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## **NORWAY: BETWEEN CORPORATISM AND PLURALISM**

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### **Introduction**

The Norwegian polity, along with the polities of the other small countries in Western Europe, has frequently been classified as close to the neo-corporatist model of interest group participation in politics (Crepaz 1992, Katzenstein 1985, Lehmbruch 1982, 1984, Schmidt 1982, Schmitter 1981). Focusing on economic politics, the argument in this chapter is that the concept of corporative pluralism gives a better description of Norwegian interest group politics, as pluralist tendencies are clearly detectable, especially in the period from the late 1970s to the present. The discussion follows two dimensions, with two polar opposites reflecting the noted distinction between corporatism and pluralism; (1) the processes of political decision-making and -implementation that involve organised interests and (2) the organisation of functional interests (Lehmbruch 1982, Schmitter 1982).

On the process-dimension the corporatist category of concertation denotes that organised functional interests are incorporated as recognised participants and implementary agents ("insiders"), through functional councils, routinised procedures of remiss and consultation, as well as delegation of administrative tasks. The pluralist category of pressure denotes the non-recognition of interest organisations as participants ("outsiders") and consequently their competition for influence on the direct participants and implementary agents, for instance by lobbying, or mobilising the opinion. On the organisational dimension the corporatist category of intermediation denotes a monopoly or cartel-like situation, where organisations are functionally specialised, singular, non-competitive, exercising compulsory membership and are hierarchically ordered. In addition, the organisations are licensed, recognised or

even established by the authorities, besides being granted representational and implementary privileges, in exchange for adaptation of demands, in selection of leaders etc. Intermediation therefore implies a limitation of the member constituencies' influence on the organisations, as well as organisational adaptation towards the authorities. The pluralist category of representation on the organisational dimension denotes a "free market" situation and the absence of governmental licensing, recognition or grants of privileges. It therefore implies more constituency influence and less adaptation to the authorities.

As noted, the pluralist categories of pressure and representation and the corporatist categories of concertation and intermediation are pure categories. This implies that most polities are expected to vary between these poles, more or less. The approximation to either model will therefore be a matter of degree, with corporative pluralism as the middle category, like in the Norwegian case.

### **Towards a corporative pluralist model <sup>1</sup>**

The Norwegian political system that was resurrected after the end of World War II continued the established form of parliamentary democracy. However, the Labour party that were to hold the government position from 1945 to 1965 and the absolute majority in parliament until 1961 faced a well established national interest group system with control of the economic resources that were vital to the implementation of its revised strategies for democratic socialism. The main producer

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<sup>1</sup> In this text we only refer to organizations and parties under their present name.

interests had been organised for decades in specialised trade unions, employers' associations and branch organisations, making for a high degree of functional differentiation (Berrefjord 1978, Eliassen 1981, Furre 1976, Hallenstvedt and Moren 1977). This crosscutting of class interests and sectoral interests was countered by the organisations' memberships in peak organisations. The dominating peak organisations representing the wage-earners and employers were the National Federation of Trade Unions (est. 1899), the Confederation of Norwegian Business and Industry (est. 1900) and the Federation of Norwegian Commercial and Service Enterprises (est. 1938)<sup>2</sup>. Most important among the peak branch organisations were the Norwegian Farmer's Association (est. 1896), the Norwegian Farmers' and Smallholders' Union (est. 1913), the Norwegian Fishermen's Association (est. 1926), the Federation of Industries (est. 1919) and the Federation of Commercial Trade (est. 1919).

Initially the Labour government planned to incorporate these organisations into a comprehensive three-tiered hierarchy of concertative bodies, with formal and binding deliberations on economic policies, within a framework of extensive planning and regulations (Bergh 1977, Eriksen 1992, Furre 1991, Grønlie 1977, Olsen et al. 1986, Sejersted 1984, 1988, Østerud 1979). But these plans were met with strong suspicion and opposition, both from the non-socialist parties and the capital-owners' organisations, especially after the completion of the economic reconstruction. They did not turn down concertation as such; the interest organisations did want some form of participation in the policy formation processes, to safeguard their interests under a Labour majority. But they preferred concertation within a less institutionalised and hierarchic framework, where the forms of co-operation should be decided on in each case and negotiations and obligations kept informal. This would mean a continuity of the form of organisational participation that gradually had been growing forth since World War I (Berrefjord 1978, Bull 1984). On the other

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<sup>2</sup>. The capital owners' organizations representing respectively employers' and branch interests were to merge at the end of the 1980s in new peak organizations under the names used here.

hand, the Labour government acknowledged the need for some form of acceptance from the affected organised interests, to be able to implement its policies. Furthermore, its ambitions of comprehensive regulation and planning were eroded from the outside, by Norway's inclusion in the increasingly liberalised western economic sphere.

The Labour government therefore had definitely retreated to a less ambitious approach by 1953. The system that developed was based on a tacit compromise, where the Labour party accepted the autonomy and participatory rights of the interest organisations, while the organisations and the opposition parties accepted stronger Government intervention in the economy (Bergh 1977, Furre 1991, Sejersted 1984, 1988). This modified form of concertation became an instrument to realise the idea of "national partnership"; play down the traditional conflicts of class and ideology for the sake of pragmatic co-operation (Arnestad 1974, Cappelen et al. 1984, Kvavik 1976). Its vitality proved itself, as it was continued by later non-socialist (1965-1971 and 1972-73) and Labour governments (1971-1972, 1973-1977) (Bergh 1977, Sejersted 1988). The turning point came in 1977, when the Norwegian polity faced the full effects of the international recession and the arrival of the neo-liberalist wave.

### **The structure of the system**

The internal structure of the system that developed was complex and multifolded, based on both functional councils, procedures of remiss and consultation, as well as delegation of administrative tasks. Its lack of formal institutionalisation is evident by the fact that very little was stated in Norwegian laws about these modes of concertation or the participatory rights of the organisations<sup>3</sup>.

The most formalised form of participation was the small (5-8 members) and specialised functional bodies subordinated to the central Government

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<sup>3</sup>. In 1967 organizations representing "affected interests" formally got the right to express their opinion when new regulations (not laws) are drawn up or old ones are proposed to be amended or abolished (The Administrative Law, paragraph 37).

(Krohn Solvang and Moren 1974). Numerically speaking their growth was impressive; 503 bodies in 1951, almost twice as high as in 1936, and 1155 in 1977, nearly five times the number of 1936<sup>4</sup>. They normally included representatives of the affected interest organisations, the central administration and the relevant expertise. In general, their policyscope and decision-making powers were limited; few bodies dealt with more than institution-specific or single policy questions. The mandates varied from supervising and/or advising public agencies (corporations, schools, administrative agencies), making enquiries and deliberations for policy decision-making, via co-ordination of various branches of the public administration, to handling citizen appeals. The major part of these functional bodies was permanent, but the important category that made enquiries and deliberations for policy decision-making were mostly ad-hoc bodies. A second, supplementary form was institutionalised by the procedure of remiss, where the organisations sent written statements that were incorporated into specific government white papers, law proposals etc., at the government's request or at their own initiative. In addition an extensive network of informal contacts and consultations developed between ministers or civil officials and the leaders of interest organisations. As for delegated regulation, the strongest forms developed in the sectors of agriculture and fisheries, where special laws and agreements with the government empowered the organisations to administer production and markets within their own sectors (Holm 1991, Krohn Solvang and Moren 1974, Steen 1983). Within the other sectors a private system of tariff negotiations etc., established by a General Agreement in 1935, was continued and de facto functioned like an unofficial delegation of incomes policies and matters related to productivity and work environment.

The absence of supreme co-ordinating institutions within this system of functional bodies, remiss, consultation and delegation meant that much of the difficult task of macro concertation fell on the government. Such concertation could be

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<sup>4</sup>The figures are gathered from the annual governmental White Papers to the parliament (St.meld. nr.7).

achieved through a coherent exercise of its formal control of the establishment, mandate and composition of the functional councils, the use of the remiss-procedure etc. But in practice these instruments had to be exercised with careful consideration to the organisations' initiatives and reactions. Their position vis-à-vis the government was strengthened, as they faced little competition from new organisations and gradually came to organise most of their categories, growing even closer to the neo-corporatists' notions of singularity and monopoly. This was especially valid for the capital-owners organisations and the primary sector organisations, but also the trade unions affiliated to the Federation of Trade Unions came to hold a dominant position among the wage earners in the industrial sectors (Bratbak et al. 1982b). In the tertiary sectors the organisational density was lower and they faced some competition from independent unions. Especially in the primary sector and in some professions organisational membership became compulsory in practice, due to their delegated administration of public policies and public funds. In the other sectors the organisations had to rely on appeals to collective solidarity (with class or profession) and their own production of services and professional support as inducements, to avoid "free-riding" (Hernes 1982). This cartellisation and high organisational density implied that the organisations became relatively autonomous towards the authorities, through their control over vital societal resources such as labour and capital (Bergh 1977, Bull 1982, Furre 1991, Rokkan 1987, Østerud 1979). As a consequence the authorities more or less had to grant them certain privileges of representation and/or regulation to gain acceptance for its policies.

On the other hand, there are examples of strong governmental initiatives for macro-level concertation, especially related to the regulation of the credit market and the price- and incomes policies (Mjøset 1987, Sejersted 1984). The bi-annual negotiations between the government and the farmers' organisations on pricing and subsidies etc.<sup>5</sup> were

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<sup>5</sup>. These negotiations had been established in 1950 and formalized by a General Agreement in 1954.

consciously co-ordinated with the negotiations in the other sectors, by keeping consumer prices and therefore wage demands down (Bergh 1977, Bull 1982, Furre 1991, Steen 1983). Furthermore, the government nurtured routinised contacts with the organisational leaderships to appeal for disciplined and moderate wage settlements - and sometimes showed it did not hesitate to intervene by law to get its way, in most instances with the organisations' tacit acceptance<sup>6</sup> (Cappelen 1983, Cappelen et al. 1992). In the 1960s these contacts became formalised by the establishment of three permanent functional councils for co-ordination of the incomes- and price-policies. But the government had to moderate its ambitions of formal and binding procedures, in order to get the hesitant organisations to participate (Bergh 1977, Bull 1982, Cappelen 1983, Cappelen et al. 1984, 1990, 1992, Elvander 1981, Olsen et al. 1986). A similarly ambitious proposal in 1973, for a council for long-term policies on prices and incomes was dropped altogether, because of opposition from the Federation of Trade Unions (Bull 1982, Elvander 1981, Furre 1991, Sejersted 1984). From 1974 to 1976 a unique experiment of tri-partite incomes- and price- policy concertation was undertaken by the Labour government, in full agreement with the organisations (Bull 1982, Furre 1991, Kleppe 1987). The government acted as a direct party and contributor (lower taxes, higher price subsidies etc.), in a set of centralised and very complex tariff negotiations. But this experiment was never repeated, as the government contributions proved to dissolve the real wage development completely from increases in profitability and productivity.

Apart from these attempts of macro-level co-ordination it became routinised that the decisional processes became sectorialised. The relevant sectoral organisations monopolised the representation of the affected interests and nominated their own representatives for the functional councils, in practice. This specialised representation pattern was also reflected by the two other categories of participants, the civil servants representing

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<sup>6</sup>. Centralized negotiations: 1945-52, 1963-1974, mandatory wage boards: 1945-52, 1964, 1966.

the Government and the "independent expertise" (Berrefjord 1978, Kvavik 1976, Egeberg et al. 1978). The more general interests of the peak class organisations or Government was played down through the development of an internal compromise culture, based on common sectoral interests (Bratbak et al. 1982a, 1982b, Egeberg et al. 1978, Hernes 1978a, Kvavik 1976). This was conditioned by several factors, such as the secrecy of the negotiations, the continuous elite-interaction in itself, the common professional backgrounds and the knowledge that internal conflicts could lead to interventions from the formally supreme political bodies of government or parliament. Furthermore, the representatives knew that all parties controlled sufficient resources within their respective categories to block policies going against their basic interests (Bergh 1977, Bull 1982, Furre 1991, Rokkan 1987).

These tendencies led to interpretations of the system as segmented (Egeberg et al. 1978, Hernes 1984). This implied a form of meso-level concertation, where the representatives of functionally specialised interest organisations, government agencies and professional experts became "insiders" in the sectoral policy-making processes and everybody else was "outsiders"<sup>7</sup>. It was also suggested that the interest organisations in fact had guarded their autonomy so well and gained so many privileges that the state had become "the state of the strong organisations" (Egeberg et al 1978). In other words, the authorities had not been able to make the organisations adapt, as suggested by the corporatist category of intermediation.

On the other hand, these suggestions may be a superficial observation of formal behaviour, neglecting the informal and less visible aspects of concertation and governmental power, where actors in specific sectors anticipate reactions from other actors or even internalise the broader policy lines. Edvard Bull d.y. has for instance pointed to that within the small and closely interwoven

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<sup>7</sup>. It was been suggested that even the parliamentarians was coopted and made "insiders" in these segments (Egeberg et.al. 1978, Hernes 1984), but this thesis has been moderated later (Egeberg 1981, Nergaard 1988).

Norwegian polity informal contacts, anticipation of reactions and common goal perceptions probably played a vital role in co-ordinating the top elites (Bull 1982). Other scholars have emphasised the Labour party's ability to set the premises for the processes within the polity, by continually controlling its agenda, as well as being the bearer of an ideological hegemony of social democratic values, in public opinion and among the elites. The concepts of "segmentation" and "the state of the strong organisations" are therefore confronted by concepts such as "the one party state" (Seip 1963), "the social democratic state" (Lafferty 1986, 1990) and "the social democratic order" (Furre 1991).

Our concept of "corporative pluralism" implies that there was a fragile balance. The governments clearly made concessions by granting privileges of representation and/or delegation, while the interest organisations accepted increasing regulation. However, the granting of privileges gradually changed the contents of the concertative game itself to a positive trade-off for the organisations and their members, as they learned to turn state regulation to their own advantage. The goal of rational economic regulation was undermined by short-term and sector-oriented policies that protected the organisations' members against "the verdict of the market" (Berrefjord & Hernes 1978, Hernes 1978a, 1978b). As we shall see in the next section, this was at least how the political elites perceived the situation by the late 1970s, when the Norwegian economy faced the full effects of the international recession, leading to attempts of regaining control and subsequent conflicts.

### **The pluralist challenge to the model**

Up until 1977 the corporative-pluralist model was evaluated as functional in improving economic performance and lowering the level of social and political conflict<sup>8</sup>. Even during the international recession that started in 1974 there was

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<sup>8</sup>. The figures for unemployment, number of working days lost due to conflicts, annual growth in GDP and inflation rates was better or equal to the OECD-average during the 1960s and 1970s (Crepaz 1992).

growth in employment, personal incomes and the GDP, while the inflation remained comparatively low (Crepaz 1992, Bull 1982, Furre 1991). But as the sluggish international growth continued deep structural problems within the Norwegian economy was gradually revealed<sup>9</sup>. This was interpreted by the political elites as a clear indication that the model was dysfunctional for the necessary adaptation and restructuring of the economy (Cappelen et al. 1990, Eriksen 1992, Furre 1991, Kleppe 1987, Midttun 1990, Mjøset 1987). Having secured its reelection in 1977, the Labour government's countermove was a partial suspension of the model. It launched contractive economic policies, without the traditional incorporation of interests and even intervening directly in the private arrangements between employers and trade unions<sup>10</sup> (Cappelen et al. 1984, 1992, Egeberg et al. 1978, Mjøset 1989, Sejersted 1984).

Like in the immediate post-war period, a liberalist-pluralist opposition challenged Labour's interventionism from the non-socialist parties and the capital owners' organisations. But this time their opposition became part of a general ideological mobilisation of the voters (the "blue wave"), that introduced a shift to a non-socialist parliamentary majority from 1981 to the present and non-socialist governments 1981-86 and 1989-1990 (Lafferty 1990). These elites shared the Labour party's perception of the former model as "a set of institutional rigidities", that countered effective adaptation. But instead of a stronger macro concertation and state intervention they called for a return to the market mechanism (Cappelen et al. 1990, Mjøset 1989, Nielsen 1989, Olsen 1986, 1988, St.meld.nr.83 (1984-85)). This "rolling back the state" - strategy

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<sup>9</sup>. Government support paid for increasingly more of the financing and employment in the industrial sectors (Eriksen 1992), Norway accumulated the largest relative current account deficit in the whole OECD-area (Fagerberg et.al. 1992) and the relative wage costs rose considerably more than among our trading partners (Cappelen et.al. 1984).

<sup>10</sup>. For instance the government intervened directly into the wage negotiations by mandatory wage board in 1978 and followed that with a law on wage- and price freeze that were to last until January 1980.

also implied reducing the interest organisations' privileges in the policy-making and implementation processes: Diminishing the role of functional bodies in policy-making, less sectoral and organisational representation in these bodies and a withdrawal from bi-partite or tri-partite negotiations with the interest organisations. Still, it should be emphasised that this was not a total ideological break with the established model, rather a modification in a pluralist direction<sup>11</sup>. This modification can also be detected under the later Labour governments (1986-89, 1990-present), in most policy-areas. Some of this continuity can be attributed to a gradual revision of the Labour party's programme along similar, but less radical lines (Olsen 1988, Innst.S.nr.286 (1984-85)). But pragmatic adaptation also has to be taken into consideration, as these governments had a weak minority basis in parliament that did not invite to strong interventionism. In addition, much of the legal basis for state regulation had been dismantled or made ineffective, due to the increasing internationalisation of the economy (Cappelen et al. 1990, Eriksen 1992, Mjøset 1989).

The tendency towards less formal incorporation of the interest organisations can be detected in the reduction of the number of functional bodies, from 1155 in 1977 to 729 (with 5 273 positions) by the end of 1991. This reduction mainly affected the important category of non-permanent bodies, usually assigned to policy deliberations<sup>12</sup>. As a compensation, the governments sought to utilise the less formal and less concertative remiss-procedure, as well as informal contacts and meetings with the organisational leaders and leaders of the largest enterprises. But this did not prevent a growth in the conflict level between the government and interest organisations, as well as between the

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<sup>11</sup>. The non-socialist government described the functional councils as a positive instrument in itself by supplying "professional competence and experience...local knowledge and views from certain interestgroups" that made "the legitimacy of the decisions increase(s) as well." (St.meld.nr.7, 1985-86:VII).

<sup>12</sup>. From 1977 to 1991 their share fell from 20% of all councils to less than 10%.

organisations. On top of this, much of the decision-making power (or rather veto-power) was in fact transferred to the parliament, due to the governments' weaker parliamentary basis and the dampening of the earlier inter-party consensus<sup>13</sup> (Eriksen 1990, Nergaard & Rasch 1988). This implied that government proposals could be vetoed in parliament, either by organisational initiatives (lobbying), or at the parliamentarians' own initiative. Organisational coalitions with their roots in the old segments therefore found a supplementary arena to protect their sectoral interests, by applying pluralist pressure tactics when made "outsiders" by the government<sup>14</sup>. The tendencies towards more pluralism did therefore not lead to more room for government co-ordination of the economic policies.

This problem became especially manifest after 1986, when another long economic recession hit the Norwegian economy, triggered by a dramatic and permanent fall in oil-prices and prolonged by low international economic growth. This showcased its structural malfunctions and led to attempts of a temporary revitalisation of concertation in some policy-areas. During the oil-boom based economic growth that lasted until 1986, the non-socialist governments' policy of decentralisation and non-interference in the private tariff negotiations helped the trade unions exploit the increasingly tighter labour markets, to get extraordinary generous locally negotiated wage increases (Cappelen et al. 1990, 1992, Fagerberg 1988, Furre 1991). From 1987 this was

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<sup>13</sup>. From 1977 there has been no single party majority governments and the only majority government the non-socialist coalition government in 1983-1985.

<sup>14</sup>. This seems to hold particularly for the sectors of powerintensive heavy industries, hydro power producers, oil exploration and -refining and ship-building (Andersen & Isachsen 1987, Cappelen et.al. 1990, Furre 1991, Midttun 1988, Mjøset 1987, Myklebust & Søybye 1989, NOU 1993:11, Willoch 1991). In the primary sector, where the interest organization had a tradition of mobilization of the parliament, such attempts of pressure to keep up the growth in transfers have not been as successful (Furre 1991, Holm 1991). In this case the parliamentary majority has supported the government's line.

reversed by the Labour governments, as part of their "turning operation" - policies to fight the recession (Cappelen et al. 1992, Furre 1991, Mjøset 1989). The Confederation of Business and Industries and the Federation of Trade Unions accepted the governments' strong appeals for decentralised tariff negotiations and moderate settlements 1987-1993. Despite highly detectable discontent at the lower levels, particularly in the Federation of Trade Unions, the organisations secured a loyal implementation of these central elements of the "turning operation" policy (Cappelen et al. 1990, Furre 1991). Other trade unions and non-members were more or less forced into the same pattern by a highly co-ordinated negotiation strategy from the employers ("carbon paper offers") and by an incomes- and profits regulations law 1988-1990 - to loud protests (Cappelen et al. 1990, Mjøset 1989).

This temporary reconcentration of incomes policies functioned well, both due to its strong parliamentary backing and the Labour governments' ability to gain the confidence of trade and industry leaders and still uphold the loyalty of the Federation of Trade Unions' leadership. But, as indicated earlier in this section, when it came to particular cuts in transfers and moderation of protectionism the governments were opposed by sectoral coalitions, often in alliances with parliamentarians ("iron triangles"). The government's recent establishment of two non-permanent committees, including representatives of the major interest organisations, political parties, as well as economical expertise was clearly an attempt to overcome these obstacles to macro-level concertation of the economic policies (NOU 1992:26, NOU 1993:11). But the results did not satisfy the government's ambitions, as individual parties and organisations once more allied in protection of their particular area of interest.

These difficulties in concertation are paralleled - and partly caused by - the organisations' difficulties in functioning as intermediaries. In this last period there was still a high organisational density and organisations merged or established new peak organisations <sup>15</sup>. Several formerly

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<sup>15</sup>. Among the 1.9 million wage earners (including the unemployed) approximately two out of three wage-earners were members of wage earners' associations and worked in enterprises with

independent unions, concentrated in the tertiary sectors, joined in two new peak associations; the Confederation of Vocational Unions (est. 1977) and the Federation of Norwegian Professional Associations (est. 1975) (Cappelen et al. 1992). Among the employers the two associations of local authorities joined together in the Association of Local Authorities (est.1972), while the Confederation of Norwegian Business and Industry (est.1989) and the Federation of Norwegian Commercial and Services Enterprises (est.1990) incorporated both their respective peak employers' associations and peak branch organisations.

But there were also indicators that the organisational elites faced greater problems in controlling their member categories, due to increased competition, a lower level of collective solidarity and the increasing heterogeneity among their members. Of particular importance is that the Federation of Trade Unions' once near-monopolistic position among the wage earners was undermined by its inability to take the lead in the competition for recruitment of new members in the rapidly growing tertiary sectors <sup>16</sup> (Cappelen et al.

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memberships in employers' associations. Of the 1.3 mill. memberships in trade unions 785 000 were affiliated to the Federation of Trade Unions, 208 000 to the Federation of Norwegian Professional Associations, 184 000 to the Confederation of Vocational Unions and 113 000 to 23 independent unions. The member enterprises of the Confederation of Norwegian Business and Industry had 361 000 in their employment, the Federation of Norwegian Commercial and Business Enterprises 50 000, the Association of Local Authorities 436 000, the Central Government (who has acted as an employers' organization in wage negotiations) 189 000 and 20 other employers' associations had 136 000. The organizational density was even higher in the primary sector, where four out of five of the 0.1 million farmers were organized in the two branch organizations; 67 000 in the Farmers' Association and 13 000 in the Farmers' and Smallholders' Union and 17 000 out of the 20 000 persons having fishing as their sole or main occupation were members of the Fishermen's Association (Source: Statistical Yearbook 1991, except for the primary sector: Hallenstvedt and Trollvik (1993))

<sup>16</sup>. The unions outside the Federation of Trade Unions organized 39 % of the organized employees

1984, 1990, Furre 1991, Lafferty 1990). The greater attractiveness of its competitors has been ascribed to their lack of affiliation to the Labour party and consequent lack of obligations to accommodate to any party or ideology of "social solidarity". They could therefore afford to act more militantly, as well as have a better appeal to the gradually less ideologically inclined wage earners, both in the traditional working classes and the new middle classes. The leadership of the Federation was also confronted with strong pressure from lower levels for greater militancy and for terminating the affiliation with the Labour party, to become more competitive (Eriksen 1990). Clearly these tendencies have made intermediation less likely and representation more likely.

In the late 1980s and early 1990s internal conflicts was also noticeable within the Confederation of Norwegian Business and Industry, related to protests against over-centralisation and arbitrariness in the leadership, as well as the alleged priority of the interests of the larger enterprises. In the first case the leadership was replaced. In the second case a splinter organisation was established and a new rhetoric on the importance of small- and medium sized enterprises was introduced to stop defection this organisation. This fragile balance between large and small enterprises is also indicated by the tendency of the executives of large enterprises to operate increasingly independent of the Confederation in their contacts with the authorities (Berrefjord et al. 1982, Berrefjord & Hernes 1989, Furre 1991, Hernes 1985). Another internal conflict dimension that probably is going to be problematic to handle in the future is the division between enterprises that are dependent on state funding or protectionism and the more laissez-faire oriented enterprises.

As indicated in the previous discussion, the organisations' partial loss of privileges did not necessarily imply a loss of influence, as they often succeeded in protecting their particular interests by forming pressure coalitions and lobbying / mobilising the parliament. In addition, the economic liberalisation and internationalisation processes undoubtedly made it even more difficult than before for

the authorities to govern by command (Moe 1987). This has boosted the power of the capital-owners' organisations towards the government even further, especially in a longer perspective, beyond the present recession<sup>17</sup>. This may indicate a new asymmetry in the power relations, where at least the capital owners are powerful enough to abdicate some of their formal privileges, in exchange for operating more militant in their political demands or blocking negative (for them) political regulation. In addition, the power of the trade unions, relative to both capital owners' organisation and the government are on the wane, in the face of a continuing high level of unemployment and increasing internal competition<sup>18</sup>. The pluralist tendencies are therefore not only a result of government design, but also changes in the interest group system.

#### **Between pluralism and corporatism?**

The starting argument stated that the concept of corporative pluralism was the most appropriate description of Norwegian interest group politics, with the pluralist tendencies being especially manifest in the period from the late 1970s to the present. The analysis, following the breakdown of the corporatist-pluralist distinction along two main dimensions, relating to the decision-making processes and the organised interests, seemed to confirm this argument to a certain degree.

The lack of any formal institutions of macro-concertation above the myriads of specialised functional bodies and other contact forms related to sector politics indicated the presence of meso-concertation. It also indicated a form of pluralist pressure politics at the macro level, based on competition - rather than concertation - between segmented interest. Furthermore, the organisational system was based on a pre-existing cartel-like

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<sup>17</sup>. The losers here are the primary sector organizations, that have been divided internally, unable to mobilize a parliamentary majority and are dependent on Governmental support and protection (Furre 1991, Holm 1991).

<sup>18</sup>. The present level of total registered unemployment is 175 700, or 8.2 % of the registered work force, including the 47 700 persons temporarily employed under the public labour market policy scheme.

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by 1990, an increase from 25% in 1973 (Lafferty 1990, Statistical Yearbook 1991, table 187).

situation, not designed by the authorities, giving the organisations considerable veto-powers towards the government. The granting of privileges therefore became a virtue of necessity for the government, at the same time as the organisational leaderships carefully avoided entering into arrangements they feared would imply strong pressure towards adaptation to the government. On the other hand, other scholars that pinpointed less visible forms of macro-concertation and the presence of a social democratic ideological hegemony raised some doubts about the strength of these pluralist tendencies.

Anyhow, this corporative-pluralist order was partially restructured from the late 1970s / early 1980s, partially due to the political elites' similar perceptions of the dominance of segmentation and strong organisations. The decision-making and implementary processes were re-politicised (or delegated to the market) and became more closed off against the interest organisations. But the lowering of the inter-party consensus and the fragmentation of the governments' parliamentary basis opened up the parliament as a supplementary arena for pressure-politics for the organisations, when they were made "outsiders". On the other hand, some tendencies towards macro-concertation are clearly detectable, in involving the major organisations in the Labour governments' "turning-operation policies". It is, however, questionable whether this re-concertation will continue, when these temporary policies have fulfilled their goals. The pressure towards more representational roles for the interest organisations strengthens these doubts. Organisational competition was increasing, among the wage earners in particular, and the peak organisations in general faced increasing problems of internal heterogeneity and protest from below against centralisation. This has led, and will lead to increasing fragmentation and militancy in the interest organisations' behaviour towards the authorities. At the same time the liberalisation implies that the authorities' regulatory powers have diminished. Consequently, the capital owners' and their organisations will not necessarily need formal representational privileges and accept compromises to the same degree as before. In sum, these tendencies indicate that the period after the late 1970s marked a tilting of the corporative-pluralism

balance towards pluralism, which probably will continue.

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