

Policy Reform and the Decline of Corporatism in Sweden

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This article describes the development of corporatism in Sweden from the 1970s onwards. We demonstrate that the Swedish case differs a great deal from other small European countries, such as the Netherlands and Sweden's neighbour Denmark, where corporatism is alive and well and often credited with providing for economic success in recent years. We study corporatism indirectly rather than directly, in the sense that we start from public policy changes in labour market policy, pensions, and immigrant policy, and follow the policy-making chain backwards in order to identify the norms, institutions, and actors that have mattered for policy choices, and how they mattered. Our conclusion is that Sweden has not only experienced decorporatisation in terms of formal institutional changes, but also in terms of a decline in the norms regarding social partnership that previously guided policy making and the interaction of interest organisations.

Across Europe, the 1990s witnessed a resurgence of corporatism, but in Sweden, which once ranked among the world's most corporatist countries, no such thing has occurred. We describe the changes that Swedish corporatism has undergone in the last 30 years from the point of view of public policy. That is, rather than describing institutions and organisations directly – which is the more common approach – we begin by identifying a set of crucial policy decisions and then follow the policy-making chain backwards in order to identify the norms, institutions, and actors that have mattered for policy choices. Evidence from all three policy areas included in our analysis (labour market policy, pensions, and immigrant policy) indicates that decorporatisation in Sweden has gone far – further than in other small, European countries.

On the surface, this conclusion is not surprising. It is well known that the relationship between the government and major interest organisations in Sweden has changed over the last decades, especially since the late 1980s (Lewin 1992: 101–7; Hermansson 1993: 452–54; Hermansson *et al.* 1999).

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Wage bargaining institutions, previously among the most centralised in the world, were formally decentralised in the early 1980s (Elvander 1988; Swenson and Pontusson 2000). A few years later, in 1991, the Swedish Employers' Confederation withdrew from the boards of almost all government agencies, and dismantled their bargaining unit, with the declared aim of bringing corporatism to an end (Rothstein and Bergström 1999; Johansson 2000).

Yet some studies indicate that there are still important corporatist elements in Swedish politics and society. Employers and unions in the industrial sector have struck coordinated wage agreements since 1997 (Elvander 2002), there are corporatist patterns of interest mediation at the local level (Lewin 1992: 106–7), and labour market organisations still play a role in policy making, through more informal channels (Svensson and Öberg 2002). The thrust of these arguments is that while old ways of organising the relationship between interest organisations and the government have disappeared, there are new, more informal ways of accomplishing coordination and negotiation. Similar arguments have been made about European corporatism more generally – Franz Traxler, for example, has recently argued that corporatism has shifted from 'classical' to 'lean' patterns of interest mediation (Traxler 2004).

Our investigation into the fate of Swedish corporatism is based on a premise that is potentially important not only for the analysis of the Swedish case, but generally: since a direct approach to the analysis of institutions and organisations may both overestimate change (in case institutional changes do not reflect substantial ones, but only the appearance of new institutional forms) and underestimate change (in the event that institutions and organisations remain, but only as empty shells), we propose that institutions and organisations are best studied indirectly, by identifying important decisions in core policy areas and then analysing the political processes that brought them about. Apart from directing attention to outcomes that matter substantially, this focus on the policy-making process has the added advantage of allowing for an analysis of both formal institutions and informal norms, which is appropriate given the emphasis on 'soft' variables such as learning (Visser and Hemerijck 1997: 63–79), deliberation (Öberg 2002), and trust (Rothstein 2003: 247–81) in contemporary work on corporatism.

We focus our analysis on three policy areas that present different challenges to corporatist institutions and practices, and have historically had different roles within corporatist structures: active labour market policy, pensions, and immigrant policy. Active labour market policy is an area where corporatist concertation has traditionally gone further than in many other areas in Sweden (Lehmbruch 1982: 26; Rothstein 1992: ch. 8). Pension policy is also an old policy area, like labour market policy, but one where demographic and fiscal challenges have created pressure for reform in recent years – not only in Sweden but all over Europe. Immigrant policy (addressing

the situation of resident immigrants) is a relatively new policy area, and furthermore one that tends to fit uneasily into existing corporatist arrangements, since the legitimacy of peak-level bargaining requires that interests are well mobilised, and immigrant organisations are often not.

An analysis of these three policy areas, which are not only important in their own right but have also grown in prominence in recent years, reveals a decline in corporatist institutions and practices in Sweden. Our results do not imply that there is similar decline when it comes to other aspects of corporatism – for example, coordinated wage bargaining has not disappeared. But given that social partnership norms and corporatism as a method of policy-making remain and have even grown in prominence elsewhere in Europe, the decline in corporatism as a method of policy-making in Sweden is of intrinsic interest. We conclude this article by engaging in a brief comparison with other small countries, which demonstrates that the Swedish case is special – there appear to have been few similar breaks with corporatist institutions elsewhere in Europe.

Corporatism and Policy Making

Corporatism can be defined as ‘institutional arrangements whereby important political-economic decisions are reached via negotiation between or in consultation with peak-level representatives of employees and employers (or other interest groups and the state)’ (Kenworthy 2003: 11). Specifically, research on corporatism has focused on four topics: the properties and positions of interest group organisations as such, wage bargaining, interest group participation in policy making, and consensus (Kenworthy 2003: 12–17).

While interest group organisation and wage bargaining have for a long time received the most attention (Kenworthy 2003: 13), a new strand of corporatist literature that emerged in the 1990s and early 2000s has focused more on the other two topics – policy-making and norms of consensus. This is an old theme – for example, Peter Katzenstein (1985) emphasised the ‘ideology of social partnership’ in small, corporatist countries – but one that has recently gained prominence. Judging from Jelle Visser’s and Anton Hemerijck’s work on the Dutch case, for example, the coordination of wage agreements has been an important feature of corporatist politics in the Netherlands in the 1980s and 1990s, but so have participation in policy reforms and a willingness to engage in common learning rather than zero-sum bargaining (Visser and Hemerijck 1997). Likewise, authors such as Bernhard Ebbinghaus and Anke Hassel, who study major reforms in areas like pensions and labour market policy in continental Europe, pay a lot of attention to capacity for agreement on broad policy programmes (Ebbinghaus and Hassel 2000: 53–60).

There is thus a growing interest in corporatism understood as a method of coordinating and reaching agreements on policy changes (for an early

analysis of similar phenomena in the 1970s and 1980s, see Lehbruch 1984: 62–8). The reason is probably that reform within existing social programmes and labour market programmes – sometimes necessary in mature welfare states – requires coordination across policy areas, and here interest organisations play a pivotal role in Europe (Ebbinghaus and Hassel 2000: 45).

Consequently, our account of the development of corporatist institutions and practices in active labour market policy, pensions, and immigrant policy is organised in the following manner. We begin by documenting how each of the three policy areas included in our analysis has been governed historically, starting in the 1950s. This description includes the formal institutions in each area, the most important state bureaucracies and political actors, the interest organisations that were allowed to participate, and in what capacities they were allowed to do so. Focusing on important challenges and reforms in each policy area in the 1990s, we then show how these formal institutional conditions have changed.

The most important question, however, is whether corporatism has survived in a less formal but nevertheless effective form. We therefore demonstrate whether the interaction of governments and interest organisations conforms to a norm of social partnership – that is, whether actors strive to resolve conflicts by seeking common ground, such as shared problem definitions. Norms are shared expectations regarding how actors with a certain identity should behave (Katzenstein 1996: 5). In the case of corporatism, organisations that aspire to the identity of ‘social partner’ are defined by their ambition to seek common ground. To the extent that actors have ceased adhering to this norm, we conclude that decorporatisation has occurred not only at the formal institutional level, but also in terms of norms and political culture.

Our empirical analysis draws on official documents (such as government commissions of inquiry), secondary sources (mainly policy analyses of the three areas mentioned above), and interviews with policy makers and representatives of interest organisations, selected to allow for both ideological and sectoral (blue-collar/white-collar, private/public) variation among the interviewees. For each area, parties, unions and employers are included, and in the areas of immigrant policy and pensions, we have also interviewed representatives of two other relevant interest groups – immigrant organisations and pensioner organisations.

Active Labour Market Policy

By active labour market policy, we mean supply-side measures intended to assist the unemployed in gaining entry to the labour market and finding employment. The main instruments of active labour market policy are employment agencies, labour market training, and employment subsidies. Each of these broad categories includes a range of programmes, with some

directed at specific groups – such as the young or the disabled – and others more general in scope (Furåker and Blomsterberg 2002: 272, 282–9).

For the trade union economists who developed the ideas that informed Swedish economic policies from the mid-1950s to the 1970s, active labour market policy was crucial. Since they advocated austere fiscal policy in order to fight inflation, they expected ‘islands of unemployment’ to appear in the economy. They therefore advocated labour market programmes that would retrain and relocate temporarily unemployed workers, and from the late 1950s onward, spending on active labour market policy, such as labour market training, has been exceptionally high in Sweden (Lewin 1967: 367; Pontusson 1992: 59–68; Furåker and Blomsterberg 2002: 277; Lindvall 2004: ch. 2).

Other aspects of labour market policy, notably unemployment insurance, have traditionally belonged to the most politically confrontational and competitive issues in Swedish politics (Hermansson 1993: 357, 430), but the main feature of *active* labour market policy has been the delegation of power to bureaucrats and labour market organisations. Policy programmes were managed by a powerful labour market administration, the National Labour Market Board (AMS – *Arbetsmarknadsstyrelsen*), in cooperation with labour market organisations (Rothstein 1992: ch. 8).

Early on, the government turned the National Labour Market Board into a highly independent agency, delegating both policy-making and implementation authority to this administrative body. The creation of a powerful labour market policy bureaucracy was a condition of administrative corporatism (Rothstein 1992), and in this area corporatism was very strong at least until the 1970s. For example, in a major government commission of inquiry that delivered its main report in 1979 – *Sysselsättningsutredningen* (SOU 1979:24) – a third of the members represented labour market organisations (apart from one academic and one civil servant, the remaining members were politicians). Since then things have changed, however, as the composition of a more recent government commission (SOU 1996:34) reveals. This commission included ten politicians and two civil servants, and labour market organisations were only represented as experts and advisers, along with many others in similar capacities. Labour market organisations have lost the influence they held over labour market policy in the Golden Age of the Swedish Model and in its aftermath – in the 1950s, 1960s, and the 1970s.

The most dramatic institutional changes occurred in the early 1990s, when the Confederation of Swedish Employers decided to withdraw from the governing boards of almost all government agencies, including the National Labour Market Board (Rothstein and Bergström 1999; Johansson 2000). The government subsequently excluded the unions – their participation was not seen as legitimate when their counterparts had left. Representatives of unions and employers remain in some advisory functions but, at least formally, the individuals in question do not represent organisations but have personal mandates.

The decline of corporatism did not in itself decrease the power and influence of the labour market bureaucracy, which remains considerable. Karin Ekenger, an adviser at the Confederation of Swedish Enterprise (*Svenskt Näringsliv*), says that the bureaucracy is the most powerful player: 'That is of course AMS, AMS itself, and to a certain extent LO [*Landsorganisationen*, the blue-collar trade union confederation]'. The fundamental importance of AMS is not questioned by any of our interviewees (see, however, Öberg and Svensson 2002).

In the 1990s, labour market policy faced an entirely new situation, since open unemployment increased from less than 2 per cent to more than 8 per cent between 1990 and 1993. But even if conditions have changed a great deal, there have been no major reforms in this area – even in the 1990s, changes to active labour market policy were not dramatic (Furåker and Blomsterberg 2002: 282–3). Many actors are critical of AMS, especially regarding its policies in the 1990s. Indeed, both Jan Edling (from LO) and Karin Ekenger (from the Confederation of Swedish Enterprise) point out that labour retraining programmes in the 1990s led to crowding-out effects, to a point where, according to Edling, 'labour market organisations started agreeing on the negative effects of these policies'. The director of AMS itself has written that the mix of programmes turned out to be unfortunate (Johansson 2002: 311).

In the labour market area, there has thus been institutional change but little policy change. However, the absence of policy change is not a result of the absence of conflict. On a very abstract level, there is general agreement that the main objective of labour market policy should be the reintegration of workers in production – unlike many other countries, who have relied on cash transfers to the unemployed, Sweden has always pursued active policies, designed to eliminate open unemployment by the reintegration of the unemployed (Furåker and Blomsterberg 2002: 295). But other than that, there is much less agreement on labour market programmes than there used to be. Previously, norms of social partnership were seen as prerequisites for the efficient operation of labour market programmes (Rothstein 1992: 176), while today, there are no shared understandings of the appropriate goals and means of labour market policy.

It could be argued that we exaggerate the resilience of social partnership norms in earlier periods. Already in the 1970s and early 1980s, both new legislation on worker co-determination (*Medbestämmandelagen*) and the debate on wage-earner funds for collective capital formation caused serious conflict, and these events have been described as challenges to the compromise between capital and labour (Lewin 1992: 98–101). However, there was still agreement in other areas, especially when it came to active labour market policy.

Today, employers advocate liberal policies that are fundamentally at odds with the idea of large government programmes for worker retraining and relocation (Johansson 2000: 214–17). Consequently, our interviewees

consistently describe labour market policy as an area characterised by fundamental conflicts between employers and unions, and between left and right. According to business organisations, the root of disagreement is that the government and unions give priority to redistribution over economic growth. They therefore see little room for compromise. Margareta Regnell, one adviser to the main business organisation, the Confederation of Swedish Enterprise, says, 'When they [politicians and unions] accept our ideas, then, of course, it is great to have consensus, but I think this will be difficult'. Indeed, she says she 'cannot think of any case, any issue in which we would be willing to back down on what we had said'. It is not surprising that the Confederation of Swedish Enterprise openly opposes corporatism, saying that it is not involved in policy making, nor does it want to be.

Other actors agree that the level of conflict in the labour market policy area is very high. Politicians in the parliament's labour market committee – such as Laila Bjurling, a social democrat, and Anders G. Högmark, who represents the conservative Moderate Party – both point out that there are fundamental conflicts of interest. Laila Bjurling says, for example, that labour market politics is 'always about a balance of power, and everything politicians do to influence this balance of power is met with outcries from one side or the other'. Hence, 'There is no consensus. It is all about who's in charge'. Union representatives also say that disagreement and conflict prevail. Ossian Wennström, an adviser to the white-collar union SACO (*Sveriges akademikers centralorganisation*), says that different political actors 'are in disagreement, above all, when it comes to specific programmes and policies' but also adds that they 'look differently upon the overall goals of labour market policies'. An ideological divide runs between left and right, between unions and employers.

Instead of horizontal coordination between unions and employers and between left and right, there is strong vertical integration – between the social democratic party and LO, and similarly between business and the political right. Jan Edling points out that LO has a big say: 'on all of the levels in which we have contacts with the labour market policy, from the government down to the AMS, we are of course there to make sure that it becomes a policy in agreement with our experiences of how the labour market works'. On the right, the relationship between LO and the social democrats is also considered tight: 'Politics, unions, AMS: that was the iron triangle', says Anders Högmark.

However, the fact that labour market organisations still play a role in policy making does not in itself mean that corporatism remains intact. Interest organisations, including labour market organisations, have a certain amount of influence in all systems. Corporatism is not synonymous with political influence for unions or employers; it is an attribute of the way this influence is institutionalised. Institutional changes in the labour market area have had real effects on modes of interaction and the way policies are made. There are no shared norms and problem definitions of the

kinds that are necessary for the operation of coordinated, corporatist systems. Conflicts are divisive. There is no common ground.

Pensions

Pension policy concerns social security arrangements that provide monetary payments to those who have retired from employment due to age. Pension politics in Sweden was for a long time defined by the introduction of the general supplementary pension scheme (ATP, *allmän tilläggs pension*), which came about after great political conflicts in the late 1950s. The process involved the resignation of one government, an inconclusive referendum in 1957, and a vote in parliament in 1958 when the new pension system was approved with a one vote margin.

In the decades that followed, pension politics was dominated by the political parties and has normally been characterised by low levels of conflict (Hermansson 1993: 326–8, 465). Still, interest organisations have at times been involved (cf. Feltenius 2004: ch. 6), as the composition of commissions of inquiry reveals. In 1974, about two-thirds of the members of one commission of inquiry were politicians, while one-third were civil servants (SOU 1974:15). Another commission in 1990 had very few members (six politicians and one representative of a labour market organisation), but a host of experts, of which no less than 40 per cent represented labour market organisations (in 1974, three of four experts belonged to this category). Most of the others were civil servants, and three represented pensioners' organisations (SOU 1990:76).

By the early 1990s, however – when a major reform implemented from the mid-1990s onwards was prepared – things had changed: all members of this commission were politicians, and all experts were civil servants (SOU 1994:20). When comparing the 1990s with previous periods, it is important to keep in mind that the outcome in 1994 was a major reform. The most relevant point of comparison is therefore the 1950s. In the 1950s, interest organisations played a major role (Hermansson 1993: 313–21). It appears, then, that interest organisations have lost their pivotal position in policy making. Our interviews show, interestingly, that this was a deliberate strategy on the part of politicians.

The reform in the mid-1990s was initiated after the social democrats lost control over the government to a centre-right coalition in 1991. The new government established the Pension Working Group, which got a wide mandate to propose a new pension scheme (Dir. 1991:102). Since the ATP had existed for more than 30 years, the institutional setting reduced the range of possible reforms (Lindbom 2001; Anderson and Meyer 2003; Lundberg 2003). Path dependence mechanisms made bold reform proposals implausible, bringing the two political blocs closer together than would have been the case if their negotiating positions had been given by their ideological preferences only.

Previously, during the 1980s, a government committee called the Pension Commission – where, as we just saw, interest organisations were very much involved – undertook an investigation of the pension system. This commission produced a deeper insight into the financial problems of the ATP system. According to its calculations, the ATP would become under-funded in the medium to long-term perspective. This would later lead to broad agreement on the need for reform. The social democratic politician Anna Hedborg says, for example, that ‘the pension commission made explicit under which conditions the pension scheme wouldn’t hold. And these conditions became more and more likely’. In her opinion, ‘It’s fair to say that everyone agreed on that point’. Consequently, the pension debate in the late 1980s opened up the policy area for change. Reform proposals were being published by several different actors around this time (Bröms 1990; Carlsson 1990; Ackerby 1992; cf. Lundberg 2003).

No concrete proposals came out of the commission in the 1980s, however, which led politicians to exclude interest organisations the next time around. Interestingly, only one interviewee expresses dissatisfaction with this choice – Anna-Stina Elfving describes how the TCO (*Tjänstemännens centralorganisation*, the largest white-collar union confederation) ‘was fairly worried’, since in the TCO’s view the Pension Working Group involved ‘a lot of technocrats who were sketching a system without knowing how it would work in practice’. Many other interviewees explicitly support the exclusion of interest organisations. Anders Modig, formerly an adviser to the Employers’ Confederation, states that they ‘thought that this was good, since one dealt with a problem that we had tried to bring attention to during a long time’. In a similar vein, Jan Bröms – who was a pension expert at the academics’ union SACO at the time – says that ‘it can be rational, if something is going to happen’ to do such a thing. The blue-collar union confederation, LO, had some insight into the Pension Working Group since they have close ties to the Social Democratic party, but again, the fact that labour market organisations are influential does not by itself imply corporatism.

The liberal politician Bo Könberg – who, as minister of social insurance chaired the Pension Working Group – approves in principle of corporatist commissions of inquiry, but also points to the difficulties involved in negotiating in such settings: ‘It is extraordinarily difficult to negotiate in a room where there are a lot of people, especially if many of those present are not negotiating, but only observing the negotiations’, he says. The social democrat Anna Hedborg says that ‘Könberg was the one who very clearly did not want to include’ the social partners, and notes that the social democrats, if they had been in office, probably could not have appointed a pension group without interest group representation: ‘I don’t think we would have managed to appoint – or even thought of appointing – such a group without involving the labour market organisations’.

The government established a reference group, connected to the Pension Working Group, where interest organisations were represented. However,

the reference group only met on three occasions, and Mr Könberg independently handled all contacts with this group (Lundberg 2003: 28). Most of our interviewees claim that interest organisations were fairly inactive during the reform process. Einar Edvardsson of the pensioners' organisation PRO (*Pensionäremas riksorganisation*), for example, says that 'oddly enough, the labour market partners kept fairly quiet'. The politicians in the Pension Working Group also say that the social partners were passive. Bo Könberg claims not to remember any 'really important actors influencing the process', and this surprised him. Anna Hedborg agrees, saying that 'the employers were not especially present'. In the one case where an interest organisation representative gained direct access – when Einar Edvardsson, from the pensioners' organisation PRO, obtained observer status in the executive group that was established to implement the reform – Edvardsson himself says that he had little influence. In actual negotiations, he was left out: 'They had probably agreed behind closed doors, those politicians, with these economists behind their backs, and at the meetings they presented a very solid consensus', he says. Edvardsson says that Könberg was emphatic 'that this was a thing for politicians to settle, and not for special interests'.

The politicians in the Pension Working Group appear to have agreed to agree at an early stage. The deep economic crisis was a factor behind this choice, and so was the desire to conclude the matter before the 1994 election. The economic crisis also made it easier to gain acceptance for the composition of the group, judging by editorials in both social democratic and centre-right newspapers (Lindbom 2001: 175, 180; Anderson and Meyer 2003; Lundberg 2003: 60). The fact that the members of the group were only responsible to the political parties they represented, and these parties, in turn, held a parliamentary majority, provided for a trustful negotiating climate, and facilitated the group's task. Bo Könberg talks about a negotiating situation with strong incentives for finding a consensual agreement and almost no risks of sanctions when he says that there was a 'feeling that if we made an agreement, we would defend that agreement, and you didn't run the risk that someone would stab you in the back the next day'. Anna Hedborg describes the ease of argumentation and discussion in a setting where the three most prominent politicians were all social engineers with a strong interest in the logic and transparency of the structural design of the new programme. Participating politicians agree that the composition of the Pension Working Group was essential to its ability to reach a consensual agreement (Lundberg 2003: 24, 32, 178).

The two leading politicians in the Pension Working Group – the liberal Bo Könberg and the social democrat Anna Hedborg – emphasise that the pension reform was not really the product of a compromise, at least not in its structural design. By finding a consensus on a reformed pension system, the working group had a point of reference from which to evaluate specific proposals. Mr Könberg says: 'We had agreed, after we had decided on the

principle of life-time earnings, not to depart from this, and we placed, in a way, the burden of proof on those who wanted to introduce redistributive elements'. Apart from the basic design, however, both Könberg and Hedborg see the negotiated agreement as more of a compromise between conflicting interests. Hedborg says, for example: 'We accepted two systems because it was not possible to agree on one single system, but that compromise did not come at the expense of the logic of one system in relation to the logic of the other'.

The political process behind the pension reform in the mid-1990s was very consensus-oriented, but it was not an example of negotiated, concerted reform in any corporatist sense, such as occurred in pension politics elsewhere in Europe in the 1990s (Ebbinghaus and Hassel 2000). It was a purely party-political process. Interest organisations were deliberately excluded from policy-making arenas.

Immigrant Policy

Immigrant policy has never been subject to partisan competition in Sweden, and it has not been informed by a clear set of political priorities (Dahlström 2004). It first developed as a separate policy area in the late 1960s and early 1970s. In the early years, immigrant policy programmes were seen as one type of welfare programme among others, and the aim of immigrant policy was to attend to the specific needs of immigrants in order to ensure a standard of living at the same level as the Swedish-born, integrating immigrants in the welfare system. Policies were modelled on policies pursued in other areas of the social sector (Borevi 2002: 83, 89–90).

From the 1970s to the 1990s three objectives – equality, freedom of choice, and cooperation – defined immigrant policy, although they were interpreted in different ways. In the mid-1990s, these goals were abandoned. New objectives, summed up under the heading of 'integration', were adopted. 'Integration' is vaguer than previous objectives, and students of immigrant policy argue that changes in rhetoric were never meant to lead to practical change, but constituted an attempt to resolve perceived contradictions by introducing new language (see Borevi 2002: 130–33, 165; Dahlström 2004).

Due to prominent norms of social partnership in Sweden in the 1970s, the state initially attempted to turn immigrant organisations into counterparts for corporatist bargaining and negotiations, although the stated aim of these organisations was to see to the cultural needs of their members. When integration policy was established in the 1990s, however, corporatist concertation with immigrant organisations was no longer seen as desirable (Borevi 2002: 91, 169, 312).

While the retreat from the idea that immigrant organisations should be turned into counterparts in corporatist negotiations suggests some departure from corporatist norms and practices, it is also fair to say that

politicians and in particular the bureaucracy have always dominated (and still dominate) this policy area. Politicians develop objectives and rhetoric, while the powerful bureaucracy is concerned with the day-to-day management of concrete immigrant policy programmes, which were for the most part initiated as early as the 1960s and 1970s (Dahlström 2004).

Evidence from the government commissions of inquiry that have prepared major policy decisions in recent decades is consistent with this description. In the three major commissions of the 1970s, 1980s and 1990s, all members were politicians – a pattern that we have not seen in the other two policy areas – and the experts affiliated with these commissions of inquiry have mainly been civil servants, although labour market organisations were represented in 1984 and 1996, and immigrant organisations have been involved through special reference groups (SOU 1974:69, 1984:58, 1996:55).

There have been some institutions for involving immigrant organisations – or, more properly, ethnic organisations – who have had some say in the formulation of policy. But ethnic organisations are weak and fragmented compared to other interest groups, and they are organised along ethnic cleavages rather than some immigrant/Swedish-born cleavage, and therefore institutions for interest mediation have never functioned well. The government bureaucracies in charge of immigrant policy are instructed to work closely with immigrant organisations (Borevi 2002: 152), and the government instituted a special council for interaction with immigrant organisations and other organisations – including labour market organisations – in the mid-1970s.

This council has held three to four meetings ever year, but while these meetings have addressed all issues that have been central to immigrant and integration policy in the 1970s, 1980s and 1990s, participants claim that they are not being listened to, and that participating government ministers generally do not care very much. Everything has been decided beforehand, they argue, and organisations have few opportunities to influence policy. At present, institutional reform seems likely, since neither the member organisations nor the government are content with the way the council operates (Aytar 2004).

While the government has always dominated this policy area, the role of immigrant organisations has changed. In the 1970s, as we noted earlier, the state attempted to use its influence to turn them into counterparts for corporatist negotiations, but in the 1980s they got more independent, only to be subjected to attempts to control their activities in the 1990s, when the government decided to fund only organisations that contributed to integration (Borevi 2002: 312). Representatives of immigrant organisations resent these developments, arguing that the government is turning away from established organisations in favour of what Valerio Re, the former president of the national association of Italians (*Italienska Riksförbundet*), calls ‘proxy immigrants’, who claim to speak for some group of immigrants but actually only represent themselves.

Immigrant organisations thus appear to be marginalised in the immigrant policy process, and perhaps increasingly so. Politicians Gustaf von Essen and Anita Jönsson, who were members of the immigrant policy commission in the 1990s, say that immigrant organisations were as influential as political parties, unions and employers, but unions, for example, see immigrant organisations as a category of actors that they rarely take into consideration or seek formal or informal contacts with. There may even be some rivalry – Ossian Wennström, who represents the white-collar union SACO, claims that ‘unions are the largest immigrant organisations in Sweden’.

The labour market organisations are not very involved in policy making either. In the 1960s, labour market organisations contributed to the management of labour migration, but since labour migration ceased in the early 1970s they have been relatively absent. Recently, unions and employer organisations have attempted to handle labour market-related immigrant policy issues in the so-called *Council for Integration in Working Life*. The council’s rationale is that unions and employers prefer to manage immigrant issues through collective agreements, wishing to avoid legislation. But while there is agreement on some goals and problem descriptions, the statutes of the Council explicitly state that all decisions are to be made unanimously, and the fundamental ideological conflicts that we observed in the labour market policy area recur in this one. Issues that the members of the Council cannot find consensus on are simply dropped from the agenda.

The conditions of corporatist solutions have weakened due to political changes. As we noted earlier, there was an important change in immigrant policy in the mid-1990s, when the objectives changed and immigrant policy became integration policy. Representatives of immigrant organisations among our interviewees say that they are unsure about what this new terminology means. They believe that the old objectives contained a set of relatively well-defined political priorities, which made it possible for them to get involved, but their uncertainty about the new policies precludes their involvement. Miguel Benito, a leader of one immigrant organisation, says: ‘Since we do not know where we are heading, we have not decided on the roles – what role the parties are to play, and what role we are to play as an association’.

Immigrant policy is an area where corporatist modes of interaction have never been a core feature of policy making, unlike the two other policy areas, but in earlier periods, particularly the 1970s, corporatist norms appear to have been so strong that there were attempts to establish corporatist institutions and practices in this policy area, both for involving immigrant organisations and for involving labour market organisations. There are few such attempts today.

Conclusions

In the area of labour market policy, there has been a clear break with previous modes of political interaction. Whereas Sweden was solidly corporatist until

the 1980s, active labour market policy being a well-known and often praised outcome of corporatist cooperation, the institutional framework of Swedish corporatism broke down in the course of the 1980s and in the early 1990s. The employers left the governing boards of government agencies in the labour market area – and other areas – in 1991, and in public policy making the Confederation of Swedish Enterprise is adamant that it has left corporatism behind. There is little agreement on overall aims and problem descriptions, since business organisations regard labour market policy as entirely dominated by the social democrats, and see unions, social democrats, and bureaucrats as hostile to the liberal agenda that organised business advocates. The social partners are still consulted – for example, they contributed in some instances to the design of new programmes in the 1990s. But in terms of norms and policy-making institutions, corporatism has declined, more so than in other small countries.

The main event in the development of pension politics in the 1970s, 1980s and 1990s was the major reform of the pension system that took place in the mid-1990s. The government commission of inquiry that delivered its final report in 1990, where labour market organisations were involved, produced few proposals for change (and was in fact not meant to sketch full-blown reform). Instead, reform was designed and implemented by a small group of parliamentarians and experts that deliberately shut out interest organisations – both labour market organisations and organisations for the elderly. Interest organisations were thus excluded from policy making.

Immigrant policy was established in the late 1960s and early 1970s. The government has always supported immigrant organisations financially, and in the early days the idea was to produce a partner for negotiations of a corporatist nature. Today the situation is different. The government no longer adheres to corporatist norms regarding how its association with immigrant organisations should be structured, and representatives of established immigrant organisations even suggest that the government deliberately undercuts their activities. Labour market organisations used to be involved in matters of labour migration, but since labour migration ceased, labour market organisations have become less concerned about this policy area. They participate – along with immigrant organisations – in a government council that has been set up for deliberations on immigrant policy, but in recent years that council has lost its role as an arena for negotiations and interaction.

To sum up, many elements of the corporatist model that existed in Sweden until the 1970s and early 1980s have changed or disappeared. Our analysis has demonstrated that not only has the formal framework of administrative corporatism changed, but also the norms and practices of corporatism. Policy making operates differently from how it used to operate.

The Swedish case differs from many other small European countries, notably Denmark and the Netherlands. In these countries, corporatism

is generally seen – in the international social science community and among governments and interest organisations in these countries – as a beneficial model of political interaction. It is even hailed as an important cause of the above-average economic performance of these two countries in the 1990s. For example, Visser and Hemerijck's study of the Dutch case demonstrates that tripartite coordination has at least in some instances played a major role in wage policy, industrial policy, social policy, and manpower policy in the Netherlands in the 1980s and 1990s (Visser and Hemerijck 1997).

Sweden's neighbour Denmark is another example of a country where corporatism has remained strong, and where it has played an important role for policy reforms and public administration in recent times. The Danish power study did conclude that corporatism had weakened somewhat (Togeby *et al.* 2003: 195–205), but the changes are clearly not as great as in Sweden, and in policy making areas like active labour market policy are strongly influenced by employers and unions. Interest organisations have been involved in the policy-making process, and policy making is structured by common problem definitions and norms regarding social partnership. In the 1980s, labour market organisations also asserted themselves as important actors in pension policy (Schmidt-Hansen and Kaspersen 2004).

There is something special about Sweden (cf. Golden and Wallerstein 1997). The evidence presented in this article suggests that one explanation may be that coordination and mediation between interest organisations has become more politicised – drawn into an ideological struggle between left and right – in Sweden than elsewhere, which has precluded coordination among interest organisations and destroyed the norms of social partnership that corporatism relies on. This topic remains open for empirical investigation.

Note

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Interviews

All quotes from interviews are translated into English. The original Swedish quotes, which have been approved by the interviewees, are available from the authors.

Andréasson, Ulf. Adviser at the Swedish Confederation of Professional Employees (TCO).

Benito, Miguel. Chairman of the National Federation of Immigrants in Sweden, 1986–.

Bjurling, Laila. Member of Parliament (social democrat) and member of the Standing Committee on the Labour Market, 1994–.

Bröms, Jan. Head of Research, Swedish Confederation of Professional Employees (SACO) in the 1980s; chief economist in the early 1990s.

Edling, Jan. Adviser at the Swedish Trade Union Confederation (LO) (left this position in 2005).

- Edvardsson, Einar. Pension expert at the Pensioners' National Organisation (PRO), 1987–2000.
- Ekenger, Karin. Adviser at the Confederation of Swedish Enterprise. Member of the Advisory Board of the Swedish National Labour Market Administration, 1996–.
- Elfving, Anna-Stina. Adviser at the Swedish Confederation of Professional Employees (TCO), 1995–.
- Hedborg, Anna. Social democrat. State secretary in the Ministry of Health and Social Affairs 1990–91. Assistant Minister of Social Affairs 1994–96. Head of the National Social Insurance Board (RFV), 1996–.
- Högmark, Anders G. Member of Parliament (the Moderate Party), 1979–. Member of the Standing Committee on the Labour Market, 1979–85, 1988–94, 2002–.
- Jacobson-Libietis, Vivi. Adviser at the Division of Growth and Regional Development at the Swedish Association of Local Authorities. Member of the Advisory Board of the Swedish National Labour Market Administration.
- Johansson, Karl-Axel. Adviser at the Swedish Association of Local Authorities, 1992–2002.
- Johansson, Olof. Adviser at the Swedish Association for Senior Citizens (SPF), 1990–.
- Jönsson, Anita. Member of parliament (social democrat), 1988–. Member of the Standing Committee on Social Insurance, 1994–.
- Könberg, Bo. Liberal. Minister of Social Insurance and Medical Service, 1991–94.
- Ljungkvist, Torgny. Adviser at the Department of Growth and Regional Development at the Swedish Association of Local Authorities.
- Mijatovic, Milinko. Organisation secretary at the Cooperation Group for Ethnical Associations in Sweden (SIOS).
- Modig, Anders. Formerly negotiator at the Swedish Employers' Confederation. At present vice president at *Fora Försäkringscentral*.
- Re, Valerio. Chairman of *Italienska Riksförbundet* (National Association of Italians), 1999–2003.
- Regnell, Margareta. Head of the Labour Market Policy Division at the Swedish Employers' Confederation, late 1980s to 1992/3. Head of International Affairs in the 1990s.
- Rezania, Farbod. Acting Regional Manager and responsible for the fields of integration and diversity at the Confederation of Swedish Enterprise.
- Wennström, Ossian. Adviser at the Swedish Confederation of Professional Associations (SACO).
- von Essen, Gustaf. Member of Parliament (the Moderate Party), 1991–2002. Member of the Standing Committee on Social Insurance, 1991–2002.
- Åhlin, Agneta. Head of Division at the Swedish Association of Local Authorities.

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