade union movement, there was a strong division between Social Democrats and Communists (now “the left alliance”) and this political fragmentation was followed by rivalry, free-riding and frequent strikes. Over the last two decades, the white-collar union STTK and the academic union Akava have been given more important roles alongside the FPC, the Confederation of Trade Unions.
The Role of the Trade Unions in Social Restructuring in Scandinavia in the 1990s

decline in Finland or Norway either. Political lobbyism and administrative lobbyism developed in Sweden alongside weaker institutionalization of influence by the interest organizations. We can conclude that even if the policy styles were changing, the social and welfare state policy profiles were not.

Building on national analyses and generalizations from other studies, we can summarize lessons drawn by the trade unions in the 1990s in a renewed preference structure. The Scandinavian trade unions are in favour of:

– **voluntaristic regulation of wages and working conditions by the labour market organizations**, building on the principle of “free” collective bargaining and trustful collaboration at both national, sectoral, and enterprise level.

– **universal welfare state arrangements in relation to social protection, social services, education, housing and so on.** The trade unions are defending the welfare state in most respects.

– **active labour market and employment policies must be decided on and implemented in order to secure full employment and active participation in the labour market.** Unemployment is unacceptable, unworthy and a waste of economic resources. Activation policies must give real offers to the unemployed, and no “work first” approach is accepted. An inclusive labour market must be developed both with the help of public policies and through collective agreements.

– **solidaristic wage policies and progressive income taxes are still supported.** Redistributional effects must be obtained, but at the same time achievements are to be rewarded.

---

1 In Norway and Finland, it was possible to revitalize centralized tripartism, which was given a key role in handling adaptation needs during the 1990s. In Norway, the 1990s might as well be called a period of loss of power on the side of the employers in public policy making, as the NHO lost a lockout battle in 1986 and after this experience did not dare to refuse social compromises. In 1992, a so-called “Solidarity Alternative” framed wage determination, incomes policies and social restructuring, and this social pact officially functioned until 1998, but it still plays a vital role for common understandings and coordinations. The firm basis of the Norwegian labour market regime was not shaken during the 1990s (see Dølvig and Stokke, 1998).

The LO is in a strong position of power, even though the trade unions have fewer veto points than in Sweden and Denmark.

In Finland, more encounters between the bourgeois government and the trade unions occurred from 1991 to 1995, as the government tried to implement neo-liberal policies with new principles for wage determination. But the trade unions resisted so effectively that the line of incomes policy was not broken; incomes policy and social and tax policies were often negotiated together. A new government from 1995 again called for cooperation between the state and the social partners, and political corporatism functioned well again. But high and persistent unemployment put Finnish trade unions on the defensive in a dramatic way. They were unable to prevent low wage increases and social restructuring to the disadvantage of their members from taking place in the 1990s, and no social reforms were seen in Finland (Dølvig and Vartiainen, 2002). In 2000, a new social pact was blocked by a revolt against wage restraint within the LO. The Finnish labour movement never actually had a strong preference for major social reforms – unlike the Swedish trade unions political projects with wage earner funds and solidaristic wage policy.
- active gender equality policies must be developed and the municipalities must take responsibility for sufficient childcare and other arrangements relevant to labour market participation. Parental leave is now seen as a very important welfare element.

- highly institutionalized social dialogues between the labour market organizations and public representatives at all levels, making collective actors central for both agenda-setting, programming and implementation of public policies.

Last but not least, this summarizing needs at least two qualifications. First, in relation to labour market pensions, non-universal forms are now accepted as supplements to general pensions financed through taxes, and one also has to remember that the liberal social insurance principle behind the unemployment insurance system is constantly defended by the unions. Second, some changes have also occurred in relation to the interpretation of solidarity and equality; similar results are not always claimed by the unions and their members. The tendency is that equality is being substituted by equity. Evaluation of results are becoming more norm-based. The support for a compressed incomes scale is perhaps now stronger in Denmark than in Sweden, who used to be the front-runner. These changes in preference structure signals potential breaks with hereditary values.

One last conclusion: trade unions and other interest organizations have a natural place in a modern democracy and corporatist arrangements, both politically and administrative ones, and have shown their ability to find more balanced and fair solutions to social and economic problems. There are good reasons for giving private organizations privileged positions in relation to public policy making and implementation, and I prefer to talk of chosen strategies of “cooperative adaptation” (Jørgensen, 2002a, pp. 247-248). Apart from this, highly institutionalized ways of trade union participation in informal dialogues have grown in number and importance both in relation to politicians and bureaucrats – and in relation to the media as well. Networking has become almost an “industry” of its own. Networking implies open and shifting contacts, while institutionalized corporatism has permanency and closed structures. Seen from the perspective of the state, the question is how interest organizations can contribute to the steering capacity of the public sector, while the question from the perspective of the organizations is how to safeguard the interests of the members, normally through coalitions and strategic alliances. Often the state has potentially a more powerful position – and in Sweden this has been distinctly so. But the Rehn-Meidner recipe has been seriously challenged by the “Europeanization” of the Swedish export industry and right-wing policies. But corporatism is still developing in the shadows of the state.

The stronger the collective negotiation systems are, the easier it will be to combine market pressures with social protection, and the adaptation strategies of the actors will be more predictable too. The actors will so to say insure themselves against violent upheavals (Teulings and Hartog, 1998).
The Scandinavian negotiation systems are created with reference to small open economies able to handle fluctuations in the international economy and different developments of productivity (formalized in different economic “models”). Corporatist traditions for policy development have been one of the most important buffers to pressure from the environment and from international organizations. It is no coincidence that the collective actors are placed in privileged positions in Scandinavia (Öberg, 2002). They are not rendered superfluous – as advertised in almost every neo-classical view – but are, on the contrary, rewarded with key roles in the systems. But then their internal capabilities and creative power for co-ordination in each country are put to a test. The coherence of the negotiation systems and collective acts of will are decisive factors behind the national adaptation capacity.

Trade unions in Scandinavian countries have been important actors in professional and political developments and they take responsibility accordingly – irrespective of the political colour of the government. It is not Social Democratic government alone that counts – but the government’s strength and ability to fulfil its agreements. The labour market organizations are both policy-makers and policy-takers; they act as major transmission belts between the labour market and the state, as banks of knowledge and information, as conflict mediators and as social stabilization agents. In Scandinavia, public and private representatives meet behind closed doors within the state apparatuses and in the municipalities; they phone each other every day; they meet in commissions and committees, in boards, councils and through lobbyist actions. This is both dependent on and creates mutual trust and compromises in society, even if the conflicts will always be there, when negotiations fail. Besides high levels of social participation and highly developed welfare systems, the Scandinavian countries exhibit the highest levels of generalized trust – that is social capital – in all Western societies (Rothstein and Stolle, 2003). It seems that the Norwegian scientist Stein Rokkan (Rokkan, 1966, p. 105) was right in saying that “votes count but resources decide”, when it comes to judging the relative importance of the voter channel and the corporatist channel. In Sweden, the trade unions now seem to prefer parliamentary and governmental channels, and this is partly to be explained by the governmental position of the Social Democratic Party and the way the state has been restructuring the institutional settings, unseen in Denmark. Politicians and bureaucrats also accept and make use of both corporatism and lobbyistism. Besides resources, the capabilities and strategic knowledge and actions of the organizations have been decisive for the powerful roles in social restructuring – and that means in securing wages and working conditions and restoring welfare state systems.
Literature


The Role of the Trade Unions in Social Restructuring in Scandinavia in the 1990s


SCHEUER, S. Fælles aftale eller egen kontrakt i arbejdslivet, Copenhagen, 1996.


