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Neo-corporatism and Macroeconomic Performance in Eight Small West European Countries (1970-1990)

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Abstract

The apparently positive connection between neo-corporatism as a form of public policy formation, and macroeconomic performance is evaluated for eight small West European countries between 1970 and 1990. The eight countries under review – Austria, Belgium, Denmark, Finland, the Netherlands, Norway, Sweden and Switzerland – are all classified as neo-corporatist by researchers of neo-corporatism. On the basis of a country-by-country case study it is shown that there is a large variance between these countries. They differ with respect to indicators of neo-corporatism, actual government policies, and macroeconomic performance, both in comparison with each other and within a country over time. These differences, however, do not coincide with the level of neo-corporatism, as expressed by the country's score on various scales of neo-corporatism. Government policy is not necessarily 'more' neo-corporatist in the more neo-corporatist countries. Macroeconomic performance does not increase with the level of neo-corporatism. The conclusion is that neo-corporatism may, under certain circumstances, explain policy formation (and implementation) but does not explain the macroeconomic performance of a country.

1 Introduction

An important research question, and sometimes highly contested issue, for most students of neo-corporatism is whether or not neo-corporatism (defined in various ways) contributed to a better macroeconomic performance of countries during the 1970s and the 1980s (see for instance Therborn 1987, Schmitter 1989, Alvarez et al. 1991 and Crepaz 1992). In general, empirical research supports the notion that neo-corporatism both in the 1970s and in the 1980s indeed contributes positively to the macroeconomic performance of countries in terms of higher economic growth, lower inflation, and less unemployment, especially when compared to non-neo-corporatist countries (Alvarez et al. 1991, Kurzer 1991, Western 1991 and Crepaz 1992).

It is this, apparently positive, connection between neo-corporatism as a form of public policy formation and macroeconomic performance, that will be evaluated in this article. In this context the term neo-corporatism is used

to denominate any form of cooperation between the government and the relevant socio-economic interest groups of employers' associations and trade unions, aimed at forging a consensus over the formulation and implementation of socio-economic government policies, which in turn enhances the effectiveness of these policies in terms of macroeconomic performance. The countries under evaluation are eight small West European nations which are generally classified as neo-corporatist: Austria, Belgium, Denmark, Finland, the Netherlands, Norway, Sweden and Switzerland.

Firstly, I shall discuss the application of the various concepts of neo-corporatism to the eight West European countries concerned. I shall demonstrate that there is considerable variation between these countries with respect to both the dimensions of the concepts and the indicators used to establish these dimensions. This means that neo-corporatist countries with apparently the same level of corporatism, as expressed by an equal score on various scales of corporatism, in fact differ substantially. Secondly, I shall evaluate the actual government policies and macroeconomic performance of the neo-corporatist countries. I shall demonstrate that there are often considerable differences in both government policies and macroeconomic performance between the countries and within countries over time, and that these differences are not related to the level of corporatism of the particular country, as expressed by the country's scores on various scales of neo-corporatism. My conclusion is that neo-corporatism may, under certain circumstances, explain policy formation and implementation, but that it does not explain the macroeconomic performance of a country.

It is not my intention to suggest an explanation for macroeconomic performance in advanced industrial nations in general (see for instance Alvarez et al. 1991), or to offer an alternative explanation to corporatism for the macroeconomic performance of a country (see for instance Golden 1993). Nor is it my intention to offer an extensive theoretical discussion of the various concepts of neo-corporatism (see for instance Woldendorp 1995). The aim of the exercise is twofold. Firstly, a critical evaluation of the application of dimensions and indicators of neo-corporatism in the eight countries under investigation. Secondly, a critical evaluation of actual government policies and macroeconomic performance of neo-corporatist countries between 1970 and 1990.

In order to argue my case, I shall first briefly discuss the small, West European countries which are classified as neo-corporatist, and their scores on a number of scales of neo-corporatism. Then I shall evaluate the dimensions and indicators used by the various researchers to determine the neo-corporatist character of the individual countries. Finally, I shall evaluate the actual government policies and macroeconomic performance of the neo-corporatist countries under review.

2 Neo-corporatist countries in Western Europe

The West European nations which are usually classified as neo-corporatist are: Austria, Belgium, Denmark, Finland, the Netherlands, Norway, Sweden and Switzerland (Czada 1987: 36-7). Between experts on neo-corporatism there is a considerable degree of agreement on the neo-corporatist character of Austria, Norway, Sweden and the Netherlands (Lehner 1987: 58), although researchers may disagree about the actual level of neo-corporatism. Expert opinion differs more greatly, however, on the neo-corporatist (if at all) character of Belgium, Denmark, Finland and Switzerland (Lijphart and Crepaz 1991: 240).

In Table 1, the scores of these eight countries on a number of scales of neo-corporatism are presented. I have included those researchers who constructed their scales in the peak-season of neo-corporatist scaling: 1983-1987. In chronological and alphabetical order, the scales presented are by Czada (1983), Cameron (1984), Keman (1984), Lehmbuch (1984), Paloheimo (1984), Schott (1984), Bruno and Sachs (1985), Schmidt (1986) and Lehner (1987).

Table 1 Scores of neo-corporatist countries on a number of neo-corporatism scales

Countries	Czada 1983	Cameron 1984	Keman 1984	Lehm- buch 1984	Paloheimo 1984	Schott 1984	Bruno and Sachs 1985	Schmidt 1986	Lehner 1987
Austria	3	3	5	4	3	3	4	3	4
Belgium	2	3	2	3	2	2	0.5	2	3
Denmark	2	3	3	3	2	2	3	2	3
Finland	2	3	3	3	2	2	1.5	2	3
Netherlands	3	2	4	4	2	2	4	3	4
Norway	3	3	4	4	3	3	4	3	4
Sweden	3	3	5	4	3	3	4	3	4
Switzerland	2	1	4	3	3	3	2	3	5
Range of scale	1-3	1-3	1-5	1-4	1-3	1-3	0-4	1-3	1-5

Note: See the Appendix to this article for an explanation of dimensions, indicators, and scores.

According to these scales, the neo-corporatist countries in Western Europe appear to fall into three categories. Firstly, the countries with the highest scores on neo-corporatism: Austria, Norway and Sweden (in all 9 scales). Secondly, countries with a lower, but still high score: the Netherlands and Switzerland (in 6 out of 9 scales). Thirdly, countries which have a medium score or which form a residual category between high and low (or non-existent) neo-

corporatism: Belgium, Denmark and Finland (in respectively, 5, 6 and 6 out of 9 scales).

This typology raises an important methodological issue. Is it a useful approach to aggregate scales of neo-corporatism which themselves are aggregations? Aggregations that are, at first glance, based on quite diverse concepts of neo-corporatism, and consequently on quite diverse dimensions and indicators. Is it not obvious that one will indeed find differences between neo-corporatist countries even if they have an equal score on the various scales of neo-corporatism, simply because those scales are based on different dimensions and indicators of neo-corporatism?

Below, and in section 3, I shall demonstrate that the diversity of dimensions and indicators of neo-corporatism used to construct the scales in Table 1 is in fact much less dramatic than would initially seem to be the case. This observation is also borne out by the general consensus between researchers about the scores of the countries on their scales. One would not expect this degree of consensus if the scales were indeed constructed on the basis of radically different and/or conflicting dimensions and indicators of corporatism. In my view, this means that the above typology is a valid construction and a useful tool to establish a simple ranking order within the group of eight countries. Furthermore, that the sometimes quite striking differences that countries with an equal score on the various scales display with regard to dimensions and indicators remains a valid critique on the static nature of these scales. The explanatory capacities of the scales with regard to macroeconomic performance will be dealt with in section 4.

Central to all concepts of neo-corporatism used in these scales is the level or degree of integration of the labour movement (usually the trade unions) in public policy formation and implementation. There are two aspects to this integration. On the one hand, cooperation between trade unions and employers' organizations. On the other, cooperation between these interest groups and the government.

The degree of cooperation between trade unions and employers' organizations is expressed in various ways. It ranges from the existence of an ideology of 'social partnership' (Keman 1984) to 'economic consensus' (Paloheimo 1984); from 'friedliche sozialpartnerschaftliche Beziehungen zwischen Kapital und Arbeit' (Schmidt 1986) to strong 'social partnership' between unions and employers' organizations (Schott 1984). The main indicator used to establish the degree of cooperativeness of the trade unions is in effect the degree of 'labour quiescence' (Cameron 1984), i.e. the level of strike activity. The lower the number of days lost by strikes and/or lockouts, the higher the degree of cooperativeness and, therefore, the stronger the corporatism in a country.

The degree of cooperation between the government and the interest groups is also expressed in various ways. It ranges from the active role played

by the state in shaping the system of industrial relations (either by law or persuasion – Keman 1984) to a cooperative mode of economic policy formation (Paloheimo 1984; Schott 1984); from political participation of trade unions (Czada 1983; Lehbruch 1984) to the scope of coordination between private and public policy (Schmidt 1986; Lehner 1987). The main indicator used to establish the degree of cooperation between government and interest groups is whether or not there is an authoritarian incomes policy (Lehbruch 1984; Schott 1984; Lehner 1987). The less authoritarian the incomes policy is, the higher the degree of cooperation and, therefore, the stronger the corporatism in a country.

The degree of trade union integration turns out to be contingent upon a series of organizational characteristics (or indicators) of the labour movement (Cameron 1984: 163-167):

- the extent of union membership (density) (Cameron 1984; Paloheimo 1984);
- the organizational structure of trade unions, i.e. the degree of unity or fragmentation at the level of the union confederations (Czada 1983; Cameron 1984; Lehbruch 1984; Paloheimo 1984; Bruno and Sachs 1985);
- the power of the union confederation vis-à-vis their constituent members (Cameron 1984; Bruno and Sachs 1985);
- the scope of collective bargaining (Czada 1983; Cameron 1984; Lehbruch 1984; Bruno and Sachs 1985; Lehner 1987);
- the degree of institutionalization of collective bargaining (Czada 1983; Lehbruch 1984; Lehner 1987);
- the degree of worker participation in decision-making at the company level and on company boards (Cameron 1984; Bruno and Sachs 1985), which is inversely related to the autonomous power of company-level shop stewards (Bruno and Sachs 1985).

The organizational power of the trade union movement appears to be inductive to left-wing dominance, which is usually expressed as a dominance of social democratic parties in government over extended periods. Social democratic dominance of government is therefore the main explanatory factor (or indicator) for a consensual incomes policy and for government intervention aimed at coordination between the private and the public sector (Czada 1983; Cameron 1984; Keman 1984; Lehbruch 1984; Paloheimo 1984; Schott 1984; Bruno and Sachs 1985).¹

Apart from the above dimensions for neo-corporatism (cooperation between interest groups, and between interest groups and the government), two additional factors have been put forward to explain a country's policy formation. Both factors are concerned with the style of decision-making; one on the political level, the other on the political level as well as the level of

interaction between the interest groups themselves. First, a system of proportional representation, which leads to the necessity of forming coalition governments, and in turn leads to consensual decision-making (Keman 1984; Paloheimo 1984). This variable may account for those countries which are classified neo-corporatist, but which lack social democratic dominance in government (Lehmbruch 1984; see also Lijphart and Crepaz 1991).

Second, the degree of world market dependence, which also promotes cooperation between trade unions and employers' organizations and between the interest groups and the government, regardless of political persuasion (Czada 1983).²

3 Dimensions and indicators of neo-corporatism

The indicators of neo-corporatism employed to determine the scores of the countries on the above scales refer to a number of dimensions of the various concepts of neo-corporatism underlying the construction of these scales. As demonstrated above, the variation between the concepts of neo-corporatism underlying the scales in Table 1 is not very wide. In all concepts the same dimensions are employed, as are the same (or comparable) indicators. The first dimension regards the existence of institutions of centralized bargaining; cooperation between government, employers' organizations and unions; and the way in which these institutions work. The second dimension is the level of state intervention through incomes policy. The third dimension refers to the organizational characteristics of unions and the level of unionization. The fourth dimension regards the composition of party government. Lastly, the fifth dimension is the degree to which the national economy is dependent of the world market. The focus of these dimensions is the macro-level of national socio-economic issues and policies and actions of government and interest groups, as opposed to the meso-level of branch or sectoral issues and actions and policies of government and interest groups.³

In the following sections, the relevance of dimensions and indicators of neo-corporatism will be illustrated with data from the neo-corporatist countries under review.⁴ The evaluation will clearly show that there are major differences between countries that have the same scores on neo-corporatism, while countries that have different scores may show comparable patterns. For all countries concerned, the evaluation will show that their scores on the various scales of neo-corporatism do not (and can not) account for changes over time, either within a country or when comparing countries.

3.1 Institutions

The degree of institutionalization ranges from a very high level of both bipartite and tripartite institutionalization in Austria⁵, Belgium and the Netherlands, to the so-called "Scandinavian Model" in Denmark, Finland⁶, Norway and Sweden, which is characterized by a high degree of voluntary or informal institutionalization of centralized bargaining, both on the national and branch or sectoral level. In Switzerland, institutionalization has been strongly affected by the federal structure. The system of collective bargaining is both voluntary and decentralized (territorial and sectoral) and institutionalization follows the same pattern. The degree of institutionalization, therefore, does not fit the above categorization of the neo-corporatist countries (Table 1).

The same holds true for the way in which these institutions work. For most researchers the question is: do they generate consensus and cooperation or not?⁷ A low level of industrial conflict indicates consensus and cooperation in the institutions. Looking at strike activity, the level of industrial conflict differs greatly between neo-corporatist nations. Within a nation there can also be large fluctuations over time. Again, the pattern does not fit the above categorization of countries: Austria, the Netherlands, Norway (until 1986) and Switzerland have (had) quite consistently low strike levels. Finland, by contrast, has an exceptionally high level of strike activity. The level of strike activity in Belgium, Denmark and Sweden fluctuates asynchronously.

Table 2 Working days lost per 1,000 employees 1970-1990 (annual average)

Countries	1971-1975	1976-1980	1981-1985	1986-1990
Austria	14.7	2.1	1.8	1.2
Belgium	195.8	183.2	n.a.	n.a.
Denmark	354.5	75.9	262.3	79.6
Finland	595.5	520.7	271.2	343.2
Netherlands	36.1	27.8	18.7	11.2
Norway	9.3	36.3	49.7	123.3
Sweden	65.5	320.3	36.7	121.2
Switzerland	0.9	2.6	0.4	0.3
Average	159.0	146.1	91.5	97.1

Source: Ferner and Hyman (1992: xlix).

Note: Strike statistics in Belgium became increasingly unreliable during the 1980s. Nevertheless, there appears to have been a downward trend (Spineux 1990: 57; Vilrocx and Van Leemput 1992: 380-81).

Moreover, strike activity is a rather poor indicator for neo-corporatism because it cannot take into account changes in the way institutions work. During the 1980s in particular, most countries saw major changes in this respect. Decentralization of bargaining to allow for more flexibility in wages and other conditions of employment became the key word. During the 1970s, the governments of most countries tried, in one way or another, and with varying degrees of success, to establish some form of national concertation by encouraging bipartite (and tripartite) agreements through the introduction of package deals. In the 1980s, the governments of most countries either refrained from intervention in the bargaining process in the private sector or more or less "imposed" their policies on them. The bargaining process became increasingly decentralized: from nationwide inter-industry negotiations to industry-level bargaining; from industry-level bargaining to company or plant-level bargaining. In effect, in reaction to employers' demands for more decentralization and flexibility, the centralized bargaining and concertation institutions in a number of neo-corporatist countries appear to have lost (part of) their importance.

3.2 Level of state intervention

The level of government intervention in collective bargaining by incomes policy or other (welfare) measures indeed varies, both between neo-corporatist countries and within countries over time. Broadly speaking, we can group the countries into two categories: voluntary incomes policy, and incomes policy based on government intervention. The countries characterized by an incomes policy based on government intervention can in turn be classified according to the nature of the intervention, i.e. an authoritarian intervention or some kind of an exchange or package deal.

A voluntary incomes policy over the whole period 1970-1990 was applied only in Austria and Switzerland. The main difference between the two countries is that this policy is highly centralized and coordinated in Austria, whilst in Switzerland there is a much greater variety in policies, based on the federal system. In both countries, the social democratic party was continuously represented in (coalition) government.

In a number of countries a voluntary incomes policy can be observed during specific periods. For example, in Belgium (after 1986), the Netherlands (since 1982), Norway (1981-1986) and Sweden (1976-1982). However, in these cases the voluntary incomes policy usually applied to the private sector only, not to the public sector (social benefits, pensions, and public employees' salaries). The various governments' austerity policies aimed at reducing budget deficits usually resulted in an authoritarian incomes policy for the public

sector. With the exception of Belgium, the (coalition) governments in question did not include the social democratic party.

In Finland an incomes policy based on the tripartite bargaining of package deals between unions, employers' organizations and the government was adopted for the whole period 1970-1990. In other countries various forms of packaged incomes policies existed during specific periods. For example, in Belgium (until 1976), Denmark (1970-1982), the Netherlands (1970-1982), Norway (until 1976) and Sweden (until 1976). Sometimes governments "imposed" these packages on the social partners. Except for Belgium and the Netherlands, the (coalition) governments always included the social democratic party. The substance of these package deals was usually wage moderation in exchange for government intervention in the form of tax benefits, social security legislation, or legislation aimed at strengthening the positions of the unions and their representatives within companies or the economy as a whole (job security, co-determination, wage earner funds, etc.).

In some countries other varieties of interventionist incomes (and welfare) policies can be observed. For example, in Belgium (1976-1986), Norway (after 1986) and in Sweden (since 1982). These interventions usually took the form of an emergency or crisis policy, legitimizing the governments more authoritarian (wage) policy. The substance of these policies was in many cases a wage-freeze and/or deflation to increase profits as a source of investments for possible future employment. The implementation of these policies was, however, coordinated with the unions, although this coordination did not necessarily imply a package deal or exchange. The actual level of coordination was highest in Norway and lowest in Belgium. In all three countries the (coalition) government included the social democratic party (in Belgium for half the period: 1977-1981).

Again, actual incomes policies in neo-corporatist countries do not conform to the categorization of countries arising from Table 1.

3.3 Unions and unionization: unity, density and centralization

This dimension refers to the organizational characteristics of the trade union movement. Unity signifies whether or not there is a unified union movement. Density is the degree of unionization, i.e. the proportion of union members to the total workforce (see also Wilson 1990; Kurzer 1991). Lastly, centralization refers to both the extent to which decisions are taken at the level of the union confederation (Czada and Dittrich 1980) and the degree of independence of union functionaries from the rank-and-file (Panitch 1979; Katzenstein 1985; Czada 1987).

Again, there are major differences between neo-corporatist countries which do not follow the pattern observed in Table 1. Austria is the only country which can boast of a unified union movement and both a high union density and a high degree of union centralization. In all other countries the union movement is divided according to class, status, religion, and/or language.

In Sweden we can observe a high union density combined with a high degree of union centralization. Belgium features a high union density combined with a medium level of centralization. In Belgium (and in the Netherlands – see below) a process of decentralization can be discerned in which the national unions became more important than the confederations in collective bargaining. Within unions, however, centralization is still quite high. In both countries union officials have a rather large measure of independence from their members, even though members have to be balloted on collective agreements.

The other three Scandinavian countries (Denmark, Finland and Norway) have similar union characteristics. They combine a high union density with both a divided union movement and a low level of centralization.

In the Netherlands the union movement is divided, union density is low and centralization within union confederations is declining. Lastly, Switzerland scores quite low on all three union characteristics.

Table 3 Unions and unionization in neo-corporatist countries (1970-1990)

	Unity	Density	Centralization
Austria	+	+	+
Sweden	-	+	+
Belgium	-	+	-
Denmark	-	+	-
Finland	-	+	-
Norway	-	+	-
Netherlands	-	-	-
Switzerland	-	-	-

Unity: + = a unified union movement (one (con)federation); - = a divided union movement (several union (con)federations and/or a high degree of inter-union competition). *Density:* + = a union density of 50 per cent of working population or above; - = a union density well below 50 per cent. *Centralization:* + = a high degree of independence of union functionaries from the rank-and-file and a high degree of centralization within the union or union (con)federation; - = a combination of a (growing) decentralization within the union (con)federations and a fair degree of independence of union functionaries from the rank-and-file; - = a low degree of both independence from the rank-and-file and centralization within the union (con)federation.

3.4 Party government

According to most researchers, there is a relation between social democratic government and neo-corporatism (see also Jessop 1979; Marks 1986; Lijphart and Crepaz 1991; Western 1991 and Crepaz 1992). Wilson (1990) and Kurzer (1991) go even further. Both state that empirically neo-corporatism is linked to social democratic rule. At this point in the analysis, it becomes increasingly difficult to make any conceptual distinction between neo-corporatism and social democratic government (see also Esping-Andersen and Van Kersbergen 1992).

Table 4 presents an overview of social democratic participation in government between 1970 and 1990. It is clear from this overview that there is no significant straightforward relation between social democracy in government and neo-corporatism which adheres to the above categorization of countries. With the exception of Austria, and there only until 1983, there has not been a social democratic majority government in any country during the period under consideration.

In the Scandinavian countries, Denmark (about 8 years), Norway (about 10 years), and Sweden (about 15 years), social democracy was the largest political party and was able to form minority governments. In other countries, most notably Belgium (about 10 years), Finland (about 18 years), the Netherlands (about 6 years), and Switzerland (for 20 years), social democrats were a part of coalition governments with centre (mainly christian democratic) and/or conservative parties. Lastly, the social democrats were excluded from government for extended periods in Belgium (about 10 years), Denmark (about 10 years), the Netherlands (about 14 years), Norway (about 10 years) and even Sweden (about 6 years).

Another angle of research into the relation between political parties, party government, and neo-corporatism has been opened by Lijphart & Crepaz (1991). They find that apart from social democratic government, consensus democracy is also a strong explanatory factor for neo-corporatism (see also Lehbruch 1984). They argue that neo-corporatism can also be considered "as a component of a more broadly defined concept of consensus democracy" (245). Apparently, the interrelatedness of actor behaviour in a consensus democracy produces the same effects as social democratic government: neo-corporatism.

Table 4 Social democratic participation in government in neo-corporatist countries (1970-1990)

Country	social democratic majority	social democratic minority government	social democratic party in coalition government	social democratic party not in government
Austria	1970-1983		1983-1990	
Belgium			1970-1974	1974-1977
			1977-1981	1981-1988
			1988-1990	
Denmark		1971-1973	1978-1979	1970-1971
		1975-1978		1973-1975
		1979-1982		1982-1990
Finland		1972	1970-1972	1976-1977
			1972-1976	
			1977-1990	
Netherlands			1973-1977	1970-1973
			1981-1982	1977-1981
			1989-1990	1982-1989
Norway		1971-1972		1970-1971
		1973-1981		1972-1973
		1986-1989		1981-1986
		1990-		1989-1990
Sweden		1970-1976		1976-1982
		1982-1990		
Switzerland			1970-1990	

Source: Woldendorp et al. (1993).

3.5 World market dependence

The last dimension concerns the size of the country and world market dependence. There is again no consensus among experts on neo-corporatism about the relation between the size of a country and its neo-corporatist character. Some argue that the fact that a country is small (in terms of population and, therefore, internal market) means it has to have an open and vulnerable economy which is heavily dependent on world market

developments. This, in turn, leads to the adoption of corporatist structures, institutions or mechanisms to cope with change (see also Katzenstein 1985; Western 1991; Crepaz 1992). Other researchers, however, conclude that neither population size nor economic openness are significant explanatory factors for neo-corporatism (Lijphart and Crepaz 1991).

Pennings (1996, Appendix A.2) gives a measure for world market dependence of a number of countries (imports plus exports in percentage of GDP). World market dependence of neo-corporatist countries appears to be both relatively high (compared to non-neo-corporatist countries) and at the same time to cover a wide range; from Sweden (53.3) to Belgium (108.0). The differences with non-neo-corporatist countries in Europe should, however, not be exaggerated. Germany (45.8), the United Kingdom (50.2) and Ireland (95.1), for instance, are equally dependent on the world market. Within the group of neo-corporatist countries we can observe a group with a relatively low dependence and a group with very high dependence. Low are Sweden (53.3), Finland (54.2), Denmark (62.0), Switzerland (65.5), and Austria (66.3). High are Norway (86.4), the Netherlands (94.3) and Belgium (108.0). Therefore, it is also difficult to draw any straightforward conclusions from this dimension about the relation between (the level of) world market dependence and the degree of neo-corporatism in a country (as expressed in Table 1).

4. Neo-corporatism reviewed: government policy, consensus and macroeconomic performance

The evaluation of dimensions and indicators of neo-corporatism has clearly shown that there are major differences between countries that have comparable scores on scales of neo-corporatism. In contrast, countries that have different scores may show comparable patterns. These findings show that neo-corporatism scales by their very nature can not account for variation and changes over time, both within and between countries. In this section, the variation and changes in socio-economic government policy, consensus, and macroeconomic performance of the neo-corporatist countries will be scrutinized on the basis of a country-by-country case study. The aim of this analysis is to investigate the explanatory capacity of the scales of neo-corporatism. Does the level of neo-corporatism of a country, as expressed by the country's score on the various scales of neo-corporatism, indeed explain the variation in socio-economic government policy and the variation in terms of macroeconomic performance and social peace (consensus)? The countries concerned will be grouped according to their scores (see Table 1). The first group consists of countries considered the most neo-corporatist: Austria, Norway and Sweden. The second group contains the countries with

a lower, but still quite high level of neo-corporatism: the Netherlands and Switzerland. The last group consists of countries with a medium or low level of neo-corporatism: Belgium, Denmark and Finland.

Table 5 Macroeconomic performance of neo-corporatist countries 1970-1990 (annual averages)

Country	Period	EG	INF	UN	BUD	PD	TR
Austria	70-72	6.2	6.2	1.3	0.9	-	-0.6
	73-79	3.5	6.3	1.7	-2.3	35	-1.7
	80-90	2.4	3.4	3.3	-3.0	49.3	-0.2
Norway	70-72	3.9	7.0	1.6	3.3	-	-2.2
	73-79	4.7	9.0	1.8	2.3	34.5	-6.9
	80-90	2.3	7.3	3.0	4.8	43.5	0.9
Sweden	70-72	2.9	6.7	2.2	3.6	-	0.5
	73-79	2.1	10.3	2.0	0.4	37.1	-0.9
	80-90	1.9	7.5	2.4	-1.3	57.3	-1.5
Netherlands	70-72	4.8	7.8	1.5	-1.1	-	0.1
	73-79	3.1	7.1	3.7	-2.4	41.1	1.8
	80-90	1.7	2.5	9.7	-5.3	65.1	2.5
Switzerland	70-72	4.6	7.3	0.0	4.7	n.a.	0.4
	73-79	0.1	4.0	0.3	3.7	n.a.	3.6
	80-90	2.2	3.4	0.6	3.4	n.a.	3.9
Belgium	70-72	5.2	5.6	2.3	-2.3	-	2.9
	73-79	2.9	8.2	5.9	-4.3	72.5	0.1
	80-90	1.8	4.4	11.2	-8.6	118.2	0.0
Denmark	70-72	3.5	7.2	2.9	2.7	-	-2.1
	73-79	2.6	11.0	5.0	-0.0	24.5	-3.1
	80-90	1.6	5.8	8.3	-3.0	55.6	-2.8
Finland	70-72	5.7	8.1	2.2	3.5	-	-1.9
	73-79	2.9	12.7	4.2	2.3	11.7	-2.4
	80-90	3.2	6.6	4.9	-0.4	15.6	-2.3

Source: OECD, Economic Outlook.

EG = Economic Growth: annual percentage. INF = Inflation: annual percentage. UN = Unemployment: annual percentage. BUD = Budget: annual surplus or deficit (-) as percentage of GDP. PD = Public Debt: annual percentage of GDP (as of 1978). TR = Trade: annual current balance surplus or deficit (-) as percentage of GDP.

For all countries the focus of the research is the formulation of social and economic policies by the government. The first question to be answered is whether or not the government attempted to formulate policies by negotiations and discussions with the relevant socio-economic interest groups, and whether it tries to bind these interest groups to the implementation of these policies. The second question to be answered is whether or not government policy (and interest group action) of whichever persuasion was successful in terms of macroeconomic performance and social peace.

The economic indicators commonly used to determine macroeconomic performance are economic growth, inflation and unemployment. However, especially in the 1980s additional economic indicators gained prominence for economic policy: the budget deficit and resulting increases in the public debt, and the trade deficit. Therefore, the macroeconomic performance of countries will be discussed on the basis of the following indicators: economic growth, inflation, unemployment, budget deficit and public debt, and trade deficit. The period will be divided according to the two turning points in the economic development of advanced industrial societies since 1965: the first 'oil-shock' of 1973 and the second 'oil-shock' of 1979/80 (Keman 1993: 171).

4.1 Austria, Norway and Sweden

In Austria, the social democratic majority government first tried to tackle the growing economic problems in the 1970s by furthering a voluntary incomes policy of wage restraint through legislation in favour of the unions and stemming rising unemployment by increasing public sector employment (especially in state enterprises). The government's wage and employment policy was a moderate success, but economic growth almost halved, inflation remained high and the budget deficit almost trebled. In the 1980s first the social democratic government and later on the various coalition governments of social democrats and liberals or christian democrats, slowly changed policies. Controlling the budget and reducing deficits received greater priority. Nevertheless, deficit-spending continued and the budget deficit increased. This was partly due to continued anti-cyclical deficit-spending, but more and more it was caused by structural factors like increased contributions to retirement insurance, servicing the public debt, and increasing wage costs in the public sector (including state enterprises). It was not until after 1986 that the new social democratic-christian democratic coalition government embarked upon a reform programme for nationalized industry, including massive lay-offs (Gerlich and Müller 1989; Fitzmaurice 1991).

The level of industrial conflict in Austria was very low between 1970 and 1990 (see Table 2). Nevertheless, in the period 1971-1975 the number of

working days lost was on average (more than) seven times higher than between 1976 and 1990. In this latter period, however, the social democratic government, with reasonable success, used a neo-corporatist strategy to implement an anti-crisis policy. Apparently, this strategy at the time had no direct effect on the level of conflict or consensus.

Norwegian social democratic minority governments in the 1970s tried to get the peak organizations of trade unions and employers to conclude central agreements aimed at wage moderation. To facilitate the negotiations, the government offered package deals of social reforms, tax concessions, reduced social security premiums for employees, and price subsidies. However, the trade deficit and inflation both continued to increase and at the end of the 1970s the government intervened in collective bargaining with a statutory wage freeze and deflationary policies. In the first half of the 1980s a "bourgeois" minority coalition government took over and reversed policies completely. A liberal tax and credit policy was introduced to increase profits and investments in the private sector. At first, the economy boomed, but in 1986 came the bust. A new, social democratic minority government stepped in and again implemented a wage freeze and deflationary politics on the basis of a national emergency programme which was coordinated with the unions. Nevertheless, economic growth almost halved, unemployment doubled, inflation remained high and the public debt increased.

The level of industrial conflict in Norway consistently increased between 1970 and 1990 (see Table 2), irrespective of government policies, strategies and macroeconomic performance.

The Swedish social democratic minority governments in the first half of the 1970s stimulated the unions to apply a voluntary wage restraint by offering an extensive programme of social reform (job security, union workplace representatives, codetermination, safety regulations, and wage earner funds⁹) and tax incentives. The government did not intervene in the (centralized) collective bargaining process itself. The "bourgeois" government between 1976 and 1982 threw out the wage earner funds and increased the employers' growing resistance to centralized collective bargaining. Devaluation was the government's main instrument of economic policy. However, in response to a number of crises in various branches of industry, government support for ailing industries actually reached higher levels than under social democratic governments. The social democratic minority governments after 1982 tried to find a third path between an austerity (monetarist) policy and traditional Keynesian demand management. Investments were to be promoted by assuring high profits to employers through low nominal wage increases and further devaluation of the currency. Voluntary centralized collective bargaining was encouraged by offering the unions a watered-down version of the original wage earner funds. Some attempts to implement small reductions in the

budget were also made (Gustafsson 1989). The government did not intervene in the bargaining process. During the 1970s and 1980s unemployment was kept at a very low level by all governments' policies. This was at the cost, however, of steadily increasing budget and trade deficits, while inflation remained high throughout the whole period. Devaluation of the currency became virtually the main instrument of economic policy.

Industrial conflict in Sweden does not seem to have had any relation with specific government policies and strategies. Although there was a peak under the 'bourgeois' government between 1976 and 1982, there was also a peak (albeit lower) under the social democratic minority government between 1986 and 1990 (see Tables 2 & 4).

4.2 The Netherlands and Switzerland

In the 1970s, Dutch governments of all persuasions actively intervened in collective bargaining. Intervention by the social democratic-christian democratic coalition government between 1973 and 1977 included attempts to arrange package deals in which wage moderation was achieved in exchange for both a social reform policy (union representation in firms, wage earner fund), and tax and social security premiums reductions for employers. Despite this, wage moderation was not achieved and both inflation and the government's expenditure on social security went up. The christian democratic-liberal coalition after 1977 tried to reduce public spending by lowering the increases in wages and social benefits (wages in the public sector and social benefits were tied to wages in the private sector), while at the same time maintaining public sector employment and social security guarantees. Actual exchange, either with unions, employers' organizations or both, was minimal, although the government repeatedly "went through the motions". The christian democratic-liberal coalition governments in the 1980s continued and intensified this policy. In effect, the public sector was cut-off from the private sector. Private sector bargaining was not interfered with, but no longer had any bearing on public sector wages and benefits. The public sector underwent serious cuts in wages, benefits, and employment. Admission to unemployment benefits was made more difficult. No attempts at package deals or exchange were made (see also Foppen 1989; Hemerijck 1992; Woldendorp 1995). Although inflation was brought under control, unemployment rose dramatically, as did the level of transfer payments and the budget deficit. Economic growth halved.

The level of industrial conflict in the Netherlands consistently declined between 1970 and 1990, regardless of the actual government policies and strategies (see Table 2).

The Swiss coalition government in which the four main political parties are represented according to the 'magic formula' (Steiner 1986: 124-126) does not as a rule intervene in industrial relations except to determine the legislative framework for collective bargaining. National government's policies on social and welfare issues are quite limited. The aim is to avoid deficit spending. Consequently, collective bargaining covers a much broader scope of issues than in other countries. The bargaining process is heavily influenced by the federal system, i.e. decentralized. Industrial conflict in Switzerland is virtually non-existent (see Table 2). Unemployment and inflation were kept at very low levels, without creating a budget or trade deficit. Economic growth picked up after 1979.

4.3 Belgium, Denmark and Finland

Until 1973, direct government intervention in the collective bargaining process was rare in Belgium. After the first oil-shock in 1973, governments of all persuasions ostensibly aimed their policies at balancing the budget and reducing the deficit by employing wage freezes, making cuts in social benefits, increasing social security contributions from employees and employers (without dismantling the basic system), and attempting to improve employment. In practice, however, until 1981 little could be actually done due to political fragmentation and the laborious consultation procedures with interest groups. The general picture was one of a "dead-lock". After 1981 the christian democratic-liberal coalition government in particular succeeded in effectively implementing this policy, against the opposition of the social democratic party and unions. Central bargaining collapsed between 1976 and 1986, but bargaining at lower levels continued as an effect of pillarisation, i.e. integration of the unions (especially the catholic confederation) in government policy formation. At the end of the 1980s restrictions were slowly relaxed (Pijnenburg 1989). Unemployment and the budget deficit, however, almost doubled, the public debt increased, and economic growth deteriorated further.

With respect to conflict-regulation, the level of industrial conflict in Belgium declined slowly during the whole period (see Table 2). Apparently, the various government policies and implementation strategies were all reasonably effective in regulating conflicts.

Government policy in Denmark underwent a number of changes between 1970 and 1990. The social democratic minority governments until 1983 tried to achieve central agreements between unions and employers' organizations, aimed at wage moderation to combat inflation and balance of payments and budget deficits, in exchange for legislation and agreements favourable to

unions ("floors" in wages using a statutory minimum wage, industrial and economic democracy). These attempts foundered as wages continued to drift (i.e. growing deficits) because of lack of union discipline based on increasing union density. The conservative and liberal minority governments after 1982, therefore, took sterner measures. Price indexation of wages and benefits was scrapped. All benefits, except old age pensions, were reduced while at the same time higher contributions from employees and employers were demanded to reduce the financial burden on the state budget. Collective bargaining was restricted to wages and other terms of employment (as opposed to the 1970s) and regained importance at lower levels (industry/sector), because wage policy in the private sector was free (see also Damgaard 1989). However, unemployment kept rising, inflation remained fairly high, and the budget and trade deficits increased. Economic growth deteriorated further.

There seems to have been no direct relation between the various government policies and strategies in Denmark and their effectiveness in regulating conflicts (see Table 2).

Implementation of Finnish government policies between 1970 and 1990 usually took the form of (neo-corporatist) package deals between government, unions and employers' associations. Government policy was implemented in exchange for social reforms (strengthening the position of shop stewards, employee representation on boards of directors, various forms of profit-sharing). The role of the social democratic party with its key position in (coalition) government and unions was crucial for these exchanges, but the other parties in the various coalition governments did not oppose these packages. Economic growth remained at a reasonable level, and unemployment did not increase significantly. Inflation, although significantly decreased, remained fairly high.

The level of industrial conflict in Finland between 1970 and 1990 was consistently higher than in other neo-corporatist countries (see Table 2). Government policies and strategies seem to have had no bearing on conflict-regulation, although the actual level of conflict declined somewhat between 1970 and 1990.

4.4 Summing up

Our analysis of a group of small, West-European countries which are generally classified as neo-corporatist has demonstrated that there are major differences in policy formation, policy implementation, and macroeconomic performance, both between the countries and within a country over time. These differences do not coincide with the three groups of neo-corporatist countries which were

identified on the basis of the various scales of neo-corporatism in Table 1. Countries with a higher level of neo-corporatism do not as a rule perform better than countries with a lower level of neo-corporatism. In this respect the explanatory capacity of the neo-corporatism scales is quite limited. The same conclusion, however, holds true for the results of the more dynamic analysis of formulation and implementation of actual socio-economic government policies and the effects on performance. Countries in which the government follows a stricter neo-corporatist strategy do not as a rule perform better than countries in which the government follows a less strict neo-corporatist strategy.

In Austria, Finland, Sweden and Switzerland, policy formation and implementation during the 1970s and 1980s did not undergo major changes, although a slight trend towards stricter budget policies was discernable in three of the four countries: Austria, Finland and Sweden. Policy implementation in these three countries can be described in terms of a neo-corporatist strategy by a social democratic (coalition or minority) government to arrive at a trade-off between (voluntary) wage moderation by unions and legislation aimed at various forms of economic democratization. Policy formation and implementation in Switzerland is determined by the federalist, decentralized character of the country. National government policy is both limited and of a more monetarist inclination than in other neo-corporatist countries. Macroeconomic performance in all four countries is varied: satisfactory in Switzerland; slowly deteriorating (budget and trade deficits, unemployment, inflation) in Austria, Finland and Sweden.

Norway seems to be in a category of its own: from an increasingly stricter (i.e. mandatory wage freezes in the late 1970s), but still neo-corporatist strategy by a social democratic minority government during the 1970s; via a "bourgeois" intermezzo of liberal tax and credit policies in the early 1980s which created a classical boom-bust development; to a social democratic minority government again in the second half of the 1980s which implemented an emergency crisis plan in coordination with the unions. Macroeconomic performance deteriorated in some aspects (economic growth and unemployment, while inflation remained at a rather high level) and improved in other aspects (trade balance and budget).

Due to a continuous decline in macroeconomic and fiscal room to manoeuvre, the other three neo-corporatist countries experienced major changes in policy formation and policy implementation. In Belgium, Denmark and the Netherlands (coalition) governments during the 1970s, in which the social democrats participated, pursued a strategy towards national concertation aimed at a trade-off between (voluntary) wage moderation by the unions and legislation to further economic democratization (i.e. a neo-corporatist strategy), comparable to the policies of the social democratic

(coalition or minority) governments in Austria, Finland, Norway and Sweden. This strategy, however, proved to be ineffective with regard to macroeconomic performance which deteriorated dramatically. In reaction, (coalition) governments in the 1980s, without social democrat participation, pursued a much stricter austerity policy aimed at balancing the budget and reducing deficits and debts. The private and public sectors were virtually separated, all cuts and freezes were made in the public sector (public sector employees' salaries, social benefits, pensions and other subsidies) which was under direct government control.¹⁰ The private sector was basically left untouched, although unemployment benefits were somewhat restricted. Macroeconomic performance has improved in one aspect (reduction of inflation) but deteriorated further in others (unemployment remained exceptionally high, budget deficits increased, and economic growth declined further).

The difference between social democratic governments, be it a majority, minority or a coalition government, and governments of other persuasions in the 1980s is that the former are more inclined to implement their various policies through negotiations and/or package deals with unions (and, to a lesser extent, employers' organizations). Failing such an agreement, these governments are more inclined to intervene in the bargaining process. Coalition governments without social democratic participation are more inclined to adopt a non-intervention policy where collective bargaining in the private sector is concerned, and to concentrate their policy on attempts to balance the budget by cuts or freezes in public sector wages, employment, and benefits. Consequently, collective bargaining in the private sector tends to conform more and more to employers' demands of decentralization and flexibility.¹¹

No relation between a neo-corporatist implementation strategy and the actual level of industrial conflict in a specific country could be established, other than that in general the level of conflict in neo-corporatist countries is (much) lower than in countries which are not classified as neo-corporatist.

5 Conclusions

It appears that governments in neo-corporatist countries experienced ever decreasing macroeconomic and fiscal room to manoeuvre, particularly in the 1980s. This arose from changing circumstances such as growing internationalization, which affects the countries' structure of employment. The actual substance of government policies in the various neo-corporatist countries in reaction to this phenomenon and the way governments try to implement these policies is quite varied and does not coincide with the three

groups of neo-corporatist countries identified above (see Table 1). Instead, policy formation and implementation seems to depend on the experience (positive or negative) with government policies (and their implementation) and composition of coalition governments during the preceding period (Keman 1993: 173/74).

Macroeconomic performance is also quite varied and does not fit the pattern of the three groups of neo-corporatist countries. In all groups there are countries that perform better and countries that perform worse. Countries with a high level of neo-corporatism do not, as a rule, perform better than countries with a lower level of neo-corporatism.

With respect to conflict-regulation, there appears to be no relation between the various governments' implementation strategies and the actual level of conflict in a given country. A neo-corporatist strategy is apparently not more effective in this respect than other implementation strategies.

A general conclusion, therefore, must be that, also on the basis of a more dynamic interpretation of neo-corporatism, the connection between neo-corporatism as a form of formulating and implementing public policy on the one hand, and macroeconomic performance on the other, has been very tenuous, even in its hey-day during the 1970s. Apart from Switzerland, and to a certain degree also Finland, governments in all other neo-corporatist countries have experienced, be it in different degrees, continually decreasing macroeconomic and fiscal room to manoeuvre as the economic difficulties continued during the 1980s. Social democratic (coalition or minority) governments in some countries continued their neo-corporatist strategy in the 1980s, which kept unemployment relatively low at the cost of increasing budget deficits and/or a fairly high level of inflation (Austria, Norway and Sweden). Coalition governments without social democratic participation in Belgium, Denmark and the Netherlands, on the other hand, changed their strategy in the 1980s, also with varying degrees of success. The level of unemployment and budget deficits in these countries remained very high, while economic growth did not improve.

Although neo-corporatism may be an important variable to understand social-economic policy formation in these countries, it is apparently more a set of options for action for political and societal agents, than a system or structure. In some countries it may sometimes explain policy formation and implementation. It does not explain macroeconomic performance of a country.

Notes

1. In effect, both conceptually and empirically there is hardly any difference between the above 'composite indicator of the organizational power of labour' (trade union characteristics, combined with social democratic dominance of government – Cameron 1984) and neo-corporatism, i.e. between countries with a strong labour movement and social democratic dominance of government on the one hand and neo-corporatist countries on the other hand.

2. It is interesting to note that both the central dimensions of the above concepts of neo-corporatism and the indicators used, seem to have no bearing whatsoever on the employers' organizations, except by default. That is, if, from the absence of strikes and other (labour) conflicts, we may indeed deduce that employers' organizations are cooperating with trade unions and the government. Only Lehmbruch (1984: 75) notes that because the linkages between employers' organizations and "bourgeois" parties are much looser than between trade unions and social democratic parties, it is much easier for employer organizations to step out of neo-corporatist arrangements than it is for trade unions. The general trend in all neo-corporatist countries in Western Europe in the 1980s towards decentralization of collective bargaining to allow for greater flexibility in wages and other conditions of employment was indeed largely in tune with demands from employers' organizations for less centralization and coordination of collective bargaining (in the private sector). In effect, neo-corporatism as conceptualized above runs the risk of being nothing more than 'a system of institutional wage restraint in which labour, acting "responsibly", voluntarily participates in and legitimizes the transfer of income from labour to capital' (Cameron 1984: 146; see also Bruno and Sachs 1985).

3. These dimensions were developed on the basis of a discussion of recent concepts of neo-corporatism and their application on the macro-level of national issues, actions and policies of government and interest groups (Woldendorp 1995). The concepts of neo-corporatism used by the researchers in Table 1 can be fitted easily in this classification of dimensions.

4. The information about the countries under review is based on the following references: Austria (Fürstenberg 1991; Traxler 1992; Compston 1994), Belgium (Spineux 1990; Vilrocx and Van Leemput 1992; Compston 1994), Denmark (Amoroso 1990; Kjellberg 1992; Scheuer 1992; Compston 1995), Finland (Kjellberg 1992; Lilja 1992; Compston 1995), the Netherlands (Visser 1990, 1992; Compston 1994), Norway (Dølvik and Stokland 1992; Kjellberg 1992; Compston 1995), Sweden (Rehn and Viklund 1990; Kjellberg 1992; Compston 1995) and Switzerland (Hotz-Hart 1992; Compston 1994). In addition, Bruno and Sachs (1985) and Armingeon (1983, 1994) have been utilized. Other sources used will be referred to in the text.

5. Within this category Austria is characterized by the extreme legal type of institutionalization.

6. Finland conforms to this model only since the 1960s (Kjellberg 1992).

7. See for an extensive discussion of this dimension also Lehmbruch (1979), Panitch (1979), Czada and Dittrich (1980), Armingeon (1983), Marks (1986), Curtis (1987), Czada (1987), Braun (1989), Cox (1989), Wolinetz (1989), Kurzer (1991) and

Hemerijck (1992).

8. As with the linkages between unions and neo-corporatism, the assumed strong connection between neo-corporatism (and consensus democracy) and social democratic government (let alone social democratic rule) poses major analytical problems for those countries which have been classified as neo-corporatist, although social democratic government, or even social democratic participation in (coalition) governments has been rare and other parties (for example, christian democrats) have been the dominant parties in government. Hence, it seems more convincing to argue that the political provision of welfare, to which christian democracy is as equally committed as social democracy (Budge and Keman 1990: 142; see also Van Kersbergen 1995), combined with tripartism may well produce neo-corporatism as a more successful strategy. This would accommodate both the social democracy and the consensus democracy angle of research into neo-corporatism.

9. The wage earner funds were initiated by the labour union LO. The government was initially taken by surprise but soon adopted the funds as part of their package of social reform.

10. See Budge and Keman (1990: 138-150) on variations in party control over social and economic welfare.

11. However, this tendency does not solely reflect changing power relations between employers and unions, but also major changes within the union movement. During the 1970s and 1980s, a general trend can be observed in all neo-corporatist countries of declining manufacturing sectors and growing private and public services sectors. The structure of employment changed towards an ever increasing dominance of white collar workers, even within the manufacturing sectors, which become more and more technology intensive. The net effect is a growing differentiation within the working population, i.e. increasing differentiation of interests and demands. A certain amount of decentralization and flexibility is, therefore, also in the interest of a growing number of union members. Within the union movement this promotes both a tendency towards decentralization from peak associations towards (national) unions and more conflicts and contradictions between unions and union federations. A factor which contributes to declining union power is the (growing) lack of organization of white collar workers in the private services sector in most of the neo-corporatist countries. Unionization tends to become concentrated in the (declining) manufacturing sector and among (blue collar) workers in the public sector.

12. I would like to stress that it was not my intention to explain the differences in macroeconomic performance, but merely to find out whether countries with a higher level of neo-corporatism, as expressed by their scores on various scales of neo-corporatism, did indeed do better than countries with a lower level of neo-corporatism.

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Appendix 1: Notes to Table 1

Czada (1983: 425): The main dimension of corporatism is the relation between state and interest groups (in effect only trade unions). The indicators are the level of institutionalization, the scope of negotiations and the degree of participation (of unions) in government policy.

- 1 = dominant pluralistic "pressure politics" (fragmented and competing interest groups try to lobby government and parliament to influence decision-making);
- 2 = sectoralism (institutionalized participation of interest groups, but restricted to a few policy sectors and/or interests and/or specific stages of the policy process (consultation, decision-making, or implementation);
- 3 = neo-corporatism (interest groups bindingly participate in decision-making and implementation; central institutional organs in the areas of economic and budget policy, without restriction of authority, result in a trans-sectoral, all policy sectors encompassing competence for all national policy sectors).

Cameron (1984: 164-168): The central measure is the organizational structure (= strength) of the labour movement (in effect, of the trade unions). Indicators are the extent of union membership, unity/fragmentation of unions, power of union confederations in collective bargaining, scope of collective bargaining, existence of schemes of worker participation on plant-level and on company boards.

- 1 = weak or non-existent labour movement;
- 2 = medium strength;
- 3 = strong labour movement.

Keman (1984: 167): The main dimension of a corporatist mode of conflict-regulation is the degree of cooperativeness in implementing macroeconomic policy. Indicators for the degree of neo-corporatist conflict regulation are social partnership and level of state intervention in industrial relations.

- 1 = not neo-corporatist (conflict regulation by authoritarian policy);
- 2 = not neo-corporatist (some conflict regulation through cooperation and negotiation);
- 3 = either a high level of government intervention or a high level of social partnership;
- 4 = neo-corporatist (not always effective or operative);
- 5 = strongly neo-corporatist conflict-regulation.

Lehmbruch (1984: 65-66): Based on Czada (1983), but extended. The indicators are the nature of trade union participation in public policy formation, the

scope of bargaining and government intervention aimed at coordinating macroeconomic parameters. Additional, complementary indicators include formalized vertical participation of peak associations (of interest groups), centralized organizational structures (of interest groups), existence of an institutional framework and strong linkages between political parties and organized interest groups.

- 1 = pluralism (Czada, plus a low degree of effective participation by unions in policy-making);
- 2 = weak corporatism (Czada);
- 3 = medium corporatism (2, plus a broader scope of collective bargaining and attempts at concerted incomes policies which have met with some success);
- 4 = strong corporatism (effective participation of labour unions [and organized business] in policy formation and implementation across those interdependent policy areas that are of central importance for the management of the economy);
- (5 = concertation without labour).

Paloheimo (1984: 14-17): Based on Schmidt (1981, 1982a, 1982b), using three indicators for neo-corporatist conflict regulation: level of strike activity, consensual incomes policy, ideological and organizational unity of trade union movement.

- 1 = low (a variety of authoritarian and competitive ways of conflict regulation);
- 2 = medium (residual category of all cases which are not 1 or 3);
- 3 = strong (neo-corporatist conflict regulation).

Schott (1984: 41-43): The main dimensions of corporatism are strong social partnership and a cooperative mode of economic policy making between state, unions and employers' organizations. Indicators are the level of strike activity and incomes policy (authoritarian or not).

- 1 = weakly corporatist (trade unions and employers organizations are not cooperative, strikes and lockouts are frequent, incomes policy more imposed than consensual);
- 2 = medium corporatist (residual category of all cases which are not 1 or 3);
- 3 = strong corporatism (trade unions and employers' organizations committed to social partnership ideology, cooperation between state and interest groups in some economic policy areas, no authoritarian incomes policy, low level of conflict).

Bruno and Sachs (1985: 225-227): The main dimension of corporatism is the level at which wage setting occurs, i.e. the extent of centralization of (wage) negotiations. The four indicators used are the degree of union centralization,

the extent of shop-floor union power, employer coordination, and the presence of works councils.

- 1 = not corporatist (unions organized on plant level, overall extent unionization low, national labour federations do not actively participate in wage bargaining, strike activity high, social democratic power low or non-existent);
- 2 = intermediary countries (residual category of all cases which are not 1 or 3);
- 3 = corporatist (display extensive, centralized unionization, low level of strike activity, high degree of social democratic rule).

Schmidt (1986: 262): Based on Czada (1983). The main indicators are the efficacy with which social and economic policy is coordinated with powerful interest groups (concertation) and the level of conflict (consensus).

- 1 = fragmentation and conflict;
- 2 = concertation without consensus;
- 3 = concertation and consensus.

Lehner (1987: 58): Based on Czada (1983) and Lehbruch (1984). The main dimension is the institutional integration of labour. The indicators are the scope of collective bargaining, the scope of institutionalized participation of organized labour and the scope of coordination between private and public sector (concordance, *Konzertierung*).

- 1 = pluralism (fragmented and segmented interest intermediation);
- 2 = weak corporatism (institutionalized participation of organized labour in certain areas; narrow scope of collective bargaining);
- 3 = medium corporatism (sectoral participation; broad scope of collective bargaining);
- 4 = strong corporatism (tripartite concertation with broad scope of bargaining; encompassing coordination of income policies);
- 5 = concordance (encompassing coordination of the interactions of the private and the public sector).