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Ibsen, Christian Lyhne; Ellersgaard, Christoph; Grau Larsen, Anton

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# **Quiet Politics, Trade Unions and the Political Elite Network: the case of Denmark**

Christian Lyhne Ibsen, Christoph Houman Ellersgaard & Anton Grau Larsen

## **Abstract**

Culpepper's seminal book 'Quiet Politics and Business Power' has revitalized the study of when business elites can shape policies away from public scrutiny. This paper takes the concept of quiet politics to a new, and surprising, set of actors, namely trade union leaders. We study the case of Denmark, and argue that quiet politics functions through political elite networks and that this way of doing politics favors a particular kind of corporatist coordination between the state, capital and labor. Rather than showing macro-corporatist coordination between the two classes and governments, we identify particular representatives of business and labor that hold privileged positions in political elite networks. The representatives of segments are found in important industries for the Danish economy, more specifically the exporting manufacturing sector. We show that being at the core of the network requires not only a key position in the Danish economy, but also an understanding that politics is often done best without politicians and voters. Our analysis shows that trade union and business association representatives from this sector work closely together on a wide number of issues through quiet politics, and they use their extensive network to broker and foster agreement between different stakeholders.

## **Introduction**

In this article, we argue that it is not just business that gets what it wants through quiet politics<sup>1</sup>.

In some countries with strong labor movements, corporatist elites of which trade union leaders are a part can also exercise disproportionate influence over policy through quiet politics. In Europe, corporatism and tripartism has come under severe pressures from union decline<sup>2</sup>, austerity policies<sup>3</sup>, re-parliamentarization<sup>4</sup> and neoliberalism<sup>5</sup>. Moreover, integration through

the European Union has meant that the state needs to focus on the European level rather than national political exchanges<sup>6</sup>. These pressures have also challenged the traditionally strongly corporatist Nordic countries. In the comparative political economy and comparative politics literature, Denmark is most often considered to be a coordinated market economy<sup>7</sup> or social corporatist political system<sup>8</sup>, albeit with some liberal elements<sup>9</sup>. The Danish political system affords considerable inclusion of interest groups into policy-making across multiple policy areas<sup>10</sup> and the social partners – trade unions and business associations – to a large extent decide the terms and conditions of employment through collective bargaining<sup>11</sup>. Recent scholarship on Denmark debunks the argument that Danish corporatism is dead and finds strong and enduring corporatist policy-making due to strategic reorientation on the part of trade unions and business associations to cope with the challenges to corporatism<sup>12</sup>.

Going beyond these studies, we argue that the specific Danish version of corporatism and its resilience is due to strong network interlocks of certain segments of the labor movement and business associations, forming a so-called cross class alliance<sup>13</sup>. This alliance grew out of shared interests between the business association of exporting companies, Confederation of Danish Industries (Dansk Industri) and the Metalworkers' Union, Dansk Metal, and gradually took over from the peak level confederations of capital and labor. Trade union leaders owe their membership of the elite network to the cross-class alliance with the business association that represent companies that are vital for the Danish economy. These businesses are primarily in export-based manufacturing and employ skilled workers and engineers for high-value added products and services.

The power of this alliance depends upon quiet politics in political elite networks. Quiet politics – as defined by Culpepper<sup>14</sup> – often involves technical issues that voters do not care

about, and because voters don't care there is little to gain for politicians from intervening. Once an issue becomes highly salient, the cross-class alliance will have a harder time pushing its preferences through because other unions, voters and politicians will push back. Elite networks are an ideal-setting for quiet politics because they involve a small core of actors that can deliberate on complex issues without the interference of the media, voters and vote-seeking politicians.

We also argue that integration in the political elite network puts trade union leaders in a particular dilemma. Inclusion in the network means unparalleled ties to not only business association representations but also to corporate leaders, politicians, high-ranking civil servants, university leaders and cultural elites. Being in these networks means being part of a political elite that sets the direction and pace of policy reforms. However, the material interests of the alliance are often at odds with unions organizing workers in sheltered sectors, most notably the public sector, construction and parts of the service sector<sup>15</sup>. These unions do not have the pressures of international competition on them and therefore have different interests than the Metalworkers. Trade unions in the alliance thus face an often uncomfortable choice between pursuing particularistic goals of the alliance with business vs. solidaristic goals of the worker movement. While scholars have debated whether class is more important than alliance<sup>16</sup>, we see this as a strategic dilemma the solution to which often depends – as Culpepper has shown – on the salience of an issue.

The article heeds the call by Morgan and Ibsen (introduction to this special issue) that comparative political economy studies can benefit from an integration of quiet politics and elite studies. We show empirically how an historical institutionalist study of labor politics and corporatism can be combined with elite network data to provide a more nuanced and compelling

account of the conditions under which certain trade unions have disproportionate power. The structure of the article is as follows: First, we integrate the theory of quiet politics and corporatism and in doing so extend its focus from business to political elite networks that include union leaders from the cross-class alliance. Second, we outline our methods and data. Third, we give a short background on Danish corporatism and labor politics. Fourth, we present the network analysis used to identify key union actors in the Danish political elite networks. Fifth, we present cases of quiet and noisy politics in Denmark to illustrate the conditions under which the cross-class alliance gets what it wants. Finally, we conclude by discussing the political dilemmas for union leaders in the political elite and the implications of our study for future research.

## 1. Theory

*The more the public cares about an issue, the less managerial organizations will be able to exercise disproportionate influence over the rules governing the issue* (Culpepper, 2010: 177).

Whereas Culpepper focused on business power and quiet politics, we argue that quiet politics is not limited to business. In some countries with strong labor movements, corporatist elites of which trade union leaders are a part can also exercise disproportionate influence over policy through quiet politics. However, we argue that only some trade union leaders can be part of these elite networks. Moreover, these leaders have to have business-friendly preferences and know how to keep politics quiet. Other studies have found that Nordic countries still have the

characteristics of corporatism with interest groups in privileged positions and vibrant collective bargaining systems<sup>17</sup>. These studies find that trade unions and employers continue to hold privileged positions in policy-making across a wide range of areas and engage in high-level policy exchanges on important issues. In addition, collective bargaining, albeit decentralized from national to industry and company level, is still coordinated and has incorporated new topics such as pensions, education and parental leave. While these studies have been useful to dispel the ‘death of corporatism’ in Denmark and other Nordic countries, they have been lacking in two regards.

The *first problem* is that the literature has focused mostly on the level and nature of social partners’ activities in policy committees and social pacts or on the structure of collective bargaining, rather than asking under what conditions social partners come to decide instead of politicians. To remedy this omission, we suggest that the concept of ‘quite politics’ and the notion of political salience will add to our understanding of continued corporatist policy-making in Denmark. Culpepper’s original concept of quiet politics refers to rule-making processes and outcomes by business outside the attention and interruption of politicians. He studies corporate governance rules and argues that this type of regulation does not attract a lot of voter attention despite its severe impact on distribution of wealth and power in a political economy. It is a low salience topic. One reason for low salience is the legal-technical nature of corporate governance making the issues and dilemmas hard to grasp for voters, journalists and politicians alike. Quiet politics with low salience is often based on high levels of expertise controlled by a few actors and done in arenas that do not attract media and politicians’ attention. And – Culpepper argues – if voters do not care about a topic, there is little to gain for politicians from intervening. In turn, business power increases because it is left to regulate itself away from public and politician

scrutiny. The ability to do quiet politics is therefore a function of the level of salience. Once an issue attains high salience, politics is taken out of the hands of the business elite and into the hands of the media, voters and ultimately parliament. Partisan politics becomes prominent if reforms are highly salient.

The relationship between quiet politics and corporatist structures can be found in the end of the book where Culpepper distinguishes between formal and informal institutions. We argue that in corporatist countries the distinction between formal and informal is blurred because regulation by social partners, e.g. collective bargaining, is highly formalized, and often governments will delegate regulatory capacities to social partners<sup>18</sup>. Therefore, we prefer a distinction between extra-parliamentary and parliamentary to distinguish between different regulatory arenas. Combining this dimension with the salience dimension, we get a 2x2 tables as seen below.

*Table 1: Salience, Political Arenas and Examples of Quiet vs. Noisy Politics*

	Extra-parliamentary	Parliamentary
High Salience	<i>Social Partner Bargaining</i>  Collective bargaining and Social Pacts on Industrial Policy	<i>Partisan contestation (Noisy Politics)</i>  Welfare, fiscal and immigration policy
Low Salience	<i>Private interest governance (Quiet Politics)</i>  Collective bargaining	<i>Bureaucratic network negotiation</i>  Educational policy, regulatory policy

Source: Adapted from Culpepper (2010): 181

The power of elites over policy is greatest under conditions of low salience and in extra-parliamentary arenas, i.e. in private interest governance (Southeast quadrant). In this quadrant,

social partners in corporatist countries are left alone to decide and implement regulation, and they can do so without public attention. Some collective bargaining rounds fall in this category. Under the other conditions, corporatist elites have to negotiate with either the public in high salient collective bargaining rounds and social pacts (Northeast quadrant); with bureaucrats on e.g. educational policy and regulatory policy (Southwest quadrant); or with politicians on e.g. welfare, fiscal and immigration policy. (Northwest quadrant). Clearly, the latter quadrant is the most challenging for social partners as they have to fight for influence over politicians with other groups and politicians will often follow voters rather than interest group resources. However, this is not to say that this quadrant is impossible because interest groups hold sway over considerable lobbying resources. By making these distinctions, Culpepper identifies the conditions under which social partners are most likely to decide instead of politicians. This is an important improvement of the current scholarship on corporatism.

*A second problem* in the current literature on corporatism is that it does not adequately distinguish differential status and integration into policy-making of different groups of social partners. Often, trade unions and employers are treated as monolithic blocs of labor and capital, respectively<sup>19</sup>. In contrast, we argue that the CPE-literature on cross-class alliances has given us a better characterization of why some social partners are more important than others<sup>20</sup>. In Denmark, these actors come from key industries and companies for the economy, more specifically the exporting manufacturing sector. If business and political elites can incorporate ‘responsible’ and pragmatic union leaders into the elite networks, then business can achieve some of the things they historically achieved under encompassing confederation bargaining, e.g. public goods such as wage moderation in collective bargaining, public investment in education and skills and benign industrial policies<sup>21</sup>. Thus, cross-class alliance theory can help us identify



and explain why some actors are allowed into political elite networks and why some are marginalized or kept out. In turn, the inclusion and exclusion mechanisms can inform us about which actors and interests matter in quiet politics, and which actors have to engage in loud politics to make a difference.

Going beyond Culpepper and cross-class alliance theory, we argue that quiet politics works best through political elite networks. By holding multiple positions in governance networks, certain representatives of social partners become key players across multiple policy fields. However, entering into elite networks both provides a unique access but also imposes restraints on the organizations who become embedded in the network<sup>22</sup>. For example, as Useem argues studying corporate interlocks, integration to the inner circle of business networks leads to the adaptation of a class wide rationality – a form of enlightened self-interest of the entire capitalist class<sup>23</sup>. Dissent from the overarching consensus, in particular to follow narrow interest of one's own organization is sanctioned in the network according to Useem. Thus, union leaders who enter the core of elite circles could be regarded as part of a national power elite that sets the direction for the nation<sup>24</sup> or at least an elite settlement forming a consensually united elite<sup>25</sup>.

Following the cross-class alliance theory, the question should not be whether are integrated in elite networks, but rather which unions are integrated. Moreover, if some union leaders are members of elite networks, they in many ways occupy a position as 'structural folds'<sup>26</sup>, being multiple insiders in both the field of trade unions and a wider elite network bridging to elites in other fields such as business, politics, state administration and science. As argued by Vedres and Stark, structural folds hold a unique strategic position with close ties to two groups. However, these positions are often fragile, as conflicts of interest and divided loyalties may occur. Therefore, multiple memberships present a dilemma. Union leaders have

strong incentives to engage in salient issues – or even add to the salience of them – as they depend on mobilizing their rank-and-file members for legitimacy and long term organizational growth<sup>27</sup>. However, taking an aggressive stance on one issue and ‘going public’ endangers the privileged position in elite networks and in quiet politics. In keeping with the cross-class alliance literature, unions in manufacturing will have to balance its own preferences for employment, skills premium in wages and competitiveness – as well as strategic positions in governance structures – with the long-term working class interest in shoring up equality in the rest of the economy<sup>28</sup>. The intra-class allegiance is vital, because union leaders are not natural members of the elite but have to earn their spot by being a powerful representative of a potentially revolutionary class while at the same time disciplining this class in line with requirements of capitalism.

## **2. Methods and data**

Our empirical analysis relies on two different types of data compiled over the years by the authors. To identify the institutional trajectory and blueprint of the Danish cross-class alliance, we draw on 80 semi-structured interviews with high-ranking representatives of trade unions, employer associations and government. The interviews were conducted during the period of 2010-2018 on collective bargaining coordination, labor market reforms and reforms in vocational education and training. While the focus of the interviews varied thematically, all interviews contained questions about coordination between parties and the “who get what, when and how” in Danish producer group politics. Moreover, the interviews were concerned about processes – both about specific policies and collective bargaining rounds, and about the historical trajectory

of the Danish political economy more generally. Interviews lasted between 1 and 3 hours. We added media appearances (using media database Infomedia<sup>1</sup>) of union leaders to gauge their political strategies and the issue of noisy vs. quiet politics and did follow-up qualitative interviews with seven union leaders about their positions and strategies in elite networks.

To explore the network relations between union leaders and the rest of the Danish elite we draw on a comprehensive mapping of the boards of all potentially powerful affiliations – state agencies, top corporations, foundations, interest and non-governmental organizations, parliament – collected in 2013 and 2016, see table 1. We use this dataset to show how central union leaders are in political networks and to whom union leaders have affiliations. Affiliations are to a large extent based on membership of boards or other governing bodies of organizations, complemented by commissions and advisory boards. Thus, members not only meet but also have to collaborate on decision-making, often with strong norms towards seeking consensus. In 2013, we include just fewer than 5,000 affiliations with slightly less than 50,000 positions held by around 38,000 individuals. In the 2016 analysis, we have extended the coverage of elite networks, in particular in central government and now include 5,583 affiliations in total. The aim has been to create an exhaustive list of all potentially powerful affiliations, thus enabling us to investigate relationships within this elite network (the principles behind collection of network data has been described elsewhere<sup>29</sup>). Changes between the two data points are primarily due to the establishment of new affiliations around new organizations, in particular commissions, think tanks and advisory boards or changing roles of government agencies. Thus, while the affiliations between individuals are not exactly the same, we still cover the same political network.

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<sup>1</sup> We looked for the number of articles and media stories from national and regional newspaper TV and Radio stories in the preceding year identified through Danish media database Infomedia using search terms including person name and name of organization.

Table 2: Network data

Year	2013			2016		
Source	Affiliations	Positions	Individuals	Affiliations	Positions	Individuals
State	958	11,966	8,724	1,473	18,850	13,671
Corporations	1,093	7,483	6,480	1,215	8,358	7,271
Foundations	1,379	8,048	7,087	1,252	7,443	6,532
NGO	1,540	19,329	15,648	1,643	20,853	16,992
Total	4,970	46,826	37,939	5,583	55,504	44,466

By applying a weighting scheme designed to account for the heterogeneity in the size of affiliations it is possible to calculate the centrality of actors within this elite network. Thus, we are able to describe the number of positions or memberships held by individuals together with their number of direct ties. We use several measures of *centrality*<sup>30</sup> in the network. *Closeness* measures the mean distance from one individual to another in the network. This measure can be interpreted as their proximity and independence of information. *Betweenness* measures the extent to which an individual lies on the shortest path between other individuals in the network. Individuals with high betweenness control information passing between others which can be interpreted as their opportunity to serve as brokers. The most robust measure of centrality, however, is the *reach* on an individual to other linker, i.e. individuals with at least two positions in the network.

To find the most cohesive group, we use a k-core decomposition<sup>2</sup> which finds the group in the network where everyone has the highest, minimum degree of affiliations to other members in the network. We find that the core of our network contains a national political elite, identified by the 423 individuals having a coreness score of 199 in the weighted network. This coreness score is closely correlated (0.96) to the ranked closeness centrality of individuals. Thus, being

<sup>2</sup> We used a sociometric reach of 2.1 for the k-core decomposition.

ranked high in both reach and the closeness can be seen as a proxy for membership of national power elite group. Furthermore, we can explore the ego-networks of individuals, e.g. the union leaders, including how many leaders from other sectors they are tied to. Large number of ties to a high number of sectors, especially the corporate leaders and representatives from employer associations in manufacturing, combined with central positions in the elite network as a whole, is interpreted as being a part of a cross class elite network.

### **3. History of Danish corporatist political economy and labor politics**

Denmark is normally considered to be a highly coordinated political economy<sup>31</sup> with extensive involvement of interest groups into policy-making and policy-implementation. Katzenstein coined Denmark as a social corporatist small open economy<sup>32</sup> that favored negotiated adjustments of industrial policy between strong trade unions and employer associations. During the heyday of corporatism after the second World War, confederations of labor (Landsorganisationen i Danmark – LO) and capital (Dansk Arbejdsgiverforening – DA) would design and implement policy across multiple issues together with governments from both Left and Right, and it was almost inconceivable to pass major legislation without the consent of the major economic classes<sup>33</sup>. Parliaments were historically weak and minority governments benefitted from policy-exchanges on wage moderation, employment policy, and fiscal policy with strong, encompassing interest groups that would take societal responsibility for economic growth and social inclusiveness<sup>34</sup>. Social partners sat in important policy committees and councils with *de facto* decision-making powers over policy<sup>35</sup>. Together with bureaucrats, interest groups could bring expertise and resources into policy-making and produce policy proposals that governments would get parliament to pass. Moreover, large-scale incomes policies through

centralized bargaining or social pacts were used to weather inflationary pressures that could hurt the current account balance<sup>36</sup>.

An important reason for this privileged position was (and is) the extensive system of collective bargaining between employer associations and trade unions that regulate terms and conditions of employment for the vast majority of workers in Denmark. Collective bargaining took place at the national level between LO and DA with general wage increases and working time regulations for almost all private and public sector workers<sup>37</sup>. The extensive collective bargaining system was founded on expansive rights to sympathy strikes against unwilling single employers and collaborative employers associations, the membership of which required collective bargaining coverage. Furthermore, unions were (and are) in charge of unemployment insurance funds which stabilizes union density at a high level because workers will normally opt for dual-membership of both unemployment insurance and union membership<sup>38</sup>. Moreover, this so-called Ghent-system gives unions a particular stronghold in employment policy. .

The corporatist system came under pressure in the 1980s when the privileged access to policy-making was broken by the incoming Conservative government. Inspired by Thatcherism and New Public Management, the government related endemic unemployment and the current account deficit to wage inflation and public sector inefficiencies. Corporatist policy exchange was halting economic reforms and progress. Over the next two decades, the number of corporatist policy preparation committees declined from 188 to 39 in the period 1980-2015<sup>39</sup>, and the nature of inclusion also changed. Rather than producing policy proposals that parliament would pass, committees were now used in an *ad hoc* matter to give a point of view that governments and parliament could consider<sup>40</sup>. Taking away decision-making power increased government control over fiscal policy to restore public finances.

These developments did not mean, however, that corporatism died. In line with other scholars<sup>41</sup>, we find that corporatism in Denmark has taken a new form with more competition among a more diverse set of stakeholders, but nevertheless with a structuring logic. Specifically, we argue that peak-level corporatism was replaced by industry-level corporatism in which a strong cross-class alliance in manufacturing developed during the 1980s and 1990s. Through this alliance, the Dansk Metal (Metalworkers' Union) gained a privileged position in political elite networks and became the dominant union in Denmark. Thus, during the recent three decades a strong cross-class alliance between DI and Dansk Metal for skilled metalworking workers has dominated policy. The alliance built on important shared interests in improving the competitiveness of exporting companies and making sure that governments would provide benign industrial policy. Industrial policy was understood broadly and included important public goods in terms of public funding for education, wage restraint and support for research and development. Thus, Dansk Metal was drawn into the center of labor politics because of two reasons, First, Dansk Metal had the 'right' business friendly interests congruent with the most powerful business associations. Second, Dansk Metal knew how to make deals in quiet politics. And finally, business wanted a partner that could legitimize decisions that might be unpopular with workers from other parts of the labor movement, especially low skilled workers and workers in sheltered sectors.

#### *The Rise of Dansk Metal in the wake of Peak-Level Corporatism*

Parallel to the transformation of corporatist structures, collective bargaining at the peak level between LO and DA was gradually displaced by industry and company level bargaining. Metalworking employers, Jernets Arbejdsgivere (JA), spearheaded pushes for industry-level bargaining in Denmark, it did so in alliance with Dansk Metal. The alliance had two goals that

were instrumental to governments regardless of party color. The first goal was to restrain wage and pay hikes in sheltered sectors that could spill into wage-price inflation. This goal was signaled in the tripartite “Common Declaration” of 1987 in which LO-unions pledged to moderate nominal wage demands, increase private savings and thus restore the current account balance. As Swenson and Due et al. have shown<sup>42</sup> this was as much an intra-class struggle between manufacturing and construction as it was an inter-class struggles between labor and capital. The second goal was to introduce wage and working time flexibility that could increase returns to skills and productivity. This goal was signaled when the centralized normal wage system (*normalløn*) in collective agreements was gradually displaced by the more flexible minimum wage system (*mindstebetaling*) long preferred—and practiced—by Denmark’s skilled metalworking unions, Dansk Metal. Because Dansk Metal organizes skilled workers that have gone through advanced vocational education and training and often work side-by-side with graduate-level engineers, it was positive to more wage flexibility. The first formal shift in wage structures came in 1991, when a large share of unskilled manufacturing workers who had previously been under the more centralized wage systems was transferred for the first time to minimum wage systems. Working time was decentralized later on as well.

The impetus for forging the alliance came from organizational restructuring of employers and business associations in the 1980s and 1990s<sup>43</sup>. In 1991–1992 a strong strategic alliance took shape on the basis of Danish Industries (DI). The new confederation of business was the result of two mergers – first between JA and Industrifagene (process manufacturing industries) to form Industriens Arbejdsgivere, which then merged with Industrirådet (a policy and lobby organization for manufacturing). The move culminated the 1989-reorganisation of the Confederation of Danish Employers (DA) that cut down its affiliates from 150 to 50 employer associations. Concentrating



power in fewer organizations would make the move to wage moderation and wage flexibility possible. Employers' organizational restructuring continued and today there are only 13 employer associations in DA. Within the DA-family, the Confederation of Danish Industry (DI) reigns supreme and organizes approximately 60 percent of the total wage sum in DA. Moreover, it dwarfs the second largest employer association, The Danish Chamber of Commerce (Dansk Erhverv) which represents just under 20 percent of the total wage sum<sup>44</sup>.

Trade unions within the LO-movement debated whether to match the employer concentration by forming industrial unions. While unions in metalworking had long since created the bargaining cartel CO-metal, it was nowhere near matching DI, which accounted for all manufacturing companies. The unions representing unskilled manufacturing workers – National Union of Women Workers (KAD) and General Workers Union (SiD) – attempted to create and lead a new manufacturing cartel within LO<sup>45</sup> but this attempt failed at the LO-congress in 1991. Instead, Dansk Metal mobilized other skilled unions to orchestrate the transformation of their own industry-wide cartel. Thus in 1992, CO-industri was formed between skilled and unskilled workers, the latter represented primarily by SiD and KAD, and with it a strong cross-class alliance in manufacturing – with concentrated actors on both sides – was born. The organizational restructuring put Dansk Metal in charge of the new managing council and at the same time relegated unskilled unions to a permanent minority status within manufacturing. Membership in the new bargaining cartel required handing over bargaining rights and control over agreements to CO-industri, which proceeded to cement the principle of decentralized wage systems. Thus, over the next few years, the entire wage formation system changed along the lines preferred by Dansk Metal.

By gaining a privileged position in collective bargaining in the wake of centralized bargaining, the alliance sets the pattern for regulation of wages and terms of employment. However, the position of the alliance is not restricted to collective bargaining, and its interests are dominant in other policy arenas defined broadly as industrial policy. While this historical development is consistent with existing cross-class alliance studies of Denmark<sup>46</sup>, it does not account for how the alliance has built networks by which the alliance can engage in quiet politics. We argue that strong network relations and quiet politics provides the ways in which the alliance gets to decide outside the remits of other unions, voters and politicians. To substantiate this argument, we first turn to the network analysis and then to cases of quiet and noisy politics.

#### **4. The position of Metalworkers' union leader in corporatist elite network**

*The President of Dansk Metal is also the President for CO-industry and thereby the person who negotiates the pattern-setting agreement in the private sector. This is clearly an advantage in relation to creating networks because you are in touch with a lot of sectors and in many ways you are the one with the foot on the accelerator concerning how the society should develop.*

(Claus Jensen, President of Dansk Metal and CO-industry)

The formation of elite networks can be understood as a process of elite settlement in which fractions of the elite battling for power manage to find a *modus vivendi* in which they do not

challenge their respective power bases or what Michels<sup>47</sup> calls the “amalgamation” of new elite groups into the established elite. The foundations of such as elite settlement can be traced back to the 1899 “September-Agreement” between the Confederation of Danish Employers and the Danish Confederation of Trade Unions. This agreement defined and delimited the power bases of labor unions to be respected by other elites and helped to forge an elite settlement which included unions in Denmark between 1901-1935<sup>48</sup>. However, decentralization of bargaining in the 1980s-1990s and the new role of CO-industry in pattern-bargaining changed who the key players in the Danish political economy are. Looking at elite networks allows us to ask a very precise question that typical corporatist studies do not ask: Which parts of the labor unions have become part of an elite settlement and to what extent does this overlap with the pivotal union in the cross-class alliance?

From our analysis of the Danish elite network, it is clear that the leaders of the Danish labor unions hold key positions in the Danish power structure. Union leaders are both among the most central individuals in the elite networks (see Table 2), and just under 12 percent – 49 – of the 423 individuals in the core of this network in 2013 are union representatives<sup>49</sup>. In fact, the most central individual in 2013, both with regard to reach, closeness and betweenness centrality, is a union leader, namely the then president of Dansk Metal, Thorkild E. Jensen. Thorkild E. Jensen holds positions in 28 affiliations, including four state councils and commissions, three forums tied to science and education and the boards of two major occupational pension funds. He is directly tied to the most central leaders in politics, state, academia, business and business associations (see Figure 1). While it is tempting to trace this central position to Thorkild E. Jensen’s personal qualities and network building capacities during his ten-year tenure as president, the network data from 2016 tell a different story. Three years after his retirement in 2016, Thorkild E. Jensen is only the 243<sup>rd</sup> most central individual when looking at closeness centrality. Meanwhile the new

president of the Dansk Metal, Claus Jensen – no kinship relation – is now the most central individual in the entire elite network when we look at reach and in the top three on closeness and betweenness centrality, after being ranked 381<sup>st</sup> in reach as a vice-president in 2013. This highlights that the centrality of the presidents of Dansk Metal is due to the unique position of the union as a broker between various organizations of various sectors. The position is therefore mostly an organizational rather than an individual property, as acknowledged below by the former president in one of our interviews with him.

*“... it’s something that we inherit... we step into the network that previous presidents had and Claus has added more political issues into the network from being on governmental committees... and so did I when I was in the Globalization Council and part of Løkke Rasmussen’s [Liberal Prime Minister 2009-11, 2015-19] Growth Council”* (Thorkild E. Jensen, former President of Dansk Metal and CO-industry)

The stability of the hierarchy of union leader integration into other power networks shown in Table 2 is striking. With the exception of slight movements up and down by union secretaries of LO (in 2013) and Vice-presidents of LO (in 2016) caused by an organizational change in LO when new president, Lizette Risgaard was elected, the reach rank of the union leaders follow the exact same pattern between organizations. Thus, the order is maintained in spite of the fact that 6 of the 15 leaders have changed between 2013 and 2016, and two others hold new positions. This suggests that the centrality of union

leaders in the elite network is a highly institutionalized phenomenon and product of the long-lived corporatist legacy in Danish policy-making.

Table 3: Centrality of union leaders in 2013 and 2016 sorted by reach in the elite network

2013										
Name	Organisation	Role	Union size <sup>1</sup>	Years of tenure	Media Coverage <sup>2</sup>	Memberships	Degree	Betweenness rank	Closeness rank	Reach Rank
Thorkild E. Jensen	Metal	President	116,005	10	310	28	395	1	1	1
Kim Simonsen	HK	President	281,219	5	230	19	240	8	4	7
Harald Børsting	LO	President	(1,095,420) <sup>†</sup>	6	1077	17	185	37	7	10
Lizette Risgaard	LO	Vice-president	(1,095,420) <sup>†</sup>	6	168	18	240	11	9	11
Poul Erik Skov Christensen	3F	President	323,076	17	674 <sup>a</sup>	15	221	36	13	16
Ole Wehlast	NNF	President	33,362	7	94	14	144	62	21	18
Gita Grüning	TL	President	26,550	7	83	11	158	59	25	24
Benny Andersen	SL	President	36,790	2	183	10	135	61	29	29
Ejner Holst	LO	Union secretary	(1,095,420) <sup>†</sup>	6	176	12	283	58	51	44
Jørgen Juul Rasmussen	DEL	President	30,000	7	50	9	125	112	32	51
Flemming Vinther	HKKF	President	4,557	9	139	8	119	350	84	78
Marie-Louise Knuppert	LO	Union secretary	(1,095,420) <sup>†</sup>	8	82	9	114	70	76	89
Dennis Kristensen	FOA	President	192,670	11	1006	5	71	173	209	205
Max Meyer	B&R	President	9,826	6	56	6	82	182	221	257
2016										
Claus Jensen	Metal	President	106,167	3	213	24	354	3	2	1
Kim Simonsen	HK	President	261,056	8	215	20	295	5	5	4
Lizette Risgaard	LO	President	(1,026,181) <sup>†</sup>	1	558	17	199	12	1	5
Arne Grevsen	LO	Vice-president	(1,026,181) <sup>†</sup>	1	63	14	165	24	4	6
Per Christensen	3F	President	289,245	3	230	14	209	53	6	9
Ole Wehlast	NNF	President	31,089	10	48	12	128	135	11	13
Lone Engberg Thomsen	TL	President	25,692	2	16	13	181	20	13	14
Benny Andersen	SL	President	39,117	5	139	9	138	92	12	17
Jørgen Juul Rasmussen	DEL	President	25,684	10	12	10	127	111	30	21
Ejner Holst	LO	Vice-president	(1,026,181) <sup>†</sup>	9	102	16	234	30	26	22
Nanna Højlund	LO	Vice-president	(1,026,181) <sup>†</sup>	1	27	11	211	45	37	33
Flemming Vinther	HKKF	President	4,184	12	192	7	79	324	61	37
Morten Skov Christiansen	LO	Vice-president	(1,026,181) <sup>†</sup>	1	37	7	82	162	65	54
Dennis Kristensen	FOA	President	186,017	14	494	9	137	105	99	65
Max Meyer	B&R	President	9,046	9	13	6	79	188	74	70

<sup>†</sup>: Peak level confederation

<sup>1</sup> Source: Union members per 31 of December 2012 and 2015 from <https://lo.dk/om-lo/fakta-og-tal/medlemstal/>

<sup>2</sup> Source: Number of articles and media stories from national and regional newspaper TV and Radio stories in the preceding year identified through Danish media database Infomedia searching for person name and name of organization.

<sup>a</sup> In 2012, 3F were involved in a highly covered an industrial relations conflict with a small restaurateur of Vejlegården. Excluding stories also mentioning “Vejlegården”, Poul Erik Skov Christensen only had 429 mentions in 2012. Similarly, he had 408 in 2011.

Comparing the network positions of members in the executive council of the LO (Table 2) it is clear that membership of the cross-class alliances and not the number of union members is the driving force behind achieving a central position in the elite networks. While the leaders of LO both in 2013 and 2016 are quite central, especially with regard to closeness centrality and have multiple ties to Thorkild E. Jensen and Claus Jensen, they are also dependent on the ties of Dansk Metal, as evidenced by the fact that their betweenness centrality is substantially lower than their closeness centrality. Likewise, the leaders of the counterpart to Dansk Metal, the presidents of the DI are more central than the leaders of DA (Confederation of Danish Employers). In 2013, director of DI, Karsten Dybvad, is number 31<sup>st</sup> in closeness centrality, while four other DI-directors are in the top 50. Director of DA, Jørn Neergaard is number 20 and the only DA director in the top 50. In 2016, Karsten Dybvad of DI has risen to number 7, while the new director of DA, Jacob Holbrad is number 26. Thus, the cross-class alliance between DI and Dansk Metal gives more central positions to these organizations' leaders than the positions occupied by the leaders from LO and DA, the confederations operating at the macro-corporatist level<sup>50</sup>.

*“We have a relation to DI which we use for industrial policy and everything that concerns DI’s member companies... It is important for the position that Claus has today that industrial policy means a lot of things, and if we can run it smoothly and get LO to understand that its manufacturing that leads this policy, then we are set”*

(Thorkild E. Jensen, former President of Dansk Metal and  
CO-industry)

Not only are the two presidents of Dansk Metal more central than the heads of union confederations, they are also more central than most other union leaders, see table 2. Only the president of HK, a union with more than three times as many members, Kim Simonsen, holds a position in the network that is close to that of Thorkild E. Jensen or Claus Jensen. Meanwhile, the leader of the largest Danish Union, 3F (General Workers' Union), Poul Erik Skov Christensen, is also within the top 20 in reach ranked 16<sup>th</sup> in 2013 and his successor Per Christensen (no kinship relation) ranked 9<sup>th</sup> in 2016. However, much of their centrality is dependent on ties close to others, as both are ranked outside the top 20 – 36<sup>th</sup> and 53<sup>rd</sup> respectively - with regard to betweenness centrality. Meanwhile, the head of 3F's manufacturing group, which also forms part of the cross-class alliance inside CO-industri has the most central non-president union member of the LO-member unions. Mads Andersen from 3F who ranked 128<sup>th</sup> in closeness centrality in 2013 moved up to be ranked 47<sup>th</sup> in 2016.

The clearest indication that number of members is not key to integration into elite networks is seen by the fact that the long serving head of the third largest Danish union FOA, Dennis Kristensen, ranks below 200 in reach in 2013 and is still outside the top 50 in 2016. FOA organizes various low-to-medium skill occupations mainly in public health and social care. In other words, the material interests of FOA's constituency is quite far from the interests of skilled metalworkers in Dansk Metal and the cross-class alliance. Being excluded from the political elite has led to very different strategy of lobbying by FOA, mostly addressing media and mostly being 'loud'.

*“... a different kind of influence which Dennis Christensen has been a key proponent of is seeking support*



*from the general public, a rhetorical support. He uses - and  
I don't mean it negatively – populism and tries to go public  
with issues that will resonate with the large population”*

(Lizette Riisgaard, President of the Danish Trade Union  
Confederation)

The difference in strategy is visible in the media coverage of the union leaders. During both 2012 and 2015 Dennis Kristensen has as many media appearances as the serving president of LO and ranking high above the other union leaders in general. Interestingly, Dennis Kristensen appeared in twice as many articles as the serving president of Dansk Metal in both years. Dennis Kristensen's lack of engagement in the quiet politics of boardrooms is countered by a much noisier engagement in media covered politics. Union leaders face a trade-off between seeking influence in the elite network and mobilizing members through mass media. While the presidents of Dansk Metal are clearly more central than other union leaders – and political actors in general – we need to understand how these relationships form a political elite. To do so, we take a closer look at the network structures of individual union leaders.

Figure 1: Weighted ties of the members of the steering committee of LO in 2013

Thorkild Engell Jensen	44.7	7.6	23.4	23.9	6.3	8	43.5	94.5
Kim Simonsen 19797	44	1.9	4.8	15.3	2.5	7.8	23.9	46.1
Harald Børsting 11346	43	5.2	9.6	11.4	3.5	7.7	17.5	41.2
Helle Lizette Risgaard	38.7	2.8	3.5	12.4	1.5	11.3	26.3	42.3
Poul Erik Skov Christensen	36.9	1.9	4.5	11.3	0.7	6.3	16.3	29.8
Ole Dam Wehlast	40.9	2.9	2.6	6.1	0.7	3.1	7.3	17.3
Benny Andersen 2646	35.8	1.9	1.7	4.4	0.7	4	7.3	16.4
Gita Alice Grüning	35.1	1.9	1.4	5.2	0.7	3.1	7	17
Jørgen Juul Rasmussen	31.1	0	3.5	6.3	0.7	3.1	9.8	15.8
Ejner Korsgaard Holst	22.1	0	0.8	7.6	0	0.8	13.8	20.8
Marie-Louise Knuppert	22.8	1.9	0	4.5	0.9	0.9	3.6	7.3
Flemming Vinther	20.8	2	0	1	0	8	3.6	4.4
Dennis Dandanell Kristensen	19.1	0	1.7	0	0	0	0	0
Max Abraham Meyer	15.4	0	0	0	0	0	0	0
	Union leaders	Politicians	Corporate CEO's	Employer assoc.	Science leaders	State directors	Commission members	Top 250

<sup>1</sup>Values are the sum of weighted ties to individuals holding executive positions in politics, corporate management, employers' associations, management of universities and research centers, state or unions. Commission members are all non-union individuals who participated in a commission from 2005 to 2013. Ties to top 250 individuals show how many direct ties the union leaders have to other, non-union leaders, near the core of the elite network, as identified by being in the top 250 by closeness centrality. All ties with a distance over 1.5 are disregarded.

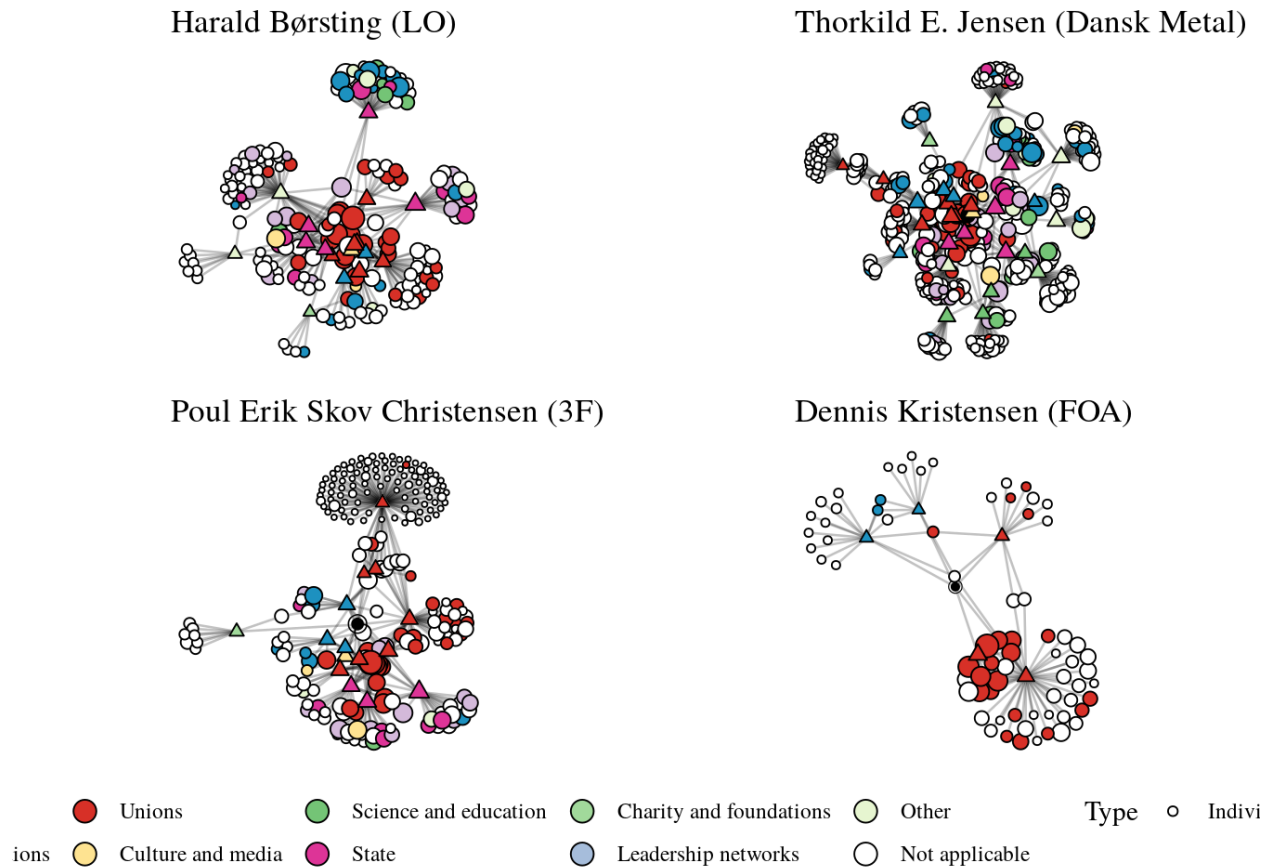
The central network positions of the cross-class alliance union presidents lead to a much larger and broader social surface<sup>51</sup> than other union leaders (see Figure 2). Besides from state directors, Thorkild E. Jensen has the largest number of contacts to actors from other key sectors, in particular from corporations, business associations and science, highlighting the role of Dansk Metal as brokers between various stakeholders. Note that the weighted degree between the Dansk Metal president and corporate CEO's of 23.9 is almost 2.5 times higher as the union leaders with second most ties to corporate executives. Adding to this, Thorkild E. Jensen also have 94.5 weighted ties

to non-union leaders ranked within the top 250 in closeness centrality - again more than double that of any other union leader. This difference between union leaders and their ties to other central individuals in the elite network is underlined by the fact that two members of the standing committee of LO, including Dennis Kristensen of FOA, which outnumber Dansk Metal by 75,000 members, have no ties to any non-union leader among the top 250 most central individuals compared to the 94.5 weighted ties of Thorkild E. Jensen. Interestingly, the Dansk Metal president also has the most ties to other union leaders, although on this measure the differences are only marginal. Thus, even among unions, the cross-class alliance makes Thorkild E. Jensen a more attractive actor.

*“We meet a ton of corporate leaders... we speak with them and hear their problems. It gives respect that we understand what is going on in their industry” (Thorkild E. Jensen, former President of Dansk Metal and CO-industry)*

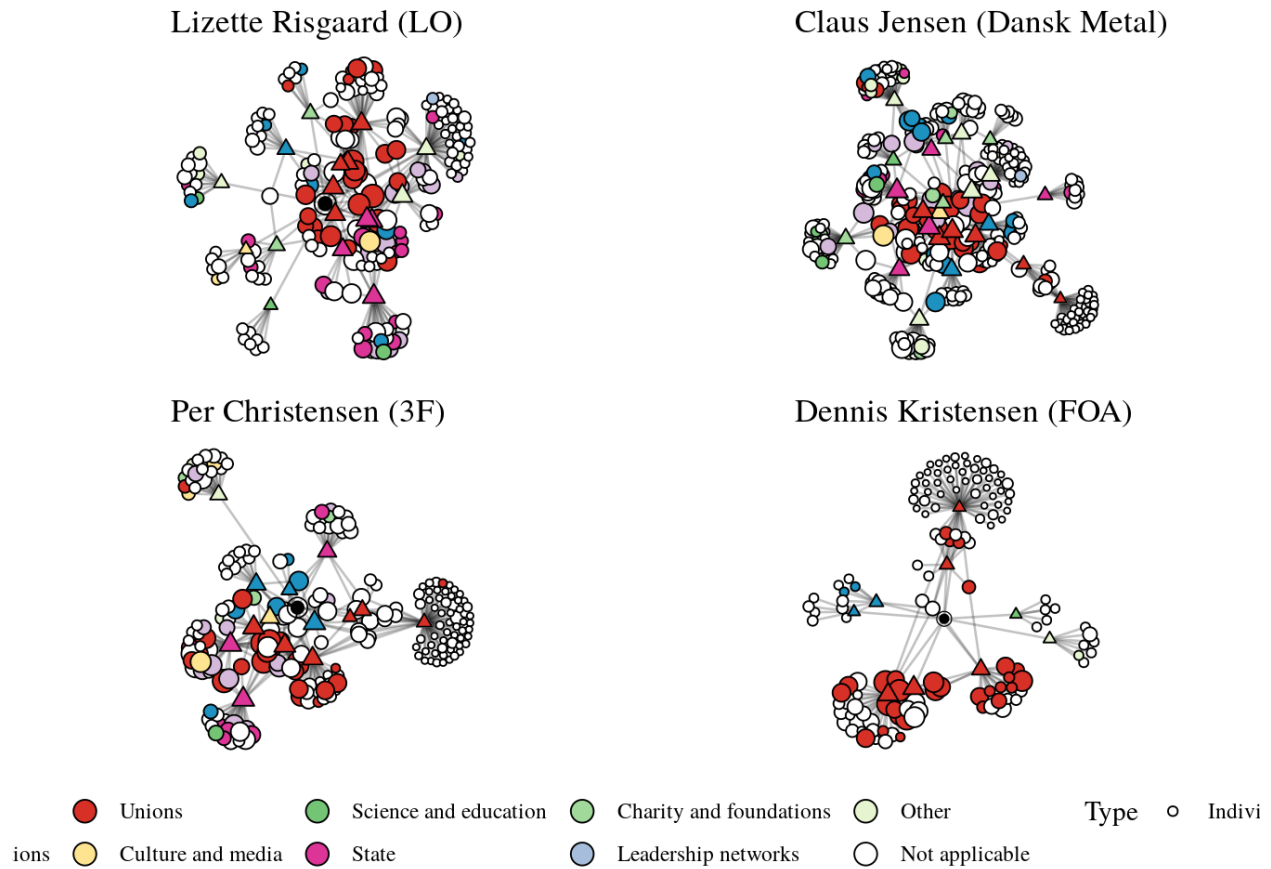
The strong ties to key leaders in other sectors is seen by the ego-networks of the presidents of LO, Metal, 3F and FOA in 2013 and 2016 shown in Figures 3 and 4. It is clear that in particular FOA-president Dennis Kristensen ties are almost exclusively with other union leaders.

Figure 2: Ego-networks of the presidents of LO, Dansk Metal, 3F and FOA in 2013



When looking at multiple ties - an indicator of a strong alliance<sup>52</sup> - the strongest ties of union leaders are not surprisingly to each other. Again, the FOA president Dennis Kristensen turns out to be an outsider, having a tie strength of less than 1.5 to the other union leaders. While this still represents a strong tie, it highlights that FOA is also excluded from core union networks, while the cross-class alliance also makes Dansk Metal the key actor in the union networks. Hence, it does not seem to hurt Dansk Metal's intra-class position to have strong ties elsewhere. Rather it seems to yield cumulative advantages.

Figure 3: Ego-networks of the presidents of LO, Dansk Metal, 3F and FOA in 2016



While the presidents of Dansk Metal are very central in the political network, they owe some of that centrality to their ties to the directors of DI. Indeed, Thorkild E. Jensen suffers a 14 percent decrease in this betweenness centrality – the proportion of shortest paths passing through him in the elite network – if his ties to the DI directors are deleted from the network. In contrast, the DI directors are far less reliant on their ties to the Dansk Metal leaders. CEO of DI, Karsten Dybvad only losses 2 percent of his betweenness centrality if his ties to members of the executive council

of Dansk Metal are removed. This could indicate that DI is far less reliant on Dansk Metal than vice versa and that the position of Dansk Metal in the cross-class alliance is more precarious.

The network analysis clearly shows the dominant position of the alliance parties and how the integration of Dansk Metal into the political elite network secures this union a privileged position. In the next section, we show how the alliance uses quiet politics to pursue its interests in collective bargaining, social pacts and educational politics. We claim that the alliance is most successful when there is low salience of the issues involved in political processes. Conversely, when salience is high, political processes are taken out of the hands of the members of the core of the elite network and into the media and parliament. Here, intra-class conflicts might arise, and Dansk Metal will have to balance its allegiances on one hand to its class and on the other hand to its alliance partner, DI.

## **5. Cases of quiet and noisy politics**

*We [Dansk Metal and DI] go public  
together and stay quiet if we disagree.*

(Dansk Metal Official)

The following three cases illustrate how the alliance is most successful in getting what it wants under conditions of quiet politics. The first case is about collective bargaining and shows how the alliance is challenged when bargaining gets into the media and communication of bargaining processes and results become salient. The second case is about social pacts or tripartite agreements and shows how Dansk Metal lost control over the agenda in one round of tripartite negotiations and had to stay loyal to its class in a subsequent round of negotiations. The third

case is about vocational education and training reform and shows how the alliance used network negotiations to push through a particular solution that politicians later passed. The three cases thus display varying degrees of salience and how this variation affects the alliance's ability to decide across extra-parliamentary and parliamentary institutions.

### *Sometimes Salient in Extra-Parliamentary Arena: Collective Bargaining*

Given the voluntarist tradition in Danish collective bargaining, the alliance enjoys relatively high autonomy from government in regulating terms and conditions of employment<sup>53</sup>. However, collective agreement renewals are highly salient and attract considerable attention from both media and the public. Moreover, governments will usually intervene if bargaining impasse results in general strikes, putting pressure on the alliance to deliver results that are acceptable to not only workers and employers in exporting companies but also the economy as a whole. Playing quiet politics is therefore extra challenging even though politicians are formally excluded from the bargaining process.

Collective bargaining follows a cycle of two to four years and each renewal is spearheaded by DI and CO-industri. Before each bargaining round, lead negotiators of the two organizations consult their constituencies in various information-meetings around the country. Themes are identified during these tours and brought into the political-analytical departments of each organization. Crucially at this stage, unions analyze the rank-and-file concerns and filter them to make sure that claims to the counterpart, DI, are not disruptive for the bargaining relationship and process. Instrumental to avoid disruption is a study trip abroad for the lead negotiators of DI and CO-industri. The trip is a way for negotiators to leave the country and deliberate issues in a media- and constituency-free environment. On these trips, negotiators

identify potential pressure points that might come up and how to deal with them in a way that doesn't distort negotiations. Open and honest communication among the negotiators is crucial and building personal connections help in this regard<sup>54</sup>. While the actual negotiations are by no means a foregone conclusion, many obstacles to an agreement are removed during these initial interactions between negotiators.

During bargaining, top negotiators keep tight control over negotiations and only communicate with their rank-and-file and other unions and employer associations, respectively, in broad terms. DI and CO-industri have institutionalized a bargaining order by which all agreements across the private sector expire at the same time and bargaining follows an ordered process<sup>66</sup>. First, DI and CO-industri settle on the labor cost norm based on minimum wage increases and improvements on non-wage issues. The total percentage increase per year in the agreement period constitutes the norm. Second, the other bargaining areas negotiate on anything but cost-driving provisions to get as ready as possible while waiting for the cost norm. Third, if the parties in other industries agree, the DA executive committee can approve or reject the agreement and since DI holds 50 percent of the vote, rejection by employers is extremely rare. Unions hold a nation-wide ballot with their members. Rejection of a proposal requires a majority and if less than 40 percent of eligible voters participate, then at least 25 percent of eligible voters are required to vote "no" in order to reject the proposal. Thus, individual unions that bargain for other industries cannot take industrial action because it is a nation-wide ballot. The entire bargaining order is thus based on the cross-class alliance in manufacturing getting its labor cost norm spread across the other industries<sup>55</sup>.

Once an agreement is reached, the parties of the alliance communicate the results together, making sure that interpretation of the result is not eschewed to either side. This practice



originates from the 1998-conflict when workers turned down the agreements despite that the settlement entailed the highest labor costs increases in decades. A key dividing issue was holiday entitlements and when employers celebrated the agreement as a successful defense from the union demands, unions struggled to sell the settlement as a victory<sup>56</sup>.

*“The 98-agreement was in my opinion a fantastic agreement but it was rejected by members. And it was unjustified but rumors appeared about paid time off on the 24th of December and people showed up in Santa Claus outfits to demonstrate their discontent. So, suddenly people speculated about what was actually in the agreement and they just wanted to reject it”* (Thorkild E. Jensen, former President of Dansk Metal and CO-industry)

The general strike proved very costly for the exporting companies reliant on stable production and delivery to clients abroad. The alliance urged their confederations to write up a so-called “Climate Agreement” (*Klimaaftale*) which would stipulate the order of bargaining and align communication of bargaining results. As such, the Climate Agreement was a formalization of quiet politics in collective bargaining, i.e. making sure that the media and the public would not get conflicting statements from bargaining parties during and after bargaining.

The quiet politics of collective bargaining was also under threat during the 2017-round. Building trade unions pushed hard for a so-called chain liability provision for when supplier companies in construction are in breach of collective agreement standards<sup>57</sup>. The alliance –

together with construction employers – is strongly against chain liability as they see it as contrary to the principle of free collective bargaining. And as Swenson<sup>58</sup> argued long ago, there is also a material cross-sector interest conflict because cheaper construction means cheaper inputs to manufacturing. Seeing yet another settlement in manufacturing without chain liability, shop stewards in the building trades were successful in mounting a campaign against the settlement. Instrumental for their campaign was also a new unpopular provision allowing managers to notify overtime if a local agreement with the shop steward could not be reached. The campaign was coined as ‘*No Thanks to 42 hours*’, despite Dansk Metal’s reassurance that the use of the new provision would be minimal.

*“We were doing well but someone was shouting  
about 42 hours [per week], and there was a  
campaign... then the seriousness disappears and  
with it the task of solving problems for Danish wage  
earners... Now they wanted Rock ‘n’ Roll”*  
(Claus Jensen, President of Dansk Metal and CO-  
industry)

Suddenly, the bargaining round gained salience in both traditional media and on social media and the looming dissatisfaction on the shop floor made the union ballot one of the tightest in decades. 56,5 percent of members voted yes in 2017, compared to 77,3 percent in the 2014-settlement which arguably contained far less concessions to workers<sup>59</sup>. The high salience of social dumping is the major threat to the alliance control over future bargaining.

*Salient in Extra-Parliamentary Arena: Social Pacts*

Tripartite agreements have a long and varied history in Denmark ranging from incomes policy in the 1960s, over highly influential declarations of intent on wage moderation and pensions in 1987 to binding agreements on education and refugees in the labor market in 2016/2017<sup>60</sup>. A failed attempt to reach a social pact in 2012 is illustrative of the risks the alliance faces when trying to make quiet deals in a politicized arena with high salience. The incoming Social democratic government had carefully planned tripartite negotiations with employers and trade unions to recover the economy without additional fiscal austerity on retirement schemes. The challenge was to find additional 15 billion DKK to fund growth related and pro-labor initiatives. The ‘Columbus egg’ proposed by the Social democrats was increasing the labor supply, including working time regulation changes, something only social partners could pass given the principle of autonomous collective bargaining. Dansk Metal was the key union actor in the preliminary negotiations, given their position in the collective bargaining arena and DI almost couldn’t believe their luck as increased working time had been top of their priority for decades. Leaders of Dansk Metal saw the tripartite agreement on increasing labor supply as a necessary – albeit unwanted – element in the economy recovery and in regaining power vis-à-vis the government. However, Dansk Metal specifically viewed working time as only one lever among others to find the 15 billion DKK.

*‘It was their [the Social democrats and the Socialist People's Party] decision to marketize the expectations about how to get the 15 billion DKK.*

*When we discussed it, we didn't see it [increasing working time] as the only solution.<sup>61</sup>*

Thorkild E. Jensen President of Dansk Metal  
and CO-industry)

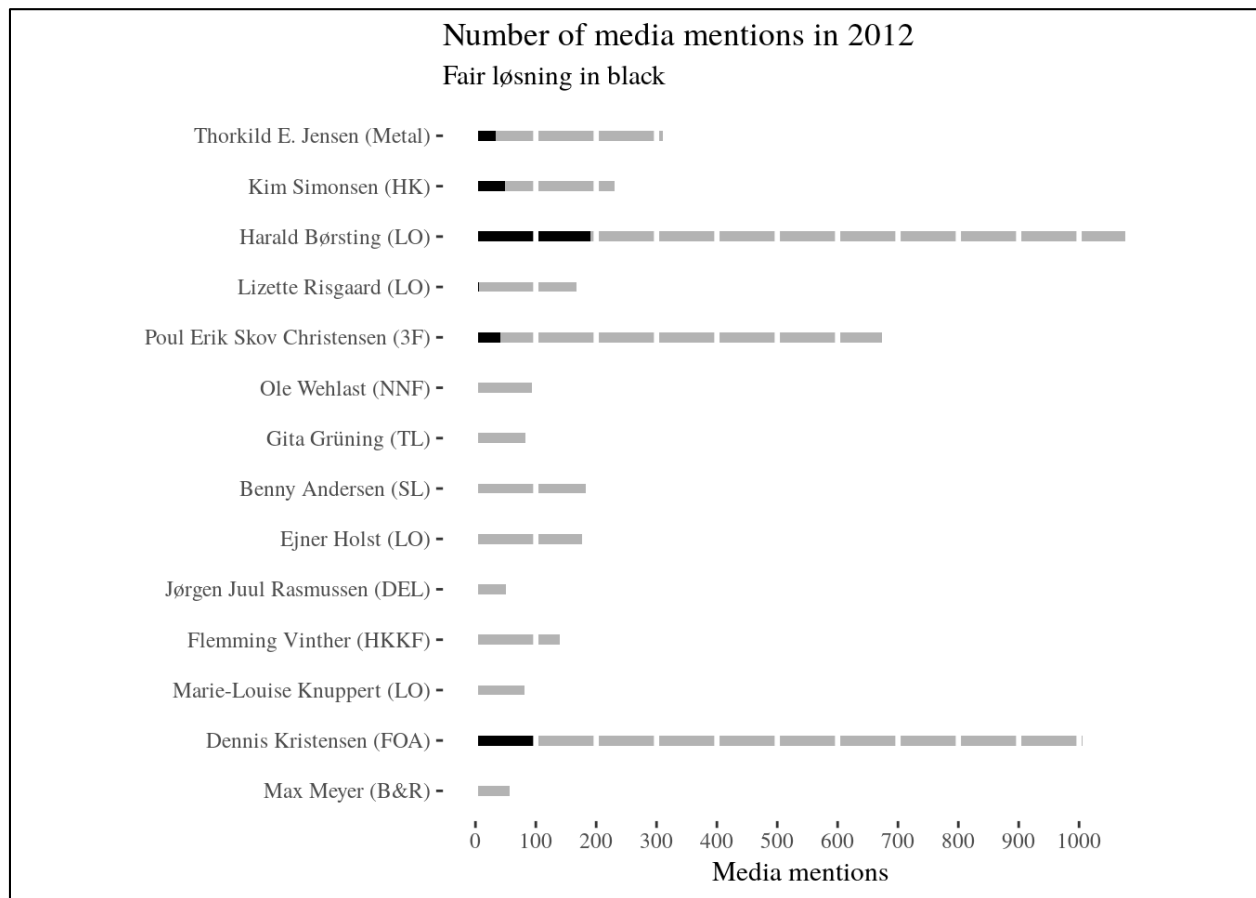
The quiet politics negotiations were efficient in getting pre-approval from the various parties and negotiations proceeded to what should have been a ceremonial process of ratification. However, after the successful election of the new center-left government, negotiations ran into troubles because the Social democrats and the Socialist People's Party had run campaigns about saving the economy by working a mere 12 minutes more a day. Under the slogan '*If you have 12 minutes, we have a solution*', they had pitched an alternative solution to the previous center-right government's solution based on austerity measures. However, as the quote above shows, this slogan was not in line with the perception of Dansk Metal leadership who had other more technical solutions like reducing sick leave, introducing more flexibility for overtime, reducing study time of young people and including more senior citizens back into the labor force<sup>62</sup>. Clearly, union leaders preferred a complex, quiet politics agreement, but the political parties made the process noisy with their campaign slogan.

To the chagrin of union leaders, the '12-minutes a day' campaign created a single focus on working longer and sparked immediate dissatisfaction among the rank-and-file. Instead of focusing on the other levers for finding 15 billion DKK and the multiple concessions that unions were going to get on e.g. retirement, Dansk Metal shop stewards were bombarded with threats from members who would leave the union if leadership accepted the working time increase. Similar threats were heard in other unions. However, it wasn't until Thorkild E. Jensen, president

of Dansk Metal, was threatened with a veto in Dansk Metal's governing board, that Dansk Metal pulled out of negotiations. Subsequent to the withdrawal, the tripartite agreement was cancelled by Bjarne Corydon, then Minister of Finance. What seemed like a done deal in quiet politics, turned out to be impossible when negotiations became noisy.

One plausible explanation for the breakdown is that union leaders accustomed to quiet politics failed in noisier arenas. As seen from Figure 5, the peak-level organization president, Harald Børsting, and outsider FOA-president, Dennis Kristensen, dominated the issue of 'Fair Løsning' in the media. In contrast, the most central union leaders, including Thorhild E. Jensen, engaged far less in public debates about the social pact. Entering the elite networks and working in quiet politics seems to be a double-edged sword. While cross-class alliances offer certain unions a privileged position, it also hampers them from seeking influence when high salience issues become the noisy politics. It seems that organizations more attuned to pursuing agendas through mass media are able to dominate when issues enter this arena.

Figure 4: Media presence in 2012 in total and about 2012 Social pact 'Fair Løsning'



Source: Number of articles and media stories from national and regional newspaper TV and Radio stories in the preceding year identified through Danish media database Infomedia searching for person name and name of organization, and for the articles in black mentioning the social pact 'Fair løsning'. Note that in 2012, Poul Erik Skov Christensen and 3F were involved in a highly covered conflict with a small restaurateur of Vejlegården. Excluding stories also mentioning "Vejlegården", Poul Erik Skov Christensen only had 429 mentions in 2012. Similarly, he had 408 mentions in 2011.

The lessons of the 2012-failure were clear; high salience politics is often noisy and can potentially create intra-class conflicts that in turn will challenge the cross-class alliance. Thus, when the incoming Center-Right government in 2015 announced that it wanted tripartite negotiations on refugee labour market integration and on lifelong learning, Dansk Metal was much more oriented towards the LO movement as a whole. The process of these tripartite negotiations were noisy and Dansk Metal stuck to its class. One key issue was making sure that salaries of refugees would not undermine collective agreement standards. During the tripartite

talks, proposals by neo-liberal politicians and think tanks about a lower ‘refugee-salary’ to facilitate labour market entry became front-page material in the media. On this issue, Dansk Metal primarily listened to the General Workers Union, 3F, and FOA, the members of which would be mostly threatened by lower refugee salaries. Despite any potential wishes from DI about lower salaries which wouldn’t have threatened jobs or wages of skilled metalworkers, DI respected that its alliance partner had to cater to its class peers. As a consequence, trade unions’ demands to take ‘refugee-salaries’ off the bargaining table were heard. In 2016, government and social partners concluded a tripartite agreement about inclusion of refugees on two-year apprenticeship programs during which they would receive apprentice-salaries which are negotiated through collective bargaining.

#### *Not Salient in Parliamentary Arena: Vocational Educational reform*

Denmark has a long history of a dual training VET-system with heavy government funding<sup>63</sup>. By alternating between apprentice-based training and school-based teaching, students get both firm-specific and industry-specific skills that are vital for the skill-demands of high-productivity/high-wage manufacturing in Denmark. Social partners at various levels govern the VET-system and educational policies rarely become highly salient. While the track-record of this system is positive with low youth unemployment as a key indicator there are indications of poor performances including higher drop-out rates and fewer apprentice-contracts<sup>64</sup>. In the alliance, there has been growing discontentment over the prioritization of social inclusion of “weak learners” over the skills-demands of firms, and DI and Dansk Metal therefore pushed the Danish government to reform the VET-system by putting stronger emphasis on more qualified students.

The reform process was initiated in 2012 with a tripartite VET Committee consisting of social partners, government officials and school representatives. The politics inside the Committee were clearly quiet and resembles what Culpepper calls ‘bureaucratic network negotiations’. The quiet policy process showed how the alliance yields power over the class and can overturn the confederations. The original proposals coming from the ministry were about the organizational structure of VET-schools and did not include important issues about the quality of students. Nonetheless, LO and DA were ready to go ahead with the proposal.

*LO and DA entered “agreement mode” and wanted to make a quick deal... ... we had to say that we can’t accept this... ... The focus of the original proposal was completely off.*

Representative of a Business Association

Both DI and Dansk Metal considered the proposal of the ministry and the confederations unambitious and negotiations broke down. After getting the signals from the alliance, LO and DA published a joint paper on how to reform the VET system (LO and DA 2013). This paper was initiated by Dansk Metal and DI and was significantly more ambitious than the approach by the government and the original stance of LO and DA. The alliance suggested a significant departure from social policy-objectives in VET to attract better students and ensure that employers would still find VET-students attractive. Particularly noteworthy about the joint paper was that it proposed the creation of admission requirements where students needed at least the minimum grade of 02 in Danish and math. This was an important departure from the prevailing



equality-enhancing approach of the Danish VET system where, if deemed ready for education (regardless of grades), any student should be able to access VET.

It was only after pressure from the social partners that the government agreed to expand their focus to also include more stringent admission requirements for VET. Due to the legacy of inclusiveness through vocational education, the Left-wing parties and the Social Democrats in government were wary that these changes would cut off access to secondary education for many students who normally would choose VET. Moreover, cutting off access could mean that the stated goal of getting 95-percent of a cohort to obtain an upper-secondary degree would run aground. Similarly, the LO was afraid that cutting access could – on average – mean fewer workers within the domain of its affiliate low-to-medium skill workers' unions. However, with unskilled workers' unions on board eventually, the government's reform proposal presented in August 2013 was clearly in line with the joint paper by DA and LO, and it was thus possible to agree on a joint statement between DA, LO and the government on how to reform the VET system. In Parliament, after a largely quiet process, only the left-wing Unity List did not support the reform, referring to the social downside of introducing grade requirements.

## **6. Conclusion**

In this paper, we find that the specific Danish version of corporatism since the 1980s is dominated by an alliance of certain representatives of labor and business. Moreover, we argue that Culpepper's concept of quiet politics is suitable for analyzing under what conditions corporatist policy-making takes place in Denmark. We add that corporatist policy-making through political elite networks is particularly important for quiet politics. In our analysis of network data, we show that representatives of labor and business from the vital exporting

manufacturing sector are at the very core of political elite networks and that this alliance works best under conditions of quiet politics. Through interviews, we show that being at the core of the network requires not only a key position in the Danish economy, but also an understanding that politics is often done best without politicians and voters. And through case studies of collective bargaining, social pacts and educational reform that vary in terms of salience and political arena, we are able to illustrate our argument about quiet politics.

We contribute to current scholarship on corporatism in two ways. *First*, the literature has focused mostly on the level and nature of social partners' activities in policy-making and collective bargaining, rather than asking under what conditions social partners come to decide instead of politicians. Culpepper's concept of quiet politics allows us to define these conditions using salience and political arena. Corporatist policy-making is most likely when issues are of low salience and thus under the radar of politicians. Embeddedness in political elite networks facilitate quiet politics and being at the core of networks allows you to take a position of brokerage between multiple constituencies in quiet politics. Having a vast network and being a broker between various constituencies is vital for the kind of consensus-based policy-making and deliberative negotiation that corporatism depends on<sup>65</sup>. Rather than 'shouting in public', to quote the President of the Danish metalworkers, and locking your bargaining strategy to a certain position, the quiet politics of corporatism allows problem-solving and broad solutions in industrial policy, writ large. However, while quiet politics seems problem-focused and consensual, this should not obscure that some interests typically prevail over others.

This issue brings us to the *second* contribution. The literature on corporatism does not adequately distinguish differential status and integration into policy-making of different groups of social partners. Often, trade unions and employers are treated as monolithic blocs of labor and

capital. In contrast, we use cross-class alliance theory to show that Dansk Metal and DI, that represent workers and businesses in key industries for the Danish economy, are at the core of political elite networks. This is an important lesson on small state industrial policy<sup>66</sup> after the demise of peak level corporatism: If business and political elites can incorporate ‘responsible’ and pragmatic union leaders into political elite networks, then business can achieve some of the things they achieved under encompassing confederation bargaining, e.g. public goods such as wage moderation in collective bargaining, public investment in education and skills and benign industrial policies. In our analysis, we show with multiple quotes and media data that the metalworking president clearly operate under a logic of quiet politics, whereas more marginal union leaders resort to shouting in the public to mobilize members and voters and thereby politicians.

While the position of Dansk Metal comes with many political privileges, it also comes with multiple responsibilities and challenges. Being part of the political elite entails playing the long game in the interest of the Danish growth strategy which is based on a careful balance of export-driven growth and a relatively high level of public and private consumption<sup>67</sup>. At the core of this balance is a high-wage and high-productivity-nexus that undergirds competitive export companies, positive current account balances and sound public finances. From time to time, this balance is under pressure from unions in the public sector and from low-wage services that feel squeezed by tight fiscal policy and wage restraint. Similarly, unions in the building trades have questioned free movement of labor in the European Union as it puts pressure on minimum wage standards due to posting of workers. Dansk Metal has had to deal with these different intra-class challenges due to its privileged position, whilst remaining responsible for the overall principles of the Danish export-oriented growth strategy.

Part of the reason for why this position of Dansk Metal is sustainable is that other unions understand and respect the importance of a strong and competitive export sector for the rest of the economy. Going back to Katzenstein, this common understanding might originate from the small state *vulnerability*. Dansk Metal took leadership in the union movement around the time of current account deficits and high unemployment in the 1980s, but they could only do so because of their position in key industries for the Danish economic resurrection and – as we show – because of their tight relationship with DI. DI, on their part, needed a reasonable partner to promote a cross-class consensus on industrial policies for the post-Fordist economy<sup>68</sup>. This alliance has been quite successful in steering the Danish political economy through various governments during the recent three decades and has laid the foundation a new kind of corporatism in a time when corporatism seemed to wither away.

However, being part of this alliance also show how union leaders face a double bind when their power is constructed through and based on elite networks. On one hand, union leaders can more easily strike deals with alliance partners when politics is quiet. On the other hand, because unions derive their primary source of power in worker support and membership, leaders sometimes need issues to have salience in order to mobilize their rank-and-file. Keeping politics quiet allows well-positioned union leaders to protect and strengthen their position while remaining junior partners. In contrast, making politics loud invokes their paramount power resource of mobilized members and broad-based worker mobilization. However, mobilizing workers broadly might entail letting in opinions from other unions who do not accept the established consensus behind the quiet politics of the elite networks. Our analysis show that union leaders in the alliance often have to stick to their class, rather than the alliance, when politics becomes noisy.

These insights from our paper can readily be applied and tested in other countries like Sweden, Norway, Finland, Austria and Switzerland (see Mach et al. in this issue) with similar small state corporatist legacies. However, there are also be more general questions arising from our study that can inform studies of more countries. First, can we identify stable political elite networks operating under conditions of quiet politics in other countries (see Feldmann and Morgan in this issue on the fragmented British business elite)? If so, what are these networks using quiet politics for? Second, which political actors and from which sectors do we find in central positions in these political elite networks? For example, are the networks dominated by exporting companies or multinationals (see Bohle and Regan in this issue), and are union leaders or other non-business leaders included at all? Third, how do these political elites shelter policy-making from public attention and scrutiny? For example, are there any particular strategies for keeping politicians, for example from non-establishment parties, out? Answering these questions will tell us a great deal about national varieties of quiet politics and enable analysis of policy-making that typically goes under the radar of 'normal' political science. Moreover, focusing on networks of actors will enable identification of key players and interests in quiet politics in a way that goes beyond what Culpepper originally promoted in his book.

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