

## Class Power and Participatory Equality: Attitudes towards Economic Democracy in Denmark and Sweden\*

Henrik Jess Madsen, Harvard & Aarhus Universities

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The *former* is legitimized by class positions. The exertion of influence is founded on a collective class identity. No extensive participation need be involved; indeed, none at all. From this perspective, capital sharing provides a means of enhancing specific class interests. The *alternative* notion of participatory equality rests on the idea of participation in one's capacity as an individual. Participatory involvement acquires primary importance for asserting the individuals' qualities, interests or demands. Individualist egalitarian claims and an emphasis upon individual autonomy underlie strongly this conception. Capital sharing appears as one measure to extend, by equalizing, the participatory opportunities open to individuals.

The supposed linkage between power and participation is strongly embedded in both democratic theory and liberal-democratic practice. The best historical example probably is the 19th century Western European political conflict over suffrage extension, which developed on the assumption that participation would – perhaps slowly but with invariable certainty – lead to power; and power in the hands of the propertyless would be used for the purpose of transforming the prevailing class order into a less inegalitarian society. According to one contemporary observer:

... the extension of the Parliamentary suffrage (1866–1884) ... has increased, and often unduly increased, the influence of socialists, and for the following reasons:

It has, in the first place, made known and called attention to the real or the supposed wishes or wants of the poorer electors ... The course of events, in the third place, and above all the competition for office which is the bane of the party system, have at least revealed to the electorate the extent of their power, and has taught them that political authority can easily be used for the immediate advantage, not of the country but of a class. Collectivism or socialism promises unlimited benefits to the poor. Voters who are poor, naturally enough adopt some form of socialism. (Dicey, 1961, pp. lxiv–lxv.)

With the benefit of hindsight we can dismiss both the fears of conservatives like Dicey and the exalted hopes of the egalitarian optimists.<sup>1</sup> As Lindblom has noted, it is indeed striking that the vast majority of propertyless did not use the vote to accomplish a thorough redistribution of wealth.<sup>2</sup> While eventually political citizenship did bring about social rights, a Marshallian triangle of political, social, and economic citizenship failed to materialize and left the formal egalitarian claims of liberal democracy to a society of profound inequalities in the distribution of capital, wealth, and life chances.

The Danish and Swedish proposals for Economic Democracy are more

fundamental attempts at restructuring the inequality of productive wealth and affording some wage-earner control over investments. Both plans originated within the unions, but only in Denmark did a joint Social Democratic/trade union sponsored blue-print emerge, although it was never insistently pursued by either the unions or the party. The Swedish Social Democrats avoided an explicit endorsement of the capital sharing scheme adopted by the Swedish Federation of Unions, and subsequently they postponed a decision until a joint Social Democratic/trade union study group (set up early 1977) submitted a report. This new proposal came out one year later. While the party executive endorsed its general principles, it deliberately avoided a commitment to the study group's specific policy proposals and, instead, recommended further considerations. Another task force that was appointed a few months later will issue a report at the trade union and the party congresses, both to be held in 1981.

The reluctance apparent in the attitudes of the Social Democratic parties probably reflects the considerable uncertainty among traditional labor constituencies. At present, the wage-earner coalition between blue collar workers and a major part of white collar employees, which is crucial to a successful drive for Economic Democracy (cf. Meidner 1974), is simply non-existent. This paper will try to throw some light upon why this is so.

## 1. Economic Democracy in Denmark and Sweden

The *Danish* sequence of investment fund proposals began with a plan drafted by the former Social Democratic prime minister, Viggo Kampmann, and was endorsed by the Union of Metal Workers in 1969. The underlying concern for capital shortage – a chronic feature in the Danish economy – and the egalitarian attempt to redistribute future productive assets were the prime rationale for Kampmann's proposal to impose a levy on the profits of larger corporations. This tax would be accumulated in two equal funds: a *within-firm* fund controlled by trade union representatives for investment in the company; an *extra-firm* central fund for investment in the economy at large. Kampmann's plan did not establish individual ownership rights, but only rights of disposal. While the dividends could be distributed to employees, the individual shares could not be redeemed. The plan was criticized for its bureaucratically centralized and collective features from the right, and for its reformist narrowness from the left: it did not survive the ensuing debate.

Three years later the national federation of unions, *Lands Or-*

*ganisationen*, and the Social Democratic party jointly presented their proposal, which contained significant departures from the idea of collective ownership rights of a rising fraction of productive capital. According to this modified plan, a gradually rising tax on the firm's total wage bill would provide capital: starting at 1 per cent and stabilizing at 5 per cent after nine years. Two-thirds of the capital would be kept in the firm, with voting rights invested in the local trade-union committee; one-third would go to a central fund administered by a five member executive board, with four labor union representatives and one member appointed by the government. Each employee would be issued a certificate equal in amount and supplemented by annual increments which would carry individual ownership rights and be redeemable after a certain period. The plan met fierce opposition when it was introduced in Parliament and did not get beyond the first reading. The employers and their bourgeois allies criticized the scheme for rigid bureaucratization and a concentration of power detrimental to democracy. The alternative which they proposed built upon a strictly de-centralized system of individual employee shares to be purchased through annual deductions from their wages with the option of contracting out by selling the shares on the free market. The economic recession which hit the Danish economy early in 1974 and the political turbulence that followed the electoral rise of the anti-tax party helped remove capital sharing from the immediate policy agenda. The modest enthusiasm for economic democracy in the electorate at large as well as among traditional labor constituencies, no doubt contributed to Labor hesitancy to push the plan forward. Table 1 confirms the limited extent of popular support. In 1973 when the issue was still salient, the public was essentially split evenly on the question. The fraction of those undecided doubled in subsequent years as the problem receded in political attention. During the same period, however, the public consistently came out in favor of more control of private investment (although overwhelmingly

Table 1. Support for Economic Democracy, Denmark 1973-1979 (percentages).

	1973	1975	1977	1977	1978	1979
Rejection	42	40	36	40	47	43
Don't know	15	30	29	31	26	31
Yes, but without central fund	29	20	24	29	27	26
Yes, with central fund	14	10	11			

Sources: *Gallup Vaelgerundersogelse* 1973, 1975, 1977, and OBSERVA (Morgenavisen Jyllandsposten, Sept. 5, 1979) The exact wording of the question varied from year to year.

Table 2. Support for Control of Investment, Denmark 1971–1977\* (percentages).

	1971	1973	1975	1977
Net Majority in Favor of Investment Control	31	42	34	42
Uncertain	17	15	15	16

\* Responses to 'There is too little control with private investment.'

Sources: *Gallup Vaelgerundersogelse* 1971, 1973, 1975, 1977.

rejecting outright socialization).<sup>3</sup> While roughly 15 per cent remained hesitant to take an unequivocal position on the investment issue, the majority favored some control. By 1977 support for 'some control' was found among 63 per cent of the electorate with about 21 per cent opposed.

In view of such preferences, it would probably be a mistake to dismiss the issue of capital sharing as resting entirely in a political oblivion. Moreover, during the Danish round of wage negotiations in the spring of 1979, which was terminated by a legislative stipulation of salaries for the private and public labor market, one compromise worked out between the L.O. and the Social Democratic party provided for a wage-earner fund as the price of wage restraint. Although the trade-unions did not insist upon this element in the incomes-policy package when opposition to it emerged within the Labor-Liberal coalition, it was kept on the bargaining agenda. In fact, the demand mushroomed once more after the general election of 1979. The economic crisis package that was proposed by the new Social Democratic minority government included capital sharing in exchange for trade-union acquiescence to a total wage freeze. Again, however, no Parliamentary majority could be found in favor of the central fund idea. Consequently, both the capital sharing and the wage-stop proposals were withdrawn. A substantially less restrictive wage policy took their place.

The *Swedish* trade union plan adopted in 1976 replicates the central features of the original Kampmann proposal in Denmark. The plan is most frequently labelled the Meidner plan as Rudolf Meidner, a trade-union economist, was its primus motor. A profit tax of 20 per cent was regarded as sufficient to establish a central fund. This fund would then be divided into separate industry-wide funds to purchase additional shares or to be used to finance job training, work safety-measures, or recreational-cultural facilities. The voting rights would reside in the central fund but would be exercised at the industry level. Neither individual ownership nor claims would be created; the annual yield would be fully reinvested. The compounded capital, according to estimates, would lead to a wage-earner majority in the major part of Swedish industry after about 25 years (cf.

Table 3. Support for Economic Democracy, Sweden 1976 (percentages).

Prefer some kind of employee fund of which:	All	Social Democrats	Bourgeois	Blue Collar	White Collar
Central Fund (Meidner Proposal)	12	24	2	26	9
Individual Enterprise Fund (Walderström Proposal)	20	11	26	16	22
Both equally good	2	5	1	3	1
Combination of Meidner and Walderström	10	14	8	14	13
Other proposals	7	6	9	6	8
Do not want any system	21	11	33	11	20
Don't know	28	30	21	23	26
	100	100	100	100	100

Source: Zetterberg, 1978.

Meidner, 1978, p. 59). According to one positively inclined observer: 'The brilliance of the plan lies in its ability to satisfy pragmatic short term demands for higher savings volumes and more investment capitals, and longer range demands for socialism, both at the same time.' (Esping-Andersen, 1980, p. 448.) If so, it was a brilliance bought at the expense of working class support. As in Denmark, the idea of a centralized investment fund met little favorable response among traditional labor constituencies. Table 3 shows that while only about 25 per cent of blue collar trade unionists and Social Democrats approved of the Meidner blue-print, there was nevertheless a rather widespread acceptance of some kind of wage-earner fund: 51 per cent viewed favorably such a fund and only 21 per cent rejected the scheme. The decentralized system of enterprise funds which had been advocated by a joint task force (chaired by E. Waldenström) set up by the Swedish Employers' Association and the Industrial Federation attracted greater interest among the electorate than did the Meidner plan. Although fund support was reversed for those two fundamentally opposed plans among Social Democrats and blue collar workers, the Meidner scheme was still short of a majority. The plan, which was accepted in a non-committal fashion by the Social Democratic party prior to the general election of 1976, was clearly unable to benefit from a widely recognized need in the mass public for some control of capital. As shown in Table 4, supporters of 'some control' outnumbered opponents by fully 28 per cent. The debate over the fund coalesced with issues of bureaucratic arrogance and centralization that gave rise to an anxiety over

Table 4. Support of Investment Control Sweden 1976 (percentages).

Full to partial support for investment control	57
Undecided	15
Total to partial rejection of investment control	28

Source: Petersson, 1977b, p. 41.

the anonymous state agencies, which Swedish election specialists identified as one important factor in the defeat of the Social Democrats (cf. Petersson 1978; Zetterberg 1978).

## 2. The Ideological Ambivalence of Economic Democracy

Economic Democracy is still a blue-print. As such, several problems of implementation are still unresolved. What should be done, for example, about multinational corporations that have wide discretion in setting shadow-prices for foreign subsidiaries and hence their profit domestically? Or, more fundamentally, is the purported aim of democratic control best served by restricting its exercise to wage-earners in the private market? The two rationales that have been advanced for Economic Democracy are, on the one hand, compensation to wage-earners for wage-restraint to secure sufficient profit-margins for investment (hence only private employees as participants under the scheme): on the other, democratic control (hence the questionable legitimacy of the inclusion of only this group).<sup>4</sup>

It is a sign of the popular strength of those who oppose any plan that Economic Democracy has been rejected on broader, ideological grounds rather than by a critical pinpointing of specific ambiguities, unsettled questions, or administrative imponderabilia. No plan is readily turned into directives for practical administration. There is, however, no indication that greater clarity would produce much change of opinion. But even allowing for the general indifference of the public mood when facing new, untried alternatives, the lack of extensive support is still puzzling in view of the widely endorsed idea of investment control. The support is documented comparatively in Table 5. We may speculate that this failure derives from the inability of the proposals to satisfy both the quest for restructuring workplace authority through co-determination, and the demand for control of capital. Participation and power appear difficult to reconcile in the present menu of policy-options. The popularity of individualized workplace schemes belies their inadequacy in providing a



Table 5. Attitudes towards Economic Democracy, by Partisan and Occupational Groups: Sweden 1976, Denmark 1977 (percentages).

	Sweden 1976				Denmark 1977			
	All	Social Demo- cratic Voters	Trade Unionists Blue Collar	White Collar	All	Social Demo- cratic Voters	Trade Unionists Blue Collar	White Collar
Support for some kind of investment fund	51	61	65	53	35	43	46	33
Central Fund	12	24	26	9	11	16	21	14
Decentral Fund	20	11	16	22	24	27	25	19
Don't want any system	21	11	11	20	29	26	32	42
Don't know	28	30	23	26	36	17	22	26

Source: Gallup Vaelgerundersoegelse, 1977.

vehicle for the enhancement of wage-earner control of the economy. This requires a centrally coordinated exercise of voting rights and investment opportunities rather than atomized employee participation.<sup>5</sup>

Although the gilt-edged stock does not provide extensive economic citizenship it would be misplaced to discount the wide acceptance of share based co-determination plans as illusionary bourgeois aberrations along the path of working-class advancement. Undoubtedly, some employer proposals would merely tighten entrepreneurial control of the workforce;<sup>6</sup> all individually-based schemes tend to disarm wage-earner solidarity, if not within the firm, then within the union or in society. Notwithstanding the possible intentions behind these plans, their persistent popularity suggests that they address more effectively the quest for participation by embodying opportunities in matters closer to everyday worklife and experience (and benefit from a profound scepticism of distant peak authority), and that this concern to a large extent overrides the specific class interest in labor power and investment control. The issue of capital sharing, in other words, is at the center of conflicting *tendencies* and, consequently, is not viewed exclusively in traditional class terms.

While, historically, the *capital-labor* cleavage was largely co-determinous with the *individualism-collectivism* split, the question of *decentralized vs. centralized* control that became prominent in the sixties opened up a new angle to the traditional and, in the case of both Denmark and Sweden, very powerful cleavage pattern. In neither country – where center-periphery cleavages had been negligible in the past – did a decentralist

movement give rise to regionally based parties, as some other European countries experienced. But the political attractiveness of a decentralist stand was transparent in administrative reforms during the 1970s which invested more discretionary power in municipal councils and which gave this enhanced political role economic viability by raising municipal taxes and through a massive system of revenue sharing.<sup>7</sup> The capital sharing issue touches upon all three dimensions but does so in a fragmenting, rather than reinforcing manner. From a class position, the investment fund scheme embodies the idea of wage-earner control of the economy. From a participatory perspective of centralized vs. decentralized control this class power is largely bought at the expense of direct participatory involvement which may be no less solidaristic than worker acquiescence in decisions taken at some peak trade-union level. If enterprise based co-determination is understood as the industrial counterpart to communal solidarity, as Verba has suggested, it acquires legitimacy in class terms.<sup>8</sup> The considerable uncertainty surrounding the proposal and its moderate wage-earner appeal may therefore be a result of an ideological double-bind between class power, involvement by way of one's class position, and individual participatory equality, involvement as an individual with distinct capacities. The next section presents some data to substantiate this claim.

### 3. Class Power and Participatory Equality: A Preliminary Look

Dimensional analysis offers one way of locating issue perceptions vis-à-vis more general ideologically infused concerns. We shall use factor analysis to identify the structure of beliefs that possibly underlies the set of correlations between survey responses to specific questions that are intended to tap specific instances of these broader social views.<sup>9</sup>

In Sweden, the cross-cutting character of the capital proposal is suggestively borne out in Table 6. The dimensional analysis confirms that both problems of workplace co-determination and investment funds are situated in a framework of traditional class cleavage and a concern for equality that lies outside issues of class.<sup>10</sup> This result would, of course, have little interest if wage-earners could be located uniformly along either axis. Table 7, which displays the average attitude scores by occupational groups on the two dimensions that were identified in the previous table, provides strong reasons for concluding that they cannot. While industrial

Table 6. Attitudinal Dimensions; Sweden 1976.

All Voters Factor Analysis*	'State Control'	'Equality'
The enterprise system performs best without state interference	-.69	-.05
We ought to socialize the large corporations	.68	.30
We ought to have trade-union controlled investment funds	.60	.38
Reduce the state control with private enterprises	-.53	.01
The employees ought to have more influence at their workplace	.43	.39
We should have more equality as to income and working conditions	.26	.49
Half the members of Parliament ought to be women	.02	.45
We ought to decentralize by moving more state agencies outside Stockholm	.13	.31
Eigen value	6.0	1.38
Variance accounted for (% of 7 factors)	38.9	8.9

\* Varimax rotation

Reproduced from factor analysis of 27 items in Petersson 1977a, Table 3.11.

Table 7. Average Factor Score, by Occupation Groups: Sweden 1976.

	Attitude towards		% of wage-earners
	'State Control'	'Equality'	
Industrial workers	+ 42	+ 19	28
Other workers	+ 5	+ 42	30
Lower White Collar	- 9	+ 24	10
Middle Level White Collar	- 10	- 19	20
Higher White Collar, Large Corporations	- 33	-100	13
			100

\* Average factor scoring based on analysis reported in previous table. Higher value implies more favourable attitude.

Source: Petersson, 1977 a, Table 3.23 in part.

workers on average tend toward class-framed responses to social and political problems, other blue collar groups and, even more pronounced, white collared strata reveal a dominant concern for issues that are more closely related to participatory equality.

Unfortunately, we are not able to pursue this suggestive pattern in greater detail for Sweden. Moreover, the *Danish Material* to which we now turn does not lend itself as easily to an examination of the question.

Table 8. Attitudinal Dimensions in the Danish Electorate 1977.  
Factor Analysis\*

	(1) Welfare Backlash	(2) Class Equality	(3) Equal Oppor- tunity	(4) Political Trust
Politicians are not responsive	.43	.04	.29	.34
Politicians too lavish	.71	-.05	.02	.08
Too many receive social benefits	.72	-.02	-.07	-.09
Popular government capable of solving critical problems	.31	.15	.07	-.10
Antagonism Capital Labor	.06	.75	.14	.08
Antagonism Employer employee	-.01	.60	.11	.09
Antagonism Rich Poor	.09	.58	.11	.07
Equal Economic Opportunity	.00	-.01	.61	-.51
Tax Progression	.08	.14	.58	.00
Investment Control	.11	.14	.44	.05
Politicians do not generally make fair and reasonable decisions	.02	.02	.02	-.70
Elections give people a voice	-.01	-.09	.06	-.30
Majority vote most democratic	-.15	.11	.08	.31
Politicians give up	.26	.05	.20	.05
Parliamentarism is the best system to solve problems	-.08	-.06	-.08	-.07
Positive towards economic democracy	-.01	.05	.08	-.06
Eigen Value	2.01	1.26	.8	.69
Variance, partitioned	42.2	26.4	16.9	14.5
Correlation Among Factors in Oblique Rotation				
FACTOR	2	3	4	
1	-.15	.24	-.24	
2		-.34	.17	
3			-.03	

\* Varimax Rotation Constrained to four factors

Table 9. Attitudinal Dimensions Among Danish Wage-Earners, 1977.  
Factor Analysis\*

	(1) Welfare Backlash	(2) Class Equality	(3) Equal Oppor- tunity	(4) Political Trust
Too many receive social benefits	.82	.00	-.09	-.13
Politicians too lavish	.63	-.04	.07	-.13
Politicians are not responsive	.31	.04	.28	.47
Popular government incapable of solving critical problems	.33	.22	.10	.20
Antagonism Capital Labor	.03	.71	.21	.05
Antagonism Rich Poor	.09	.60	.12	.05
Antagonism Employer Employee	-.04	.57	.15	.14
Equal Economic Opportunity	-.05	.05	.64	.01
Tax Progression	.04	.20	.59	-.05
Investment Control	.07	.15	.44	-.02
Politicians do not generally make fair and reasonable decisions	-.02	-.02	.04	-.63
Elections give people a voice	-.05	-.19	.10	-.36
Majority Vote most Democratic	-.16	-.05	-.06	-.38
Politicians give up principles	.21	.11	.23	.08
Parliamentarism the best system to solve problems	-.12	-.13	.10	-.04
Positive towards Economic Democracy	.03	.03	.08	-.09
Eigen value	2.15	.34	.86	.70
Variance Accounted for (%)	42.7	26.5	17.0	13.8
Correlation among Factors in Oblique Rotation				
	FACTOR	2	3	4
	1	.17	-.23	.34
	2		-.24	-.20
	3			-.09

\* Varimax Rotation Solution Constrained to Four Factors

However, in spite of a perhaps more circumstantial relation between the battery of Danish survey items and the two basic ideas of class and participatory equality, we can clearly identify the tapping of class issues in a question like:

People often talk about antagonisms of interests between different groups in society, e.g., between the sexes, political antagonisms, and the like. For each separate group listed below, would you please tell

me whether you think there are very strong, relatively strong, only a few antagonisms, or none at all. The owners of capital and the working class ...?

On the other hand, the response to whether higher incomes should be taxed harder, and reactions to probings about commitments to the idea of equal opportunity address aspects of equality that need not be confined exclusively in a class frame.

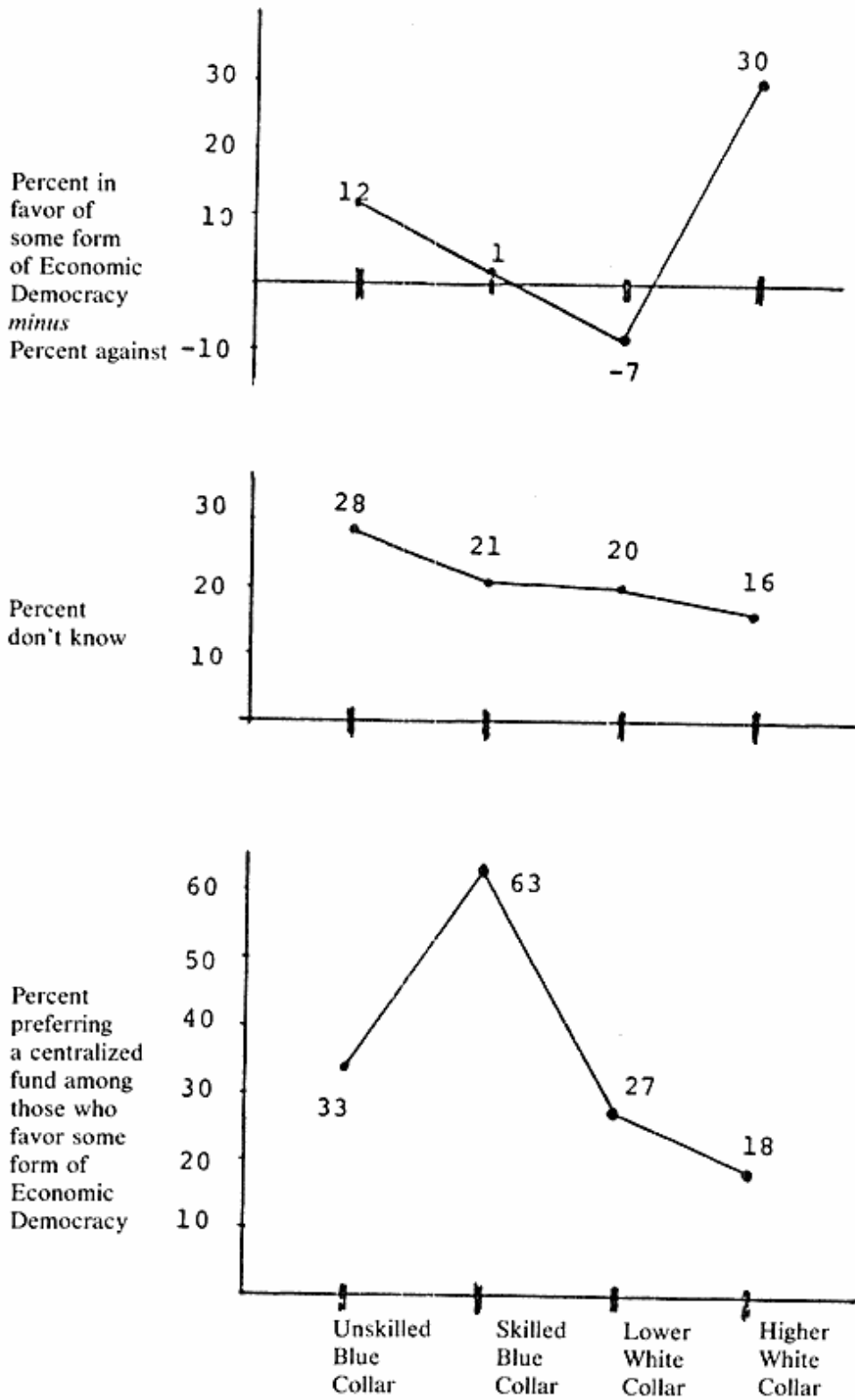
The final result of the factor analysis is shown in Table 8 for all voters, and an essentially similar solution based on wage-earner responses is found in Table 9.<sup>11</sup> In both cases, the *primary* component is easily interpreted as welfare state discontent with some overtones of political distrust.<sup>12</sup> The *second* dimension encapsulates the expected class-cleavage, and the *third* factor contains interpretable loadings on items which indicate a basic equality concern. The fourth component is the compressed dimension of political distrust. A few item loadings on factors two and three are surprising, but hardly anomalous. The rich-poor dichotomy, for example, reveals an unexpected degree of class relatedness, whereas investment control shows a greater affinity to the third dimension of equality. Most importantly, the issue of Economic Democracy does not fall neatly into either of the four categories.<sup>13</sup> The result replicates essentially the lack of a clearcut issue crystallization which was found for Sweden.

With some confirmation of our original conjecture we still have to show that this lack of any clearcut ideological profile reflects the contradictory appeal of Economic Democracy which in turn helps explain the low levels of support among wage-earners. As is suggested by the low scoring of the Economic Democracy item on *both* dimensions, the relationship between the two ideological axes and attitudes towards Economic Democracy in Denmark is considerably more complex than was the case in Sweden. I hope to show that the lack of any clearcut statistical relationship which is evident from Table 9 has substantive meaning and adds a refinement to our initial argument in the introduction.

#### 4. The Mobilizing Impact of Individual and Collective Resources

In this section we shall explore the influence of individual and group based resources on attitudes towards Economic Democracy in *Denmark*. Verba

Figure 1. Attitudes Towards Economic Democracy Among Wage-Earners, Denmark 1977.



Source: Gallup Vaelgerundersogelse, 1977.

and Nie (1978) have forcefully demonstrated such effects with respect to various types of political participation, but their basic insights are of course easily extended as hypotheses regarding attitudes towards economic and industrial democracy. The evidence of the previous sections that showed a somewhat higher level of support for Economic Democracy in some form among blue collar workers does not lead us to suspect any direct effect of individual participatory resources (typically income and education) on the pattern of approval that we find.

Figure 1 shows the levels of support for four wage-earner groups: unskilled, skilled, lower, and higher white collar employees. The first part of the Figure which displays the support surplus or deficit (per cent approving, minus per cent disapproving) reveals that approval runs highest among higher white collar employees – a telling illustration, indeed, of the lack of class profiling of the issue. As it is lower white/blue collar support that is essential, numerically as well as politically, we shall concentrate on the pattern of approval in these groups. Unskilled workers are, on balance, favourably inclined, skilled workers essentially neutral, and lower white collar workers are by a small margin opposed. Uncertainty about the proposals is most pronounced among unskilled, but falls continually as we move up to higher status and income groups. The preference for a central fund dominates only among skilled workers. The four-group breakdown of wage-earners is largely an implicit group ordering based on a standard socio-economic measure.

There are more interesting resources worth examining and we shall consider the effect of three other types. One is a general exposure to, interest in, and belief in one's own ability to influence politics. It requires

Table 10. Effects of Participatory Resources on Attitudes Towards Economic Democracy, by Occupational Groups, Denmark 1977.

'Standardized' Net Majority For or Against Economic Democracy

	Actual Majority	Exposure	Private Sphere Politics	Strong to Moderate Class Identification
Unskilled	+ 12	+ 34	+ 26	+ 12
Skilled	+ 1	- 4	- 27	+ 32
Lower White Collar	- 7	+ 5	+ 8	+ 16
Proportion of Moderate to Strong Class Identifiers among	unskilled 39%	skilled 39%	lower white workers 15%	

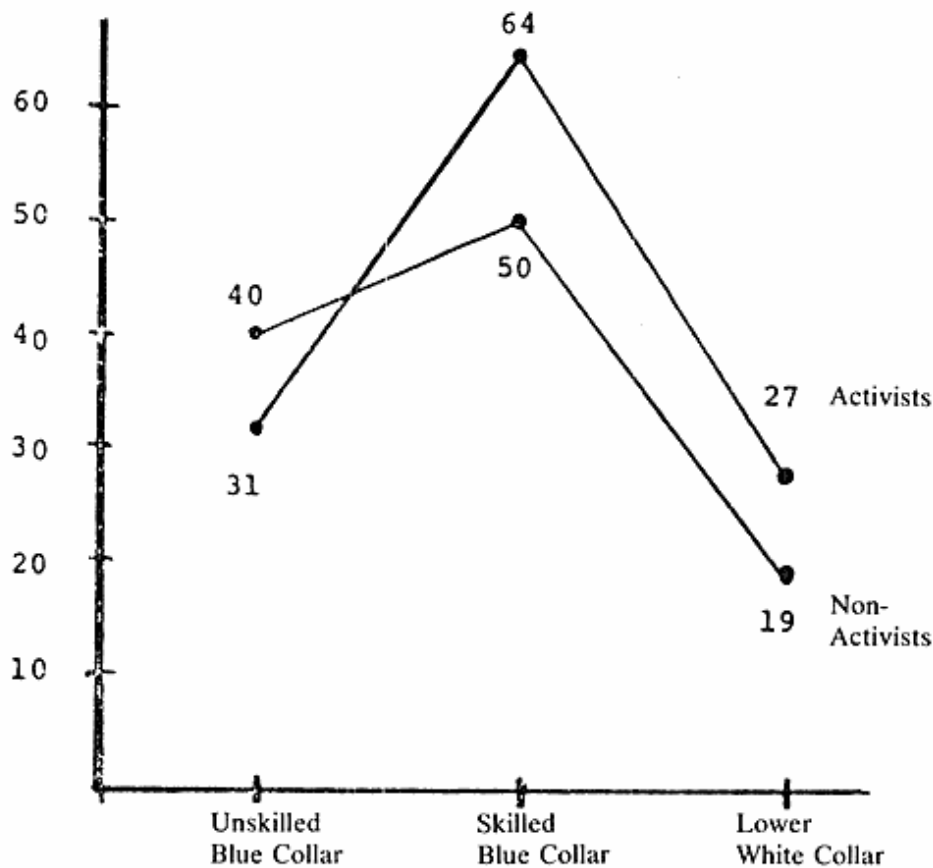
Source: *Gallup Vaelgerundersoegelse*, 1977



little elaboration to make plausible the conjecture that higher efficacy would make wage-earners more positively inclined towards Economic Democracy. The alternative participatory resource which is labelled 'private sphere politics' is a measure of the extent to which respondents discuss politics with family members, friends, and colleagues, have tried to persuade others, or have been asked for advice in political matters. Finally, we consider the collective resource of class identification. A plausible argument in the debate has focused on the lack of strong class identification as the reason for low wage-earner support, not only for Economic Democracy in its most general form, but for a centralized fund operating to advance working class goals, in particular.

Table 10 illustrates the effect of the three resources.<sup>14</sup> The first two levels of hypothetical support have been calculated on the assumption that each occupational group had a median resource score equivalent to the overall wage-earner median. The final column gives the level of support

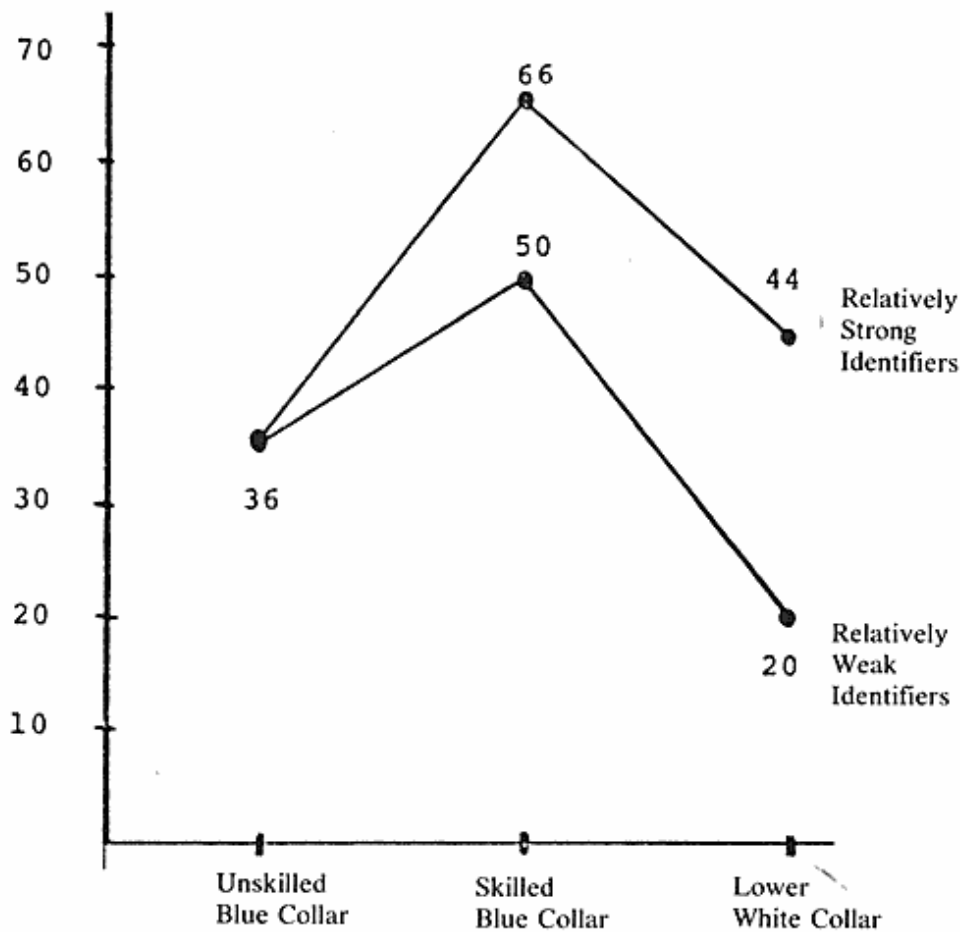
Figure 2. Preference for A Central Fund Among Everyday Activists and Non-Activists, Denmark 1977.



Source: Gallup Vaelgerundersogelse, 1977.

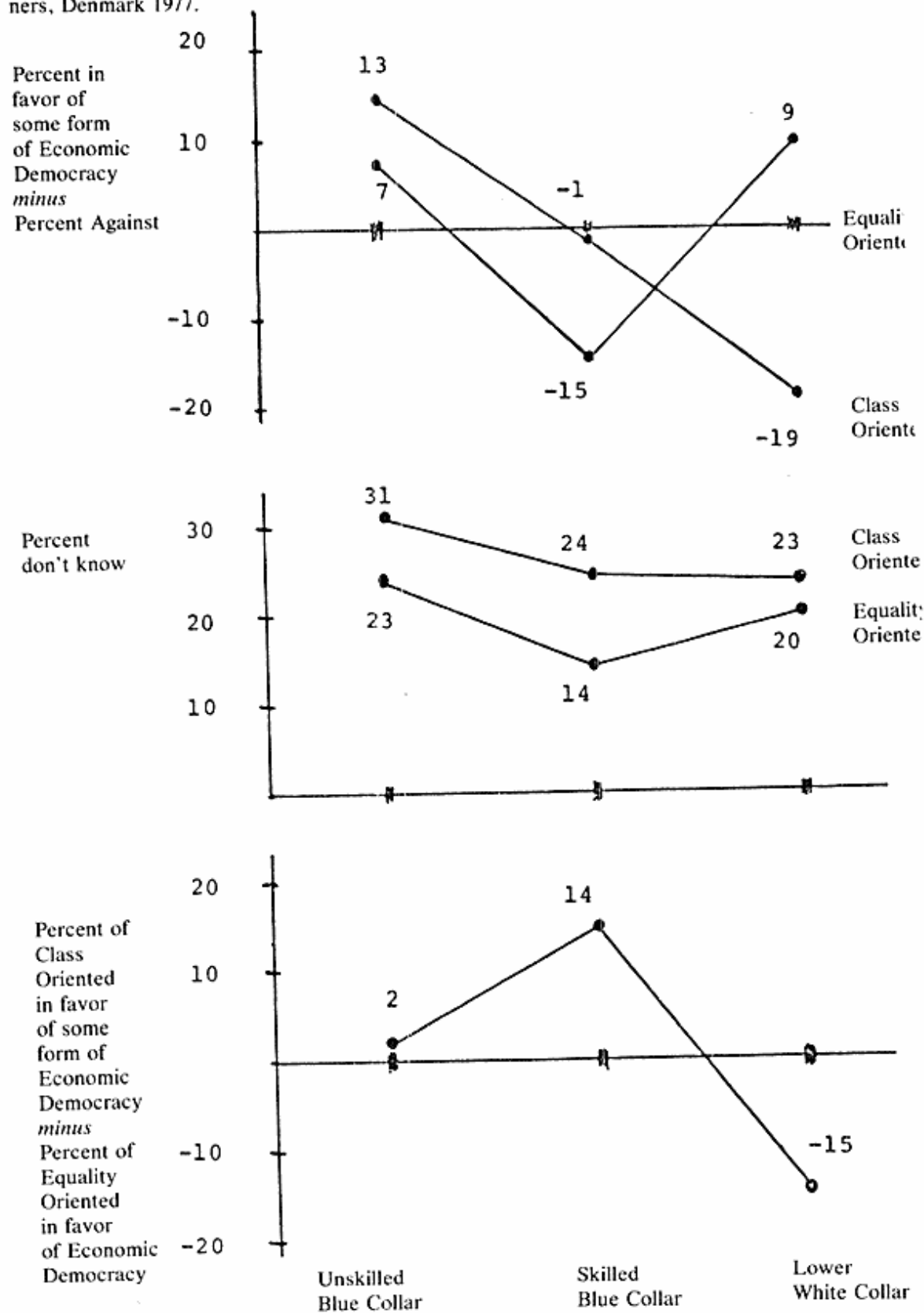
among moderately strong to strong working-class identifiers. *Exposure* leads to higher levels of support among unskilled and lower white collar workers, *involvement in everyday politics* adds substantially to approval in all groups, while it is only *class identifiers* among skilled and lower white collar workers who come out strongly in favour of Economic Democracy. While the net effect of all resources clearly is a stronger majority in favor of some capital sharing scheme, a closer look at the wage-earner preferences for either a central or a decentral fund reveals the conflicting character of their general commitment. Figure 2 documents this for the most effective individual resource: political activity in everyday encounters. The support for a central fund dwindles among the more active unskilled workers, but shows gains in the skilled and lower white collar groups. Class identification, on the other hand, benefits Economic Democracy and a central fund in a more uniform way; Figure 3 makes this quite

Figure 3. Preference for A Central Fund Among Relatively Strong and Relatively Weak Class Identifiers, Denmark.



Source: Gallup Vaelgerundersoegelse, 1977.

Figure 4. Support for Economic Democracy Among Class and Equality Oriented Wage-Earers, Denmark 1977.



Source: Gallup Vaelgerundersogelse, 1977.

clear. Although unskilled worker support for a central fund is unaffected, approval rises considerably among skilled and, particularly, among white collar wage-earners. In this sense we can talk about a weak or a non-existing class identification as the source of the political troubles of Economic Democracy.

The evidence brings out rather clearly that the mobilizing effect of *individual* resources is fragmentation and divisiveness with respect to more concrete plans, while the collective resources are capable of a unifying, solidaristic impact. The modest extent to which this collective resource is present among wage-earners (cf. Table 10) and the pattern of support observed in previous Tables suggests that the present predicament of Economic Democracy lies in the conflicting ideological perspectives that wage-earners as groups bring to bear on the issue.

Figure 4 displays the divisive impact of the two basic socio-political outlooks. A *class orientation* leads largely to a greater uncertainty among blue collar workers (rather than to an increase in the majority favoring Economic Democracy); for example, roughly a third of the unskilled workers whose general outlook would seem to reflect a class-cleavage perspective on society remains undecided. As a result the opinion surplus mustered by Economic Democracy stays at a negligible thirteen per cent. The class-infused point of view, however, reduces substantially the net white collar support for the proposal – the net deficit runs at nineteen per cent; the proportion of undecided within this group is affected only marginally (going up from 20 to 23 per cent).

An *equality perspective* is associated with lower uncertainty in the blue collar groups which primarily benefits an outright rejection of Economic Democracy and dramatically so among skilled workers. On the other hand, the positive effect on white collar support is a substantial 27 percentage points.

As a final illustration of the split among wage-earners, we have for each subgroup subtracted the proportion of the equality oriented who favor some form of Economic Democracy from the class oriented who take the identical position. This simple index (displayed at the bottom of Figure 4) provides a conveniently simplified measure of the extent of disagreement and the net balance of opinion within each group. Note that the pattern in Figure 4 helps explain the low correlations between attitudes towards Economic Democracy and the class and equality component which was observed in Tables 8 and 9. Blue collar respondents who tended to emphasize issues of equality typically fall in either the 'yes' or the 'no' category, in effect 'jumping over' the middle (on our scale) 'don't know' category.

## 5. Conclusion

Only more detailed Danish evidence could be utilized for the purpose of answering our original question of why Danish and Swedish wage-earner support for Economic Democracy has been so weak. Even though the available information on Sweden is consistent with the results of our closer examination of Danish wage-earner support, the conclusions should obviously be viewed sceptically if carried beyond the Danish context.

In spite of some shortcomings of the Danish material, it does rather consistently point to an underlying duality of class power and participatory equality that in differing degrees color the political outlook of blue and white collar workers. While the results of the preceding sections help explain the muted acceptance of the current Economic Democracy proposals among wage-earners in Denmark and probably in Sweden, the findings are not in the nature of a final verdict. Economic Democracy remains on the political agenda. In Sweden, a commission has for some time been exploring the distribution of wealth and the likely distributional changes resulting from capital sharing. A Social Democratic study group is still attempting to hammer out a scheme which the party is able to accept.

While the Swedish Social Democrats have proceeded cautiously, the Social Democratic government in Denmark, on the other hand, made a firm commitment to a centralized fund as a *quid pro quo* for wage restraint in its economic crisis package. The principal issues of Economic Democracy, therefore, became heavily entangled in the specific and necessarily brief debate on the impending crisis measures. The context of shorter-run concern, and perhaps specific personalities,<sup>15</sup> diffused the Economic Democracy debate and was simply not fit for a longer-term educative mobilization of wage-earners.

Notwithstanding a series of yet unsolved specific problems connected with capital sharing, the recent experience of Danish Social Democrats suggests the need for a thorough debate separated from immediate policy concerns. More generally, the evidence of this paper strongly points to the need for a proposal that bridges the present gap between the two groups of employees if such a debate shall bring about the politically pivotal wage-earner coalition between blue and white collar workers. At present, no scheme contains a formula that accommodates simultaneously the demand for popular, effective investment control and individual participatory claims.

## NOTES

- 1 Some conservatives, Disraeli for example, found no reason for the doomsday-like prophecies. But they had explicitly to reject the gloomy scenarios and could not just ignore them.
- 2 As quoted in Bell, 1978, p. 226.
- 3 In 1971 (the only time the question was asked) a huge majority of 79 per cent rejected public ownership of enterprises.
- 4 The first rationale is strongly emphasized in Meidner (see also *ekonomisk debatt*, 1976). Note that the twin rationales relate to the ideas of class power and participatory equality, respectively.
- 5 It is somewhat ironic, as noted by one German trade-union official, that emission of shares to employees is proposed at a time when the lack of influence of small shareholders has been widely recognized (cf. Schaefer 1977). Meidner and his associates studied the effective exercise of control at the annual meeting of several large Swedish corporations. They concluded that in close to '... 90% of the companies ... it required at the most three persons to reach accord (on the basis of their own holdings plus proxies) for them to control a majority of the votes at the annual meeting. In none of the fifty-four companies were more than six persons required to achieve this majority' (Meidner 1978b, p. 39). To counteract such concentration of effective decision making clearly makes some wage-earner coordination necessary.
- 6 The most conspicuous example in this respect is probably the recent proposal by the German Federation of Employers. The Federation insists, as a *conditio sine qua non*, on the right of the employer to determine which employees should be offered the opportunity to enroll in capital sharing schemes, and the right to tailor this offer individually to each wage-earner (cf. Guski 1978).
- 7 The electoral gains of the Swedish Center Party which profiled itself as an anti-central, 'green wave' movement, as well as the bureaucratic centralization syndrome described above, provide other more topical examples.
- 8 Personal communication.
- 9 Due to the ordinal character of the item responses, factor analysis is not strictly appropriate. The explorative character of the present enquiry and our original intention of establishing easy comparability between the Danish results and those of Petersson's justified the use of this technique. As the Swedish electoral survey has not been released, reanalysis is not possible.
- 10 The two factors, number one and four among seven components, were extracted from a factor analysis of 29 items. Six factors could be identified by the investigator: 1, 'state control'; 2, 'nuclear power'; 3, 'morality', 4, 'equality'; 5, 'energy policy'; and 6, 'social policy'; twelve items, 5 of which are included in the Table had obtained loadings higher than .33 on the first factor, and four items all with high loadings on factor four (which is our factor two in Table 4) are included.
- 11 A preliminary round of unconstrained factor analysis yielded five components. Two of these contained high loadings for questions that seemed to identify one common underlying dimension of trust (there was rather tenuous evidence for differentiating the components as trust of politicians and trust in the political system). Their low eigen values added to our substantive reasons for imposing a four component solution upon the final, orthogonal, rotation. Although the two equality dimensions turned out to be slightly correlated, as one might have suspected, an obliquely rotated solution did not differ appreciably from a straightforward orthogonal result which therefore was kept for reasons of interpretability and parsimony.
- 12 This result is reminiscent of the political bankruptcy thesis advanced by Rose and Peters (1978), who consider welfare backlash part of a general breakdown of governmental authority.
- 13 The response was entered in the following code: 1. Rejection; 2. don't know; 3. accep-

- tance of decentral fund; 4. acceptance of central fund. Excluding the 'don't know's' does not produce a different overall pattern.
- 14 A more detailed analysis that is consistent with the findings reported here is found in Esping-Andersen, forthcoming.
  - 15 Opponents found little difficulty in painting the danger of a centralistic mammoth fund headed by the LO chairman Thomas Nielsen, whose appearances and comments prior to and during the debate did not exactly contradict an image of a somewhat rude, powerhungry bureaucrat.

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