The State in the Modernization Process

The case of Norway 1850 - 1970
THE STATE
IN THE
MODERNIZATION PROCESS

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To Anu and Kapote
# table of contents

## PART A   The state as agent of modernization

1. The problem of state autonomy in Norway
   - The state in the modernization process
   - The case studies
   - The concepts of state and class
   - State autonomy
   - The problem: an autonomous state in a class divided society?

2. Organization analysis: action in institutions and exchange in markets
   - The concept of strategic pursuit of interests, and the state as mediator
   - A sketch of the analytical strategy
   - Three levels of abstraction
   - The argument

3. The alienation of politics from society and the power of bureaucracy
The capitalist mode of production ........................................ 46
The state alienated from society ......................................... 50
The bureaucratic mode of politics ................................. 54
A critique of Max Weber's theory of modern state bureaucracy 58

PART B   The state in the capitalist economy ...................... 63

4 The formal structure of the Norwegian state (1970) ........ 64
   A formal definition of state apparatus .............................. 64
   The Storting ................................................................. 65
   The central administration ............................................. 67
   Commissions and boards under the central administration ...... 70
   Income-generating and tax-consuming government institutions 71
   The size of the state ...................................................... 73
   The judicial system ..................................................... 74
   The military arm of the state ......................................... 77
   Conclusion: the five channels of state-society interaction .... 78

5 State formation and the role of the superstructure ........ 80
   The distinction between base and superstructure ............ 80
   Why state? ................................................................. 82
   State and war making .................................................. 84
   Political alienation rooted in economic alienation? .......... 86
   Possible changes in the base-superstructure relationship .... 89

6 The economic power of the state ................................. 91
   Government expenditures relative to the gross domestic product (GDP) .................................................. 91
   Government expenditures relative to other components of GDP ........................................................... 94
   Changing relations between elements of the domestic product. 95
<table>
<thead>
<tr>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Changing magnitudes in the main categories of government expenditures</td>
<td>98</td>
</tr>
<tr>
<td>Public capital</td>
<td>102</td>
</tr>
<tr>
<td>Conclusion</td>
<td>104</td>
</tr>
</tbody>
</table>

The state as innovator:
PART C from instrumental to programme autonomy......105

7 The early formation of the industrial bourgeoisie ...........108
The distribution of land, 1661 to 1850 ..........................109
Manufacture and industry ...........................................112
Farming, industrialization and class formation in the nineteenth century ........................................114
Economic change and industrialization in Tønsberg ...............116
The class structure .....................................................117
Slow industrialization ...................................................118
Conclusion ........................................................................119

8 Class pressures on the political power of the bureaucracy 121
The parliamentary form of state - a product of peasant demands?.................................................................122
The organization of the executive branch of government, 1814 -1860 ..................................................................125
Administrative specialization .............................................127
The bureaucracy ....................................................................132
Classes in rural Norway?.....................................................134
The state and the early formation of the working class..........135
The political party Venstre and state reforms after 1884 ......140
State suppression of working-class militancy .........................142
Conclusion: the bourgeois revolution ..................................144
9 State autonomy in agriculture - the role of the new professionals ................................................................. 147
From dissemination of knowledge to the generation of profits 148
The interpretation of the profit model and the interventionist state .................................................................................. 153
Is state autonomy dependent upon professional personnel? .... 155
The value of an organizational approach to the study of state autonomy ............................................................................. 158
The underlying paradigm: capitalism and democracy ............ 160
From instrumental to programme autonomy ........................................ 161
Increasing state autonomy: the relationship between democracy and capitalization of agriculture ............................................. 161

The state into the economic arena:

PART D the unfolding of programme autonomy .............. 165

10 Capitalism transforms Norwegian society ...................... 168
Changes in the occupational structure ........................................ 168
The penetration of imperialist capital into the Norwegian economy ...................................................................................... 175
Firms gain market power ............................................................. 177
The capital relations between the state and the private sector .. 179
State administration and defence ................................................. 185
Changing class positions and power ............................................. 187

11 The state into markets ......................................................... 189
Intervention into the industrialization process ....................... 190
State intervention in agriculture in the interwar years. An early example of Keynesian intervention? ............................ 193
Development of use-value-oriented management in the state .. 195
Development of state autonomy in the interwar period........... 197

12 State power and reformism in the labour movement ............ 200
   The organizational divisions in the labour movement ........... 201
   Working-class struggles at the national level in the 1910's and 1920's ................................................................. 203
   Corporative aspects of state organization in the interwar years 209
   Unionization in agriculture and forestry ........................... 214
   The state in the consolidation and expansion of capitalism in the interwar period ................................................. 215

13 The Trade Bank affair. Finance capital in the state apparatus ................................................................. 219
   The role of the state .......................................................... 220
   Analytical approach ......................................................... 221
   The rise and decline of capital interests in the Trade Bank ..... 221
   The economic and political context .................................... 223
   State support for the Trade Bank .................................... 224
   The court of impeachment. Was the support for the bank unconstitutional? ......................................................... 226
   The selective role of the state administration .................. 228
   The Trade Bank affair in the Storting ............................... 234
   Conclusion ......................................................................... 237

PART E   The state and social democracy .............................. 239

14 Capitalism supreme and the one-party state ................... 243
   International capital into the Norwegian economy ............ 243
   Structural changes in the economy ................................. 246
   The class structure in the postwar period .................... 252
The debate on the relationship between the state, the social democratic regime and the working class in postwar Norway ................................................................................... 253
Working-class consciousness............................................................. 258

15 The social democratic project ......................................................... 260
The Power Study: the state dominated by the economic interest organizations.......................................................... 261
The social democratic project ............................................................. 265
The bourgeoisie on the defensive in the parliamentary arena... 272
Conclusion ....................................................................................... 274

16 Professionals in the state ................................................................. 276
Public employees in the postwar state .............................................. 276
Professionals in the state - a basis for state autonomy? ............. 285
The recruitment of professionals to government service ......... 290
Profession-specific action models..................................................... 293
Structural control of professionals? .............................................. 296

17 Corporatism: the political ideal of the social democratic movement? ............................................................... 299
Professions and corporations............................................................. 299
Interest organizations in the state..................................................... 301
Corporative organs in the social democratic project............ 305
The asymmetry between political and economic democracy ... 312

18 The Kings Bay affair. Social democratic management of state industry ................................................................. 314
State-owned industry: an international overview...................... 316
State-owned industry in Norway ..................................................... 317
The government system for management of industry: the example
of Kings Bay............................................................. 318
Kings Bay: the accident and public investigations............ 320
The role of the government.......................................... 323
Characteristics of the state administration of Kings Bay..... 327
The general system of state administration of industry. The
Fleischer
Commission........................................................................ 327
The organization of the Ministry of Industry, seen from the
point
of view of modern organization theory ........................... 329
Conclusion ........................................................................... 332

19 The welfare state: a new type of state? .......................... 334
Regime-pauper relations over time.................................. 335
Living standards as a measure of welfare......................... 338
Conflicting concepts of freedom and security................. 340
Theories of the genesis of the welfare state..................... 342
The social security programmes .................................... 344
The Norwegian social security system in international
comparisons................................................................. 346
Welfare services and state autonomy............................. 352
A new type of state? ....................................................... 356

PART F Conclusion ............................................................. 359

20 The role of the state in the modernization process .......... 360
The economic transformation in Norway: 1850 - 1970...... 362
The changing class structures.......................................... 363
The state......................................................................... 365
The selectivity of structures............................................ 366
The role of regimes........................................................ 369
Organizational mechanisms generating autonomous state power ................................................................. 371
A class state? ................................................................................................................................................. 374
The contribution of the Power Study ............................................................................................................ 375
Materialism contradicted? ............................................................................................................................... 376
Modernization: not completed .......................................................................................................................... 378

Appendix ......................................................................................................................................................... 381
The occupational structure in Norway, 1875-1970 ...................................................................................... 381
References ....................................................................................................................................................... 382
List of tables ..................................................................................................................................................... 399
List of figures ................................................................................................................................................... 400
Name index ...................................................................................................................................................... 402
Subject index .................................................................................................................................................... 406
States are complex organizations, not least because of their sovereignty and their acquired power as organizers of politics. States as organizations, as a specific type of rational collective actor, were long ignored in Norwegian political science, though states and state power have been an area of concern within radical European social science over a long period. The overarching problem is: Has the state had an autonomous role relative to actors in civil society, in the transformation of the Norwegian economy from subsistence agriculture to a growth-oriented, industrial capitalism? Or, as some variants of both pluralist and Marxist state theories imply, have state activities and policies been mere expressions for dominant actors outside the state (political parties, interest organizations, specific social classes, the "people" etc.)?

The study is a contribution to a "critique" of political science, in the sense that it attempts to relate political phenomena as they are defined within social science disciplines to some of the economic processes in society, and through that confrontation, to question, or test the validity of central common concepts describing the Norwegian state, historically and today. It attempts to draw on
historical knowledge and research methods, especially in the analysis of the selected case studies (the transverse studies). It tries to utilize economic concepts and data to develop a description of the distribution of economic power between the state and the main social classes. And it uses organization theory, with its focus on roles, action models and decision-making within institutionalized norms and expectations. The study puts focus on the question of autonomy, whether and under what conditions the state can be seen as an independent actor, relative to the main class and group formations in society and what power the state had and mobilized to implement its chosen policies.


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Thorvald Gran
THE STATE PART AS AGENT OF A MODERNIZATION

“One must start with error and convert it into truth. I.e. one must expose the sources of error, otherwise hearing the truth does not benefit us. It cannot penetrate if something else occupies its place. To convince someone of the truth, it is not enough to state the truth, rather one must find the way from error to truth.”

Ludwig Wittgenstein, cited in Rod Aya (1979)

What role did the state have in the economic modernization of Norway, that is, in the transformation of the economy from subsistence agriculture to a growth-oriented industrial capitalism? To what degree and through which social and administrative mechanisms did the state have autonomy in the modernization process?

The question of the state as an autonomous organization in the political process¹ and the empirical study of the state-economy relationship have been raised from the periphery of established political science with increasing force in the 1970's and 1980's (Birnbaum 1988). The question of the variation in state forms was addressed by Stein Rokkan (1975a) and Charles Tilly (1975a, b and

¹By 'politics' and 'political process' I am thinking of activities oriented towards the building/reorganization of the basic institutions in a society (firms, households, parties, government, schools, churches etc.). 'Policy' concerns the activities of institutions and organizations.
c, 1978a and 1990). But the dialogue has widened and absorbed contributions from classical Marxism (Karl Marx, Antonio Gramsci), from neo-Marxism of the continental (Claus Offe) and the Anglo-American (Perry Anderson) varieties, from behaviouralists with an increasing interest in institutional analysis (March and Olsen 1989) and from sociologists studying the role of the professions as mediators between state and society (Rueschemeyer 1983). The Stalinist tradition, which transformed Marx's dialectic and historical analysis into abstract dogmas, argued an instrumentalist theory of the state. The state was an instrument either for the bourgeoisie or for a ruling proletariat. The idea that the state could develop an organizational logic and a power position of its own was not considered. Democratic theory, combined with behaviouralism, has also assigned the state apparatus little interest and/or autonomy. The assumption has been that the state is an arena for political bargaining and compromises between representatives of most or even all sections of the population.

Stein Rokkan and Charles Tilly suggested that state forms and state power are dependent on the type of economy. In economies with strong capitalists and much international trade the state would typically be weak and unbureaucratic. The capitalists would have control of the economy and taxes would be easily gathered at points of trade and transport. In economies with a large agricultural sector and with relatively weak capitalists in small urban centres the state would typically be strong and highly bureaucratized to be able to gather taxes from the many producers in agriculture. Dieter Senghaas (1985) has along the same lines suggested that democratization of states was dependent on the structure of land ownership. Where land was owned by many independent smallholders a strong farm movement would typically arise and demand a place, a representation in the state. Together with an emergent bourgeoisie, the market-oriented farm movement could
gain state power relative to feudal, aristocratic power, could democratize the state organization and make it an active entrepreneur in developing infrastructure for an industrial market economy. In areas where the land was owned by few and large landowners the farm movement would not arise and the (emergent) bourgeoisie would have difficulty gaining dominant power within the state.

The present study is limited to the Norwegian case. It will use materials from the history of the Norwegian state and the Norwegian economy to investigate the role of the state in the modernization process. It will only to a limited degree compare the Norwegian state with other states. However, it will study how the organization and the role of the state changed through three periods of modern Norwegian political history: (1) The period of the penetration of capitalism into the Norwegian agricultural economy (1850-1920), and the struggle against the power of the bureaucracy; (2) The period of capitalist consolidation in the interwar period, with a bourgeois multi-party state searching for efficient organizational forms in a new and complex situation with aggressive international capital\(^2\) on one side and an aggressive and growing labour movement on the other; and (3) the postwar welfare state period with a dominant Labour Party at the head of an increasingly corporatist type of state organization, with a labour movement losing its membership momentum and taking part in the western, US-dominated struggle against communism. It will thus

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\(^2\) Capital is a social relation where exploitation of wage labour occurs, where labour power is sold to an owner of means of production and where the labourer's labour time exceeds the labour time needed to produce the commodities he/she can buy with the wage and where the excess labour time (surplus value) is realized through the production owner's sale of products in markets. Capital can thus also be seen as materials (machines, buildings, raw materials, money etc.) that function within the capital social relationship. Capital can thirdly be used as denotation for the group or class of capital-owners and its material/organizational setting - as in "capital against labour" or "the capital - wage labour relationship".
compare state - economy and state - class - political movements in Norway over time. The study will also attempt to conceptualize the Norwegian economy as a "region" in a larger international and global system of capitalism, investigating the conditions for "autocentricity" (Senghaas 1985), the development of a locally controlled economy within a larger, dominant economic system. Thirdly the study will counterpoise over time study of state - economy relations with analysis of specific political conflicts. Lastly it will attempt to specify and criticize a Marxist interpretation of the role of the Norwegian state in the transformation process.

What role did the state have in the modernization of the Norwegian economy, in the formation of social classes, political movements and interest organizations, and in changing the relations between the actors? The development of the natural and social sciences has been important. New production technology drove a wedge into agriculture separating subsistence agriculture from new forms of farming, making production for markets increasingly common. New industrial technology made industrial investments possible at select (energy rich) places in the 1850's and were a basis for a gradual development of modern college education and research and the formation of modern professions. The social sciences were a basis for more systematic understanding of the national (and international) economy and for the conceptualization of industrial and state management.

The organization of the state was important. The parliamentary representative state invited the formation of political movements among subordinate groups and classes and introduced an arena for economic planning where the representatives for different classes and regions could present their demands and enter into alliances that served class interests. With increasing parliamentary control of the political profile of government in the latter quarter of the nineteenth century the dominant alliance in parliament got a form of macro-
control over the public administration, directing it toward the formation of infrastructure for the modern industrial economy and opening up for professionalization of the bureaucracy. The political parties were important in this struggle for (and against) the reorganization of the state. Later the interest organizations penetrated into the public administration, representing a new mechanism for state-society interaction, changing the role of the political parties and the parliament, potentially introducing a new democratic dimension into the state, but also with the possibility of pacifying democratic political movements and strengthening an authoritarian alliance between a bureaucratic state and a bourgeois class of capital owners under pressure from a capitalist economy losing its ability to expand employment. Lastly the political regimes were important. The establishment of market and science oriented liberal regimes from the 1880's and onward ousted the conservative bureaucracy from top positions in the state and mediated the formation of the new unitary and professionalized state system with parliament at the apex of the power system. The bourgeois minority regimes of the interwar period mediated the struggle between the dominant bourgeoisie and the rising labour movement. With the reform strategy established in the labour movement the way was open for Labour Party governments from 1935. The Labour Party regime was the mediator between a crisis ridden capitalism and the working class, giving form to the welfare state strategy that managed to stabilize the economy by politicizing variable capital, by introducing state control and state management of the wage fund in society, drawing it out of the market and distributing it more equally between people in and outside the labour market (to people in education, to sick and injured people, to unemployed, to old people etc.).

By 1970 this modernization process was in a sense completed. The argument is thus that the market was the central arena for
transactions between the actors of the modern industrial capitalist economy, but that the market was dependent on an active and autonomous state organization to drive forward the necessary transformations: from subsistence to market agriculture, from a conservative status - ridden bureaucracy to an active public administration engaged in the building of infrastructures for the capitalist economy and for the establishment of a consolidated reformist labour movement, willing to participate in capital accumulation without gaining ownership of capital and in the parliamentary state system without using working class numerical dominance to legally eliminate the bourgeoisie as a class of owners of production and distribution capital.

The language problem.

There is, at least in the social sciences, no way past the language problem. Whether we are doing research or presenting the results, we always apply a mode of discourse. It allows for discoveries, for better knowledge of identities and for cross cultural exchange. But it also limits what we can discover. The mode of scientific discourse is most often structured selectively, to focus certain relations and suppress others. Therefore we have the problem of transcending the limits of the established discourse, finding when that is necessary and how it can be done.

Different conceptions can inform how we approach our object of study. A hypothetical, deductive approach is valuable because (a) it specifies what we think we will find in the materials we are investigating; (b) it reduces more general concepts to measurable

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phenomena and (c) thus makes intersubjective investigations possible. This method is valuable. But it has at least one drawback: the more we operationalize, the more embedded the investigation, most likely, become in the dominant discourse.

An alternative to the hypothetical deductive approach is the empirically inductive one, that is where we, without very specific hypotheses, approach an object, gather information on the basis of our interest (in certain types of questions, relations, institutions etc.) and gradually build a picture of the object, using it to formulate more specific ideas or questions about it, returning to the data again, gradually in a more deductive way.

A third, and even more complex approach to the scientific endeavour, is to start in an (assumed to be) alternative discourse to the one that is dominant in the analysis of the object we want to investigate, and attempt to find out what questions it would generate. (Note that even 'the phenomenon we are interested in' is itself a 'product' of a certain discourse). In such an approach even quite developed and broadly accepted theories about our object would become 'information to be processed', would become 'materials'. The strength of such an approach is its critical potential, its potential of producing descriptions that in more than a marginal way transcend existing (hegemonic) descriptions of central phenomena in our societies. The weakness of it may be exactly that operationalization of concepts is more difficult (because the dominant discourse has not had the chance to develop concepts relevant to the object). The investigation can become abstract, theoretical, without 'proper' grounding in intersubjective, empirical facts etc.

The present study is, at least partly, embedded in a variant of Marx-inspired discourse on the state that developed in the 1970's. That was and is an oppositional, marginal discourse in European societies. Therefore it is necessary to spell out in some detail the
conceptual scheme of that discourse as I understand it. At least some elements of that language should be established, even before the problem is posed. Not that it is necessary to agree to the adequacy of that language to read the argument, but it is necessary to have some idea of the language, to be able to comprehend the problem posed. Therefore the introductory 'conceptual' chapters that attempt to mirror both the research done and the discourse adequate to it (Chapters 1-3). They delve into a specification of the process of state formation within a capitalist mode of production as a process of alienation of the state from society and the process of parliamentary state intervention as a bureaucratic form of power wielding (cf. Figure 1.2 and 1.3). They attempt to clarify at least aspects of the language used in formulating the problem, delineating relevant research materials and in presenting research results. My intention is to keep the concept formation process open for refutations and indications that other concepts and propositions may well be more to the point.

The mode of presentation
The presentation is developed along three paths: (1) A discussion of social science literature, both theoretical and empirical, of relevance for the understanding of the economic modernization process and state - society relations in that connection; (2) A study of primary data on the structural, over time (longitudinal) development of the economy and the state organization in Norway. An attempt is made to use data gathered within the macro-economic conceptual scheme of the national economy in an analysis of the distribution of power between groups, social classes and the state. In other words an attempt is made to develop a political economy empirically, to integrate analysis of different forms of the economy into political science; and (3) the intensive study of select political conflicts
(transverse study⁴) to develop some insights into the role of decision-making within the state organization, and in that way to introduce a test of the validity of statements on the role of the state drawn from the structural analysis.

The case studies were selected using three criteria: (1) that they were examples of state intervention into the economy (i.e. in agriculture, banking and industry); (2) that there was manifest political struggle over the form and the degree of state intervention and (3) that detailed materials on the decision-making processes were available. The three selected cases were all major conflictual questions at their time, but they are, of course, not in any sense statistically representative of how the state has related to labour and/or capital interests.

In Part A the problem and the main hypothesis is specified, together with a first delineation of the theoretical concepts. In Part B the formal structure of the state, as it appeared at the end of the modernization process (in 1970) is presented. The concept of the state is developed by locating the state within a theory of the modern capitalist economy and an attempt is made to describe the economic power of the state relative to the private sector.

In Part C I turn to the historical analysis of state formation and state interventions into society in the 19th century, looking at the state's relations to the peasantry, the formation of the new, modern bourgeoisie and the struggle between classes and movements over

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⁴ A transverse analysis, I suggest, is different from a synchronic analysis, which by definition does not "refer to historical antecedents" (Webster's New World Dictionary 1974:1443). The transverse analysis is both informed by and related to the historical analysis, but has the purpose of illuminating and modifying the 'long lines of development' exactly by giving the student a chance to investigate a more complex set of variables and their interrelationships. The opposite of a transverse analysis is a longitudinal analysis, that is, one that studies how a few variables affect a process over a shorter or longer period of time ('longitudinal': running or placed lengthwise; as opposed to transverse: "situated, arranged, acting, in crosswise direction" - Concise Oxford:1381.)
state power. The removal of the bureaucracy, as an elite and a political class, from the apex of the state organization in Norway is a central concern. As an example of this process Knut Dahl Jacobsen's study of the modernization of agriculture is revisited. The focus on the role of the state leads to a partial revision of the description given by Jacobsen (1964).

In Part D the analysis of state autonomy and the changing role of the state in the interwar period is presented. Materials on the changing structure of the economy are used to describe a new class structure. A dominant bourgeoisie is introduced to new forms of opposition both from international capital and from a strong, first split then consolidated labour movement. How this affected the structure and the role of the state is then addressed, suggesting a new form of state autonomy, called programme autonomy, where the state, through the mobilization of massive professional knowledge, becomes an independent actor within the economy. The role of the state is investigated more closely within agriculture and in the development of reformism as dominant ideology within the labour movement. A detailed study of the role of the state in the Trade Bank affair completes the study of state autonomy in the interwar period.

In Part E the role of the state in a consolidated capitalist economy and as a central actor within the social democratic regime is investigated. How the inherited state organization set limits on the definition of the social democratic project in Norway is looked into. The role of the professionals, a main theme through the whole study, is queried more closely, focussing on the formation of the professions between the pressure for scientific knowledge in different parts of the economy on the one hand and the demand for different types of knowledge within the public administration in its planning and implementing of sector specific policies on the other. Corporatism, the idea of letting functional groups and interest
organizations play a central role in state policy making is related to
the increasing power of professionals, to the more limited role of
the bourgeoisie (as Labour becomes government and as crisis
tendencies develop in the economy) and as a conscious programme
for state organization within social democracy. A study of the Kings
Bay affair, where a state-owned mining company is hit by a number
of fatal accidents, attempts to exemplify how the social democratic
corporate type of regime could lead to a dramatic neglect of
traditional labour movement demands for economic democracy.

The last theme in the study of state autonomy in the
modernization process in Norway is the structure and the
functioning of the welfare state. On the one hand the welfare state is
the most important 'proof' of the thesis that the inherited state was
not a crucial limitation on the implementation of working class
interests with the Labour party in government. On the other hand it
can be argued that the welfare state did not manage to counter or
even neutralize the crisis tendencies in the economy, producing ever
larger needs for exactly welfare state interventions. The Norwegian
welfare programmes are set into a Nordic and European/OECD
comparison. It is suggested that the welfare state budgets fruitfully
can be seen as a politicization of the distribution of the wage fund,
with the possibilities and the limitations that this concept suggests.

In Part F, the conclusion, I draw the lines together in an attempt
to specify the role of the state in the modernization process,
focussing the role played by the parliamentary organs of state, and
the systematic limitation on those institutions set by a separate,
bureaucratic administration with wide access to professional
knowledge. In this basically (widely defined) infrastructural project,
I suggest, the state was an autonomous policy-making and power-
wielding actor, an organization with elite- and class-forming ability,
although, an organization (a complex set of institutions and
organizations) systematically directed at securing bourgeois class
dominance in a complex web of technical demands, group and class conflicts and alliances and ideologically defined expectations, a state with a widening but limited repertoire of political and organizational responses to demands for democratization from labour and other oppositional movements.

In this complex relation between politics and administration we find both a modernization potential and an ability to limit the development of social movements beyond the modernization project. However, it is a specification of the modernizing role of the parliamentary state in Norway, that is, a state in the outskirts of Europe, a state long dominated by larger powers and a society with a large peasantry, a weak aristocracy and a weak bourgeoisie through most of the 19th century. Whether the theory developed here has relevance for other such states (and perhaps for peripheral states in so-called Third World regions today), requires somewhat more research in the days to come...
The problem of state autonomy in Norway

"An introductory discussion of concepts can hardly be dispensed with in spite of the fact that it is unavoidably abstract and hence gives the impression of remoteness from reality."

Max Weber (1968:3)

"Of course the method of presentation must differ in form from that of inquiry. The latter has to appropriate the material in detail, to analyze its different forms of development, to trace out their inner connection. Only after this work is done, can the actual movement be adequately described. If this is done successfully, if the life of the subject-matter is ideally reflected as in a mirror, then it may appear as if we had before us a mere a priori construction."

Karl Marx (1970:19)

In the 1970's the Norwegian government commissioned a large social science study of "political power in Norway" (called the Norwegian Power Study (NPS) or, in Norwegian, "Maktutredningen"). By 1980 it had published its main findings (NPS 1982), suggesting (a) that the Norwegian state was to some degree defined and to a large degree hedged in by international economic and political processes; (b) that markets and bureaucracies had infiltrated and changed each other into negotiated markets and market-oriented bureaucracies; (c) that the state was a segmented system with power groups formed across formal institutional boundaries and with a plurality of values being peddled.
and struggled over in the political arena; and (d) that the character of the Norwegian state (at the time of investigation) was determined by the large interest organizations. One task of the present study is to confront this description of the Norwegian state with findings from an historical analysis of the state-society relationship in Norway. My thesis is that the modern Norwegian state then appears as a surprisingly autonomous actor, with most of the empirical traits that the Power Study identified, but a state that rather should be seen as a conscious organizer of capitalism than as an open (democratic) arena for interest group competition and interest group compromises as the base for its policies. Contrary to interpretations of the Power Study, democracy in most of the radical meanings of that term (direct popular influence and control) has little relevance in describing state functioning, state autonomy and state power. The hypothesis is (a) that a Marxist approach can deepen the understanding of the modern state without contradicting major empirical descriptions given in the Power Study, interpreting them into a different, more encompassing system, contradicting the macro theory presented in the Power Study and (b) that a Marxist approach is as open to empirical verification and falsification of hypotheses as the "rational choice - pluralist system" approach adopted by the Power Study.

THE STATE IN THE MODERNIZATION PROCESS.
A PRELIMINARY OVERVIEW

State and classes in the nineteenth century
At the beginning of the nineteenth century Norway was an agricultural society with a large peasantry, mostly unorganized politically and engaged in staving off Danish bureaucratic intervention. A new, but small bourgeoisie was emerging in urban
trade and rural, small-scale industry. An elitist and self-contained Danish-Norwegian bureaucracy controlled the state. A status-conscious bureaucracy, those 2000 families (Seip 1974), ruled the country - "in the name of the Danish king before 1814 and in the name of the Norwegian people after" (Steen 1957).

A broad and complex coalition of bourgeois industrialists, bankers and tradesmen, liberal intellectuals, and market-oriented farmers gradually took form around the project of national liberation, a coalition that gradually closed in on the Swedish/Norwegian state with the purpose of ousting the bureaucratic elite or political class from the top positions in the state and establishing national independence (Seip 1945). That project succeeded in part in 1884, when the coalition managed, through the formal mechanism of a Court of Impeachment, to force the Swedish king to let members of government speak and defend policy in the Storting (The Norwegian parliament) and to make the choice of government dependent upon the majority there. From that time on it was the majority (or the largest section of the minority groups) in the Storting that decided on the political composition of the "King's" government.

The rise of the bourgeoisie, actively organizing capitalist forms of production and distribution, drew with it the formation of the working class (agricultural wage labour, wage labour in trade and in private service work, wage labour in industry, etc.), a class with contradictory interests to the bourgeoisie in the economy. The working class developed slowly in Norway (cf. Bull 1985 and Myhre 1977). Around 1850 workers, together with other class elements, penetrated for the first time in an organized way the formal borders of the existing state with economic and democratic demands, inspired by international socialist theory and the French revolutions, especially the February Revolution of 1848. The movement got its name from its leader, Marcus Thrane. The Thrane
movement managed to organize local associations across the country. But compared with the rising bourgeois coalition of the pre-1884 years, this labour-peasant movement was a dispersed, ad hoc social movement,\(^5\) without any firm collective identity, held together by the charisma of Marcus Thrane. When in 1851 Thrane managed to call a national congress in Christiania, the ruling bureaucratic elite and influential sections of the bourgeoisie got jittery. Rumours of "revolution and the use of weapons" gave the police reason to act. The congress was dispersed with force and the leaders sentenced to from four to eight years in jail.

With that powerful state action, the weak, first glimmers of a popular labour movement disintegrated. It was not until the turn of the century that the labour movement became a national, class-conscious organization with a stable collective leadership.

*Indigenous economic development*

Between 1850 and 1890 an early and slow industrialization and an expansion of the capitalist mode of production had taken place. International capital had been important from the start. As Dieter Senghaas (1985) suggests, that influx of capital stimulated an indigenous economic transformation process. The national democratic movement gradually inundated the *Storting*. The majority there ousted the bureaucratic conservative elites from government position, and supported the demands of a national bourgeoisie for public infrastructure conducive to capitalist industrialization. The bourgeoisie, supported by a gradually more democratic and decentralized state apparatus, managed to link up with (English and French) capital and gradually gain control and independence in the economy through, among other mechanisms,

\(^5\) See the winter 1985 issue of *Social Research*, with a number of articles on social movements, e.g. Tilly, Melucci and Touraine. For a discussion of the theories in relation to the early formation of the Norwegian labour movement, see Gran (1988).
the development of workshops for repair and development of technology in agriculture, forestry, fishing, shipping, textile production etc. The politically controlled and gradually professionalized state administration was important for creating the infrastructural conditions for autocentricity (common rules and standards for economic activity, state banks, roads, telegraph, controlled seaways, railway, medical administration etc.).
Overview

State, bourgeois interests and the labour movement

The Labour Party was formed in 1887 and the Norwegian Federation of Trade Unions\(^6\) 12 years later, in 1899. During the process of capitalist expansion and political organization around the turn of the century, the state increasingly became the political focus of the labour movement. The labour movement was from the beginning split on how to relate to the state. Could the labour movement cooperate with the radical bourgeois party Venstre, which had fought for national independence up to 1905, when Norway formally seceded from the union with Sweden? When that question was decided in the negative, the movement split on new questions: How should the conquering of state power take place? Should it be through a broad mobilization of the labour unions, using the general strike as a vehicle for transcending bourgeois state power, or was the revolutionary party the essential weapon? Or was reform the way, the long battle for political rights for the working classes within the existing state organization and using those rights for a gradual, legal conquest of majority positions in the Storting and government? Like the bourgeois coalition earlier, the labour movement was increasingly engaged in the question of state power, of how to organize the state.\(^7\)

The battle within the labour movement was especially sharp between 1917 and 1923/24. It ended with a social democratic, legal

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\(^6\) Workers' National Trade Union, 'Arbeidernes Faglige Landsorganisasjon' (AFL) to 1957. Thereafter, the National Union, Landsorganisasjonen (LO); i.e. a name that no longer mentions workers explicitly.

\(^7\) See Bjørnhaug (1979) and Magdahl (1979) for a presentation of research on the labour movement and the explication of a thesis. Bjørnhaug argues against the view that the Labour Party first broke with a revolutionary strategy in the 1930's and turned to social democracy as we know it now as a parliamentary movement. Her view is that the party was on a reformist route after 1923 (when it broke with Comintern), that the syndicalist leadership also, in practice, supported reformism and that the party thus struggled against radical tendencies in the working class. Magdahl adds to that analysis that Labour Party verbal radicalism in the 1920's was motivated by a need to present itself as more radical than the Communist Party.
government takeover in 1935, after agreements were made on support to agriculture with the farmers’ movement and on restrictions on the right to strike with the employers' federation (Bjørgum 1970, Seim 1972).

*The postwar welfare state*

From a confused beginning, the struggle against the Nazi invasion of Norway gradually created a broad national resistance movement that the labour movement was part of and in many ways affected by. Communists played a leading role in the development of militancy in the resistance movement. In 1945 the labour movement was still divided between revolutionary and reformist factions, between the Labour Party and the Communist Party. The labour movement as a whole had strong backing in the population. In the elections in 1945 the Labour Party got 41% of the votes and the Communist Party 11.9% (Central Bureau of Statistics (CBS), *Historisk Statistikk* (HS), 1978:644). We can assume that this backing included a large and growing portion of the working class, relative to the prewar elections. The Labour Party and the Communists had a full majority in the *Storting* (87 of 150 seats) and the Labour Party under Einar Gerhardsen organized a new government after feeble attempts at letting the bourgeois resistance leadership form the new government.

In the first postwar period, reconstruction of the capitalist economy and international security issues were in the forefront of politics. The Labour government had no ambitions to restructure the economy on a socialist basis (given that by socialism we mean public ownership and democratic management of all major means of production). However, the party demanded state ownership of key industrial companies, especially those taken over by the Germans during the war and the banks. A corporatist type of state organization was to be developed, organs where the state, capital
and labour at all levels of the economy (firm, branch and state levels) would cooperate and plan the economic activity. The Labour Party, it has been said, let the bourgeoisie dominate the economy on the assumption that the labour movement could dominate the state (state + labour movement would mean political control of the private sector). NATO membership became a heated and divisive issue in the labour movement, an issue the NATO supporters won in 1948. Since then the social democrats have been staunch supporters of Norwegian integration into the Western Alliance and into West European and American capitalism. Marshall Aid furthered that integration.

The social democratic leadership used harsh methods in suppressing opposition to this westward integration process. Especially after the coup in Czechoslovakia in 1948, the Communist Party was fiercely attacked and denounced by the Labour Party leadership.

The idea of a planned economy also meant planned labour markets, or the idea of a welfare state that could manage markets and take care of those who were unsuccessful there. This interventionist state, with the ability to plan production and distribution and to regulate the labour market so that everyone achieved a reasonable wage and living standard, became the hallmark of the postwar social democratic labour movement. In Norway it seems true to say that, while the planned capitalist economy did not materialize to any substantial degree, the social democrats had success with labour market regulation and welfare state services.

By the end of the 1970's this process of compromises resulted in a Labour Party that removed the goal of a socialist society from its

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8 Jonas Pontusson (1983) has shown that this was also the case for Sweden, and as such quite a different project from that of the socialists in France, who rather achieved the opposite: active planning of the economy, but less success in the labour and welfare markets.
programmes (Hjellum 1987b), even though the party quite openly admitted that capitalism was still the dominant economic system in the country. Their reasoning was that, with representatives of the working class in government, the situation was under at least popular, democratic, if not socialist control.9

THE CASE STUDIES

The modernization of the agricultural administration

In 1900 the agricultural public administration was reorganized. An earlier independent Directorate of Agriculture was incorporated into a newly created Ministry of Agriculture. The earlier Director became one of many subordinates in the Ministry. At the same time a professional opposition in the Directorate rose to prominence in the Ministry. The opposition had long peddled an alternative model of the government's engagement in the development of agriculture. While the earlier model had focused on the dissemination of scientific knowledge about production methods, the new model, in addition, argued that the state should enter into more diversified support to farmers, support attuned to their varying needs in different parts of the country, with the purpose of making the farms economically viable in markets for agricultural products. The state should not passively wait for requests for assistance from farmers, but actively go to the farmers with assistance. The new model (the profit model) was directed at making all sections and units of agricultural production profitable in money terms.

9 Walter Korpi (1983) has developed the thesis that by gaining positions in the existing state the Labour Party increases the power of the working class.
Support to the faltering Trade Bank
In late May 1923 a group of bankers put their heads together to figure out how the faltering Trade Bank could be saved, or at least how the large capital deposits in that bank could be rescued before the bank collapsed. Their solution was highly statist. The state should provide the money needed. The bankers requested a meeting with the government. With the director of Norges Bank (the reserve bank) as mediator, the meeting with the government was arranged. In it the bankers presented their strategy. In addition to a specific amount of money, they suggested that the investment be made clandestinely: there should be no mention in the Storting. Mention there could arouse the labour movement and a general run on the banks. The bankers also demanded a public statement from the government, assuring the public in Norway and international finance capital that the banks were solvent and that, if problems should arise, the government would support banks "good for such support". Exactly that statement was issued. The Trade Bank was supported clandestinely and taken under public administration. The data show that during the administration the big investors in the bank got their contributions out, while the small, common savers lost most of their investments. Later the responsible Prime Minister was impeached, but through a very special judicial process he was finally acquitted.

Public management of the Kings Bay Coal Mine
In November 1962 there was an explosion in a state-owned coal mine on Svalbard; 22 miners were killed. The accident led to investigations of the government management of state enterprises, the management system the Labour government had been politically responsible for since 1935. The investigations disclosed a system focused on maximizing production, a system that had hardly touched upon questions of workers' safety in the years prior to the
The cases

accident, and a management system where the general assembly of the company in practice was one person, one centrally placed bureaucrat in the Ministry of Industry, a bureaucrat who in addition was responsible for at least 10 other state-owned enterprises. When accused of irresponsible management, the Prime Minister, Einar Gerhardsen, defended the administration by referring to the law on share-holding companies, the law governing both publicly and privately owned firms in the country. It said that the central management had a limited responsibility.

THE CONCEPTS OF STATE AND CLASS

The state
The state, seen as an organization controlling in an absolute sense the whole population within a specified territory, is in many ways the core institution of modern politics. States have become common political institutions globally. States embody the most diverse goals and ambitions (from the extremes of pure democracy to the extremes of elitism, dictatorship and racism, from ideas of a global community to the most petty of aggressive and intolerant nationalisms). And states have acted over a wide spectrum of policies, from genuine provisions of social welfare to poor people to the most gruesome acts of homicide. States appear as durable, unchangeable machines and as ephemeral creations, changing their character from one day to the next (e.g. the fascist takeover in Germany in 1933). States exist one day and disappear the next (e.g. the breakdown of the East German state). States have in this way become a central prize of organized politics. The acquisition of state power has become the ultimate goal of nearly all political activity, from the most conservative anti-state movements (like the Reagan movement in the USA or the right-wing Populist movement in
Norway), to the social democrats (who are explicitly pro-state) to the most extreme revolutionary movements, which on the one hand want to "explode" the old state, but most often (so far) with the ambition of immediately creating a new one.

How should we define a state? First I will consider a state an organization, that is, a specific group of people recruited to the state organization, an organization with an internal division of labour, an internal authority\textsuperscript{10} structure and directed at acting on some goal dimensions. Secondly a state has the ambition of absolute control within a territory. A state does not accept any higher decision-making authority. If such an authority does exist it is because the sovereign state has allotted the organ such decision-making power. If people within a state have autonomy and freedom of action, it is because the state (usually after struggle) has allotted such freedoms to the people. Thirdly a state tries to monopolize the right to control and/or punish the people under its jurisdiction physically. And it demands to be in sole control of military units within the territory.

\textsuperscript{10} We distinguish between authority and power. Power is the capacity to realize a project. Resources, including weapons of diverse kind, dependencies (where the powerful has something others need, want or are dependent upon) and ideological support, (where an actor has ideas that others feel attracted to and support) are all means of power. Authority is the assignment to somebody, an individual or a collectivity of some kind, of the right to make decisions and take on leadership. Authority can thus neutralize means of power or make those means superfluous for efficient realization of a project.
States are often defined as legitimate organizations, that is, as organizations that are actively conceded the right to be alone in controlling and using military force. I agree with Charles Tilly that the legitimacy of state organizations should be seen as an empirical question (Tilly 1984b). States may or may not be legitimate in the whole population or in parts of the population under their jurisdiction.

What is it that makes the state organization so important? To approach that question we have to study several processes: the formation of states, how they relate to individuals, groups and social classes and other states, and how they function in those relations. Can it be that the state is not that important, that societies could well do without it (as Karl Marx and Friedrich Engels discussed in some of their texts on the "withering" of the state)? Are there, in other words, other possible forms of political organization that could well keep societies going, perhaps even in a more peaceful way than hitherto (political organizations without imperial ambitions), with less internal strife, with less use of bureaucratic power and physical force and with less aggression towards neighbours? Can it be that, quite contrary to "common" knowledge, the dominance of state institutions is part and parcel of the development of the capitalist market economy, arising with capitalism and (in the future...) disappearing with it? Or is the state, as Stalin suggested, just an epiphenomenon of capitalism, a 'metal armour' that covers the body of a social class, the ruling bourgeoisie in capitalist society? Or is the state, as ideology in modern western welfare states would have it, a democratic institution, where everybody has some say and where state actions are compromises decided upon in duly elected parliaments?

State analysis has not been a very central part of western Anglo-American political science. Behaviouralism directed attention towards actions, interactions and subjective, strategic aspects of
human life. Institutions, rules, cultures and collective expectations receded into near oblivion. Realism was in a sense part of the same movement. Rather than study the formal rules of the political game, it was deemed necessary to analyze the actual political and administrative actions of power groups, elites, political movements and professions (Slagstad 1987). Again the institutions, rules, cultures and collective expectations receded into the background. A third reason was that social scientists felt the pressure of the natural sciences, the demand that to say something depended on your measuring something. And to measure you had to limit your object. If it became too "large" or too "complex", measurement became difficult. So talking about states as organizations, as a unit, a macrosocial unit, was deemed frivolous and/or unscientific.

In European political science of the continental variety, the state had more legitimacy as an object of study. Legality was more institutionalized, the legal professions were stronger and the states themselves were more centralized. Rule systems and collective expectations were more conspicuous. Marxist analysis had a stronger footing, both in political movements and in academia. Marxists had for a long time seen states as organizations serving class interests, serving the bourgeoisie in the capitalist mode of production, serving "bureaucratic bourgeoisie" in socialist states, wielding its bureaucratic and physical might against people transgressing the ("bourgeois") law, against the working classes and against other states. This statist tradition in legal and political sciences on the continent was carried further after Hitler and the Second World War (SWW) by the Frankfurt School and the many strands of neo-Marxist state analysis.

But alas, with states proliferating around the globe, with enormous scope for variation, and with rather scant systematic research so far on the historical and political character of the modern state, that research has to be a piecemeal exercise.
The project, then, is to contribute to the deciphering of the internal structure of the modern Norwegian state. Whose interests has it over time served? How were the structures formed, how did they function to order decision-making? What kind of state definition can we abstract from the historical materials? What kind of organization was it? To what degree can it be described as democratic? To what degree was it a class organization? To what degree was it an autonomous agent and actor in the modernization process?

This way of posing the problem is somewhat different from Stein Rokkan's and Charles Tilly's way. They are more interested in explaining variations in the forms of state, searching for reasons why certain societies had strong states and others weak states, why certain societies had a strong state early and others a strong state late, etc. The definition of the state, the kind of organization it was in the different societies, is less problematical in their queries. Charles Tilly, for example, assumes that states are organizations in the hands of their makers, serving the specific interests of the state makers. His research focus is the processes that generate different forms of state organizations: Under what conditions do capitalist entrepreneurs create states? When do military commanders create states? What are the conditions that generate large bureaucratic states or small state centres? etc. My approach is to focus more on developing a definition of state organizations over time, on the character of states as organizations. I find this focus important because there is reason to believe that states often appear in false garb, that popular ideas on states may be wrong and that our scientific concepts about the structure and character of states are poorly developed.

Working with the definition of states, their inner structure and function in society, is also important because it might be that societies can do without them. Much political science on states just
assumes that states are necessary for order and will exist as the ordering institution for ever. Research on the deciphering of the internal structure of states may prove that they were not as essential for the historical ordering of societies as we so readily assume and that state functions in the future might well be met by the civil society, because new political and administrative competences develop there.

The concept of class
The class concept has roots in political economy. It suggests that an economy places its agents in basically different roles, assigning contradictory interests to them, the producer in some way delivering economic values to a non-producer (owner) without economic compensation (= exploitation). A class is a category of people with a similar role in the economy and where that role is part of an exploitative system of classes. Social categories of people have common traits; for example, a certain type of education or a certain level of income. Being a class member means being part of an exploitative economic system. A class is defined or constituted by its contradictory relations to other classes, a relation that is rooted in structural differences, differences of positions and functions. Thus people who have wages and people who have profits and rents as their main income in the same society can most often fruitfully be considered classes of people, assuming that the surplus value behind the profits is produced mainly by wage workers. But people in state positions may constitute a class if those positions put them in an exploitative relation to for example subsistence farmers or to the group of private traders in the cities (e.g. because the state tries to run state trading organizations in the same fields as the private urban traders). Such a group may be termed a political class. An
elite, in contrast, is a term that defines an institutional leadership without taking a stand on that group's relation to class interests.\textsuperscript{11}

Ideological differences can also give form to classes, for example when Islam unites people against Christians in the same society and those differences strengthen economic exploitation. Thus class is an analytical, not an empirical concept. A group of people that fulfils the class criterion can also act as an interest group. Class is a concept that identifies materialized, systematic, to some extent antagonistic contradictions between categories of people, contradictions that generate struggle and that are rooted in the organization of the economy.

Classes (analytically again) exist in part objectively (materialized contradictions). Whether they exist subjectively is an empirical problem. That is, whether class members understand themselves as such is not crucial for the simple existence of class (the distinction between class \textit{an sich} and class \textit{für sich}). However, the subjective element is important for the development of class action and class struggle. We should therefore distinguish between class existence at (a) the objective, structural level, (b) the subjective, ideological level and (c) the organizational level (where class sympathizers band together in organizations to act on class and other interests).\textsuperscript{12}

Class structures are rooted in economies. In Norway, modernization meant the introduction of the capitalist mode (wage

\textsuperscript{11} The Oxford Dictionary:845 defines an elite as "the choice part or flower (of society, or of any body or class of persons”). See also the discussion of elites and elite theory in a development context in Gran et al. 1990:57-.

\textsuperscript{12} If this is in conformity with Marx's understanding of class, as Bettelheim (1985) suggests, we can use the class concept without subscribing to Marx's specific theory of class struggle, which says (1) that capitalist society simplifies the class struggle and makes the wage-earners and the capitalists into two large and homogeneous classes with contradictory interests, (2) that the proletariat (wage-earners without subordinates) is increasingly strengthened objectively, subjectively (ideologically) and organizationally, (3) that the proletariat will for those reasons make a revolution and establish itself as the dominant, state-based class, until (4) the class system withers and the classless (and stateless) society emerges.
labour in basically industrial production) into an agricultural subsistence mode (with many small, independent landowners/fishermen). A class is an actually or potentially exploitative group, that is, a group that can extract resources or compliance without compensation from other groups or classes in society. Classes exist by definition in a contradictory relationship. As long as the classes have their positions and their characteristics (for example as wage labourers and capital owners), the contradictory relationship between them will exist.

In capitalism the bourgeoisie is by definition the group that owns and controls the use of the dominant means of production. Its members are persons who fully live off that ownership and/or control and who are not economically exploited (who do not deliver labour free of charge to others).¹³

The working classes do not have that ownership or control. On the other hand, they have their wage income or their income in other forms from their own labour. The working classes have power in their large numbers and their specific, concrete forms of technical and cultural knowledge essential for the functioning of the production processes. These different economic contexts (or positions/places in the economy) imbue the classes with different interests, the bourgeoisie being a product of and dependent upon capital accumulation, the working classes upon work contracts with firms and an (assumed) interest in gaining control of its own working conditions and the means of production that they produce

¹³ Tilly (1964) distinguishes between administrative, professional and commercial elements in 'bourgeois' occupations. Those distinctions also seem fruitful for a study of the structure of the bourgeoisie in modern Norway. However, we might also distinguish a scientific segment (people in control of scientific institutions) and distinguish between public and private administrators. Thus the bourgeoisie is a complex of occupations and types of people. What makes the bourgeoisie one class is its dependence (in one way or another) on economic exploitation of other classes.
and use. Thus class power should be defined as a combination of specific positions and types of resources that give form to interests. If the working classes, through their political representatives, use their resources to strengthen the capitalist system, then they are not wielding their own fundamental class power, however much they are trying to gain in the short term.

With the advent of capitalism, the mode of politics (Mouzelis 1986) changed. The state organization expanded and proliferated in new institutions, institutions that also emersed the state organization increasingly in economic processes and demanded expanded scientific and professional education. We might historically speak of a development from an elitist bureaucratic mode of politics, to a parliamentary-political party mode to a corporatist mode of politics.

As the economic so also the political "modes of production" can have class-forming capacities. Class traits can thus be sought in the character of institutions, the type of functions they have in the economy and in the management systems in both private and public sectors. Managers in private firms, while being wage-earners, can also live off profits and can be enmeshed in institutional demands and expectations that connect them closely to the interests of the capital owners. All these aspects of their existence influence their class-affiliation. State employees can in the same way be seen as having class traits or characteristics, depending on the type of institution they are employed in (the judiciary has a different function from the military, and welfare administrations have a different function relative to private firms and wage-earner organizations, etc.), on their placement in the wage hierarchy (working- or managerial- or top capitalist class payment levels), on their sex (indicating for example placement relative to the patriarchal type of culture and power), etc. Intellectuals, as Mannheim (1949) indicates, can have class characteristics, depending on the type of institution that employs/pays them. As
Regi Enerstvedt (1971) points out, people can be on the move within and between class categories. Students, unemployed people, people working mainly in the informal, non-wage, non-commodified sector (for example family members working at home), pensioners, people on the move to new jobs, etc., will have ambiguous and/or changing class characteristics.

The structural class position will have effect dependent upon actual experiences of conflict, on subjective interpretation and understanding of class positions, class relations, etc. Thus the level and type of organization and struggle cannot be deduced simply from determinations of group/class positions. The subjective element is an autonomous element, more or less influenced by position and type of movement in that position, but dependent on a maze of other subjective historical, psychological and ideological factors. We can of course assign structural positions to anyone, whether they see those positions or not. But whether they have an effect is dependent on a demonstration of a change of behaviour and/or understanding that (with some likelihood) can be said to follow from the position. In this sense structural effects are and have to be mediated at the individual, subjective level (Ricoeur 1986).

We can thus assume that each of these complex, changing structural systems gave form to different group and class structures. It is in such a maze of group and class struggles that the problem of the role of the state is set. Class is basically a concept defining antagonistic relations to at least one other class. The autonomy and the power of the state organization in societies permeated or influenced by capitalist systems of production and distribution can (and should) be located in a class-group analysis of the type outlined above, with attention to both retrospective explanation of chosen actions and prospective analysis of the room or leeway for action and the action alternatives perceived by the actors.
STATE AUTONOMY

Democracy in class-divided societies
Under certain conditions capitalism furthers the formation of a democratic, representative state (Moore 1966). Its democratic character is dependent upon popular participation in elections and the influence elected assemblies have on policy-making and recruitment of government personnel. Historically and across political systems, that has varied. That the state is representative alludes to the indirect character of popular influence. In direct democracies larger or smaller groups of the population rule directly, through meetings or other forms of direct decision-making.

Another type of democratic representative state is the parliamentary state. This phrase has two interpretations: (1) a state where an elected assembly has supreme political authority - that type of state was introduced in Norway in 1814; (2) a state where parliament also has power over the composition of government - that system, parliamentarianism, was introduced in Norway in 1884.

If the democratic ideal is realized, then the state should not have any significant autonomy. The state can then be seen as an arena where all group/class interests are defined and common policy worked out. It should not be systematically biased against the interests of any part of the population and it should not serve values that are independent of specific interests in society. Therefore a critical test of the democratic theory is whether the representative state has autonomy. If it has autonomy in the sense that it serves its own interests and those are manifestly different from the interests of the major classes in society, the theory of a representative state is threatened. Also if the state systematically serves one class against the interest of others, the democratic theory is in question.
Autonomy can generally be defined as independence or self-government. Thus, we speak of an autonomous national state as one that is a sovereign member of the international community without any other state having the formal right to overrule it. National states are sovereign states.\textsuperscript{14} Within socialist theory sovereignty has been a basic right of nationalities, groups of people living within a specific territory with a specific culture, language, etc., a right of prominent importance because of the rampant subjugation of nationalities as capitalism expanded into its imperial and colonial forms.\textsuperscript{15}

\textsuperscript{14} See Merriam (1900) for an interesting presentation of how that concept was used after the French Revolution, when a host of theoreticians bent over backwards to find other sources of sovereignty than the 'the people'.

\textsuperscript{15} See Lenin (1967:599-655) "The Right of Nations to Self-Determination", where he also discusses Norway's secession from Sweden.
In the present work the question of autonomy is raised in a different context. The focus is on the autonomy of the state apparatus and its diverse organizations. Both liberal theory about the representative state and Marxist theory on the class state have assumed that the state apparatus in such societies is without significant autonomy. Liberal theory has assumed that the state is under the control of the people (at least a significant, "responsible" section of the people within the state's boundaries). One version of the Marxist theory has assumed that the state in capitalist society is both managed and controlled by the dominant class in the economy, the bourgeoisie (the state is an organization that rules over exploited classes with force if necessary, the state is the executive committee of the ruling class). That theory says that the state apparatus in capitalist society, which typically controls the military and the police, is used to subjugate, exploit and control the working classes and all working people. A socialist or revolutionary state is in the same theory (ideally) also an apparatus in control of violent means to suppress a class, but with the majoritarian proletariat\textsuperscript{16} (most often its representatives) in command.

Marxist theory put the state into the evolutionary perspective. Lenin, inspired by Marx's analysis of the Paris Commune, saw the possibility of a new type of state, a state gradually transformed from a specialized, violent/bureaucratic force for class rule to a democratic, popularly based system of administration of public communal affairs, stripped of its means of violence. How could that change come about? The theory was that the proletariat was often a majority and a class without any historically acquired rights over means of production, a class without an exploitative structural relation to other classes. Lenin put the theoretical point this way:

\textsuperscript{16} Another term within Marxian theory for the working class. In ancient Rome, the proletariat was the lowest class of citizens; its members had no property or assured income and were a source of discontent and political instability. (Columbia Encyclopedia:2226).
"The state is a special organization of force: it is the organization of violence for the suppression of some class. What class must the proletariat suppress? Naturally, the exploiting class only, i.e. the bourgeoisie. The toilers need the state only to overcome the resistance of the exploiters, and only the proletariat can direct this suppression and bring it to fulfillment, for the proletariat is the only class that is thoroughly revolutionary, the only class that can unite all the toilers and the exploited in the struggle against the bourgeoisie, in completely displacing it." (Lenin 1922:22)

The withering of the state is related to the "total displacement of the bourgeoisie" and the fact that the proletariat does not have structurally defined exploitative interests as a class. The proletariat is the first class in history with the chance of avoiding private ownership of the means of production. It is interesting to note that there is no mention of the party in this paragraph (or in this work of Lenin's as a whole). It is the working class that shall "direct this oppression". History has proved that this aspect of class rather than party action has been the most difficult to implement in the "actually existing socialisms".

In this interpretation of the state, the centrality of bureaucracy in the democratic representative state is spelt out. The military/police apparatus, located centrally in the state institution, is the core of the state. In that apparatus there is no representation, no parliamentary organs, no electoral processes (except, perhaps, internal elections of spokespersons and the existence of trade unions). The rest of the state apparatus - the parliaments, the civil administration and the courts - in the Leninist conception is 'in the last instance' set to administer violent force against an unruly people and against revolutionary movements.

The possibility of this scenario is obvious. Many democratic states have laws that under extreme crisis conditions allow for a military command of the state. There are many examples of a democratic representative state in capitalist societies degenerating to military rule, suggesting that the representative system may be a
relatively weak structure in the history of these societies. Capitalism and representative democracy are possible, but not necessary. Capitalism can thrive under authoritarian forms of state.
Whether representative democracy or bureaucratic command is at the heart of the state system depends on the relation between the main classes. If that relation is openly antagonistic and exploitative we would expect the bureaucratic, violent form of state to be practised. If class relations are peaceful, the representative, democratic form of state is more likely. In a classless society we might expect representative forms of public administration to be prevalent.

Both these theories have been confronted with harsh scientific (and - of course - political) criticism. The democratic theory has been criticized internally by a number of studies showing that influence over state policy-making is skewed. The rich have more access than the poor, the organized have more access than the unorganized, groups with professionals in their service have more access than groups without, etc. The Marxist theory has been criticized for not coming to grips with the autonomy of the state, the independent role of the state. Miliband (1973) suggested that the professional politicians and administrators in the state apparatus to a large degree acted independently in the political process, but that their background in bourgeois classes oriented their action models towards pro-capitalist policies (action models: that define the situation, the problems contained in that situation, participants in problem solving, and standards for reasonable solutions to the problems). Poulantzas (1970) developed a more structural critique, suggesting that the state had relative autonomy, but that its organization structure directed attention toward pro-capitalist policies. Habermas and the Frankfurt school developed the Gramscian idea of ideological hegemony, suggesting that the state in some sense was less important because the general (democratic) understanding of society was a common understanding.17

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17 Laclau and Mouffe (1985) relate this idea in an interesting way to the development of Stalinism and the all-powerful, bureaucratic and 'leading' political party. The Stalinist model
Elster on Marx

Jon Elster (1985) suggests that autonomy is the central problem in Marxist state analysis: "The central question in Marxist theory of the state is whether it is autonomous with respect to class interests, or entirely reducible to them" (Elster 1985:402).

Is state autonomy a central problem in Marx's analysis? Hardly. What Marx is battling with as far as I can see - and which Elster demonstrates in his way - is how and to what degree the state serves the diverse interests of the economically dominant class and how the revolutionary class, the proletariat, should relate to the bourgeois state formation, and to a future socialist or proletarian state. Marx asks to what degree the state has capabilities the classes do not have, and he attempts to define the power of the state in different types of class relations and class struggles. If Marx does generalize, it seems to me, it is not in categorizing states as either autonomous or dependent, but about how the proletariat and its allies should act towards and in the state apparatus to implement their interests. Let me try to justify this statement by looking more closely at Marx's studies of the state in the class struggles of 1848-1850 in France, and the Paris Commune in 1871.

goes as follows. If the working class has adopted the bourgeois understanding of society, then a cadre party sharply separated from 'bourgeois society' is necessary. And, since the class doesn't have a correct paradigm any longer, the party has to develop the theory of socialism and revolution and teach the working classes. Discipline has to reign to prevent party members coming under bourgeois influence. But, as Laclau and Mouffe point out, if the working class has adopted the bourgeois ideology, what status does materialism have, the idea that the class is basically formed from its position in the economy and through the functioning of the class-specific organizations?
Elster's critique of Marx is scathing: "By and large, [his] influence has been harmful rather than benign. The theory is set out in a half-conspiratorial, half-functionalist language that invites lazy, frictionless thought" (Elster 1985:399). Marx "held a narrow, pre-strategic concept of power" (ibid:406). Is this critique reasonable? Elster's interpretation of Marx's analysis of the French state in The Eighteenth Brumaire can help us answer that question.

Elster attacks two points in Marx's text. First his suggestion of three stages in the development of the French state: during the absolute monarchy, the first revolution and under Napoleon the bureaucracy prepared class rule; under the Restoration, Louis Phlripe and the parliamentary republic, the bureaucracy was an instrument of the ruling class, striving to develop its own power position; "Only under the second Bonaparte does the state seem to have made itself completely independent". And Marx adds, "As against civil society, the state machine has consolidated its position so thoroughly that the chief of the Society of December 10 suffices for its head" (Elster 1985:416). Secondly Marx suggests that the bourgeoisie was forced to let Bonaparte come to power and that his regime served the bourgeoisie well.

What does Elster have to say about that analysis? His point is that Marx has weak support for his thesis that "the state is in the service of capitalism". "Marx never succeeded in proving that the state in a capitalist society must be a capitalist state."

Marx suggests that the autonomy of the Bonapartist state is "an appearance", not reality. Elster finds "the way in which [Marx] tries to anchor [the appearance] in the class structure ambiguous" (ibid:416). But is Marx's proof all that weak?

It seems to me that Elster underrates a specific type of material in Marx's studies and that he is emphatically mistaken in characterizing Marx's analysis as "prestrategic". Elster underrates the information Marx mobilizes on how the French bureaucracy,
despite its size and parasitic character under Bonaparte, was set to support the financial aristocracy and capitalist industrialization. He also underrates, in my opinion, Marx's point that the bureaucracy was dependent upon capital accumulation in the private sector to pay the bureaucrats and keep the tax income expanding. Thus, for Marx the state was more than just a machine to suppress the working classes. It was an instrument that independently of the individual capital fractions, had to organize and suppress civil society on behalf of the ruling class.

The rising French bourgeoisie at the time was threatened by revolutionary rumblings from below. By electing Bonaparte it got a state management that seemed independent of that bourgeoisie, and could control the proletarian rumblings. At the same time the bureaucracy could, however haltingly, develop the conditions for capitalist industrialization.

Thus, it seems, Marx's analysis of the Bonapartist state works on two levels, both the structural level (the level of state structures and their relations to civil society) and the strategic decision-making level (how, within what forms of rationality, the state leadership developed policies and alliances to implement them). *The Eighteenth Brumaire* excels in interactionist and strategic/tactic descriptions of the political process, even if the degree of formalization of those strategic interactions could perhaps be developed further. Thus Marx's analysis indicates that the bourgeois character of the representative democratic state must be sought on different levels. It is not enough to show that the state is not managed by capitalists or capitalist factions to disprove the theory. The critical test is how the state relates to the subordinate classes and especially, under capitalism, to the demands for a new type of state set forth in the radical labour movement.

Marx's analysis suggests the combined use of two dichotomies in state analysis: the distinction between action and structure (how
capitalist production defines roles and how incumbents define their roles) and the distinction between instrumental activities, oriented to changing the distribution and types of resources available in the economy, and expressive activities, oriented toward influencing popular thinking/world views/cultural norms.\textsuperscript{18} We might set these dichotomies against each other in Figure 1.1.

\textsuperscript{18} This distinction between instrumental and expressive policy focus is the same as that developed by Edelman (1967).
For Marx the Paris Commune was the first manifestation of a socialist state, or what he called the revolutionary dictatorship of the proletariat. The Commune had some features that were different from the democratic, representative state: the working class was armed; the connection between church and state was severed; the parliamentary and administrative organs were united;
administrators, police officers and judges were elected and could be recalled by the electoral bodies at any time.

Again Marx's method is to investigate how a changed power relationship between bourgeoisie and proletariat, this time especially in the Paris region, influenced the organization of the state. Marx asks: were the state forms adequate to the short and long term interests of the (briefly) ruling proletariat? He searched for the new organizational forms in the class struggle, that is, those forms that most efficiently served the rising proletariat and the working people.

As has been pointed out by others, Elster suggests that strategic analysis and game theory can increase our understanding of the political process and make studies of simultaneous interactions between more than two actors manageable. But his general critique of Marx's state theories is an unwarranted way of "clearing the ground" for interactionist, individualized, strategic analysis. The selectivity of structures is important in organizational societies, not as an alternative approach to action analysis and calculations of strategic and tactical alternatives. Marx, in his analysis of the French state in the 1850's, argues that the exploitative character of the state, managed through bureaucratic means, permeates the different organs of the representative democratic state and conditions leadership strategies there.

THE PROBLEM: AN AUTONOMOUS STATE IN A CLASS DIVIDED SOCIETY?

My contribution to the debate will attempt to focus on the autonomy of the state in the interaction between the main social classes and groups. I will look at the state as an apparatus, as a structure or a

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19 See the "Elster-debate" in Theory and Society, 1982.
system of formal organizations, the state as *an elite*, as the top management of that apparatus, and as a bureaucracy, a complex social category of employed people working in state organizations and institutions.

The study of state autonomy will cover two aspects: (1) delineate the processes that gave form to the state, how actors in society transferred specific projects to the state and influenced the organization of the state; (2) describe the ability and capacity of the state to intervene independently into the relations between the social classes, groups and categories of people in society and the mechanisms through which the state wielded its autonomy. In each main period these two processes will be looked into. The analysis in each part of the work will move between a structural (mode of production) level, an organizational level (where classes and groups create organizations), and a decision-making level (where individuals and groups make policy and use organizations to implement policies).

The mode of analysis, the heuristic\(^{20}\) model in the present study can thus be presented in a diagram, of the assumed inner dynamic of the state - class relations in Norway with a dominant capitalist mode of production (established from the 1920's) (Figure 1.2). The thesis is that there exists an exploitative relation between labour and capital, between the working class and the bourgeoisie that the state is set to regulate and reproduce with some degree and type of autonomy. In the state formation process the state is 'lifted out' of society with some type and degree of alienation from both the main classes. On the other hand the state continuously acts, attempting to intervene into the class relations so that the state defined projects are implemented. In this intervention process the bureaucratic form of organization is often present, perhaps dominant. In the

\(^{20}\) "The ideas of reason are heuristic, not ostensive; they enable us to ask a question, not to give the answer" (E.Caird, cited in the Oxford English Dictionary, 1971:H,259).
Norwegian case the working class movement, in its struggles with the bourgeoisie and with the state chose a strategy of reformism, which left the basic social relations in the economy untouched and which opened for an entry of the labour movement leaderships into the existing state organization. The study attempts to describe how this strategy affected the state organization and the autonomy of the state.
This arrangement of variables needs to be specified in more detail: the class structure is more complex, with the introduction of middle layers and the petty bourgeoisie. The main classes change their composition and boundaries over time; there are movements between them and within each of them, creating schisms, contradictions and layers of class members with marked differences.
in income, positions of authority, etc. It is necessary to introduce intervening variables in the model. *Organizations* and *associations* are formed within and between the class formations. *Professions* develop as the scientific enterprise expands and the state takes on professional tasks, in infrastructure, in social and economic services. The complexity of relations that arises when intervening variables are introduced can be depicted as in Figure 1.3.

![Figure 1.3 The model with intervening structural variables](image-url)
The question of state autonomy is therefore a question of (a) the configuration of social classes and groups, the relations between them, their interests, strengths and capacities to influence the state, (b) who the state is dependent upon, how dependent it is on inputs from specific actors in society, and (c) who the state is not dependent upon, and therefore freer to influence and control from the outside. The problems I want to address concern both description of the state, its autonomy in the class/group system, and explanation of its role. The problem is the autonomy of the state organization in the modernization process.

Charles Tilly suggests that if the state is subservient to capitalist interests, that subservience is an outcome of a struggle between state makers/power holders and capitalists: "It would, of course, be perfectly compatible with this summary [of state making] to discover that in the process states became subservient to capitalist interests: everything depends on the terms of accord between capitalists and statemakers." (Tilly 1985b:4). In the present study I suggest that the constitutional organization of the state also matters. It can structure decision-making so that it favours some interests more than others, a selectivity that functions without any specific accord, except perhaps an acceptance of the legitimacy of the existing state.

Within the "conceptual terrain" (Althusser and Balibar 1970) of class-state relations explicated here, the main questions in the study are these:

1. What role did the state have in the transformation of the Norwegian economy from subsistence agriculture to modern industrial capitalism?
2. How can we explain the main changes in the state organization through three phases of Norwegian political history, the struggle for national autonomy (1814-1905), the period of bourgeois parliamentarianism (1884-1940) and of social democracy (1935-1970)?

3. In what meaning and to what degree was the state apparatus, headed by governments, with its formal organizations and institutions, its administrative and professional personnel and its budgets, an autonomous and powerful organization in society?

Given that the power and/or autonomy of the state has increased, how can that be explained? Three theories can be suggested. I will call them the breakdown theory, the democratization theory and the extreme state autonomy theory.

(1) The breakdown theory suggests that the autonomy and the power of the state should be seen as functional responses to breakdown tendencies in capitalism (inflation, poverty, unemployment, war etc.), which are related to difficulties in accumulating capital and keeping rates of profit high enough to spur new investments in labour-absorbing production.

(2) The democratization theory suggests that state autonomy is a function of a democratization of the state, of a stronger and more equal representation of all classes in parliaments, making the state an arena for representation and assigning the state the role of a relatively independent arbiter.

(3) The extreme autonomy theory suggests that the state at some time in its development became an autonomous class formation, that is, a group of people located in an economic system, in a state mode of production - cf. Johnston (1984), Djilas (1957), with its own 'statist' class interests, contradictory to other classes.

State autonomy relative to a class or group of people can be more or less inclusive. If we define human activities as falling into three
main fields, economy, politics and culture, then the state can have autonomy within one or more of these areas. We can also distinguish types of state autonomy, defining instrumental autonomy as independence in the development and choice of means for implementing a given goal or programme, programme autonomy as independence in the development of state policy, and class autonomy as a state with a position independent and external to one or more social classes, a state with autonomy relative to the basic interests of one or more social classes. A state has class autonomy when it can act systematically against the basic interests of a social class. A state can have class autonomy relative to all classes. The state then acts as a class on its own (a statist class, a state where rulers and state employees have developed their own class interests). A state in a two class system (classes A and B) can lack class autonomy in relation to class A (i.e. the state is organized within the logic and basic interests of class A), and have class autonomy relative to class B, that is, be able to control and intervene into class B independently on the basis of its own logic or the logic and the historical interests of class A. Thus for example a bourgeois state, structured so that it serves the bourgeoisie, may or may not have class autonomy relative to the working class, that is ability to independently, with its own programmes, intervene into the working class on behalf of the bourgeois project.

Let me categorize these dimensions - fields of activity and types of autonomy - in a diagram, and fill in the areas in the diagram with suggested examples (see Figure 1.4).
<table>
<thead>
<tr>
<th>FIELD OF ACTIVITY</th>
<th>TYPE OF AUTONOMY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Production</strong></td>
<td>Instrumental: Means of econom...</td>
</tr>
<tr>
<td></td>
<td>Programme: Strategic participation group</td>
</tr>
<tr>
<td><strong>Politics</strong></td>
<td>Programme: Working out/spreading dominant paradigm</td>
</tr>
<tr>
<td></td>
<td>Programme: Changing dominant paradigm</td>
</tr>
<tr>
<td>Ideology</td>
<td></td>
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</tbody>
</table>
Instrumental autonomy in the economy is thought of as independent state intervention in the regulation and adjustment of economic activities within policies defined by external, non-statist actors, for example a state fund for regional investment support when large companies try to decentralize their activities or a state fund for capital support to faltering private banks. At the level of politics, instrumental autonomy can be activities directed at securing the existing legal order; for example, state organs working to improve tax collection from capital owners. At the ideological level, instrumental autonomy could be state-developed text books that describe the dominant mode of production in abstract, ahistorical terms.

The concept of programme autonomy alludes to a policy-making state, one that has an independent concept of the whole society or the sector in which it is working, a concept that serves to guide changes and modifications of existing systems. A state that develops programmes for sectoral or regional development, programmes that are not adopted from or defined by non-state movements, classes or organizations, has programme autonomy. A state that takes on the development of infrastructures and has the initiative in that process has programme autonomy. A state that independently works out plans for conciliation of conflicts between classes and political movements has programme autonomy.

By a state with class autonomy I mean a state that has power to act effectively and independently in contradiction to the basic interests of an existing class. Given the assumption of bourgeois dominance of the capitalist economy, there are three possible examples of states with class autonomy:
Limiting cases (Figure 1.6) are (D) weak, autonomous states, independent but without interventionist power in either of the main classes; (E) dependent states, arena for class relations, class struggles; (F) socialist state with class autonomy and (G) socialist state without class autonomy.
Figure 1.6 Other (limiting) cases of state-class relations

(D)  
S

B → A
Autonomous
weak state

(B)  
S

B → A
State as arena
for strong actors

(F)  
S

B → A
Socialist state
with class autonomy

(G)  
S

B → A
Socialist state
without class autonomy

Legend: S=State; B=Bourgeoisie; A=Working class
Organization analysis:
Action in institutions
and exchange in markets

"...political actors are driven by institutional duties and roles as well as, or instead of, by calculated self-interest; politics is organized around the construction and interpretation of meaning as well as, or instead of, the making of choices; routines, rules, and forms evolve through history-dependent processes that do not reliably and quickly reach unique equilibria: the institutions of politics are not simple echoes of social forces; and the polity is something different from, or more than, an arena for competition among rival interests."

March and Olsen (1989:159)

Social science is at best a dialogue, searching for truthful interpretations of our relations with the natural environment and each other. It is therefore critical, trying continuously to identify limitations in established knowledge, find better, more relevant methods and develop new insights and deeper understanding. All absolutes and all forms of dominance in the scientific enterprise are a threat. They restrict the arena of open dialogue. Politicizing, trying to convince others of the correctness of a preconceived view, is foreign to the ideal of scientific enquiry (Arendt 1990). The scientific dialogue requires an interest in clarifying the positions of the others in the dialogue. But that interest itself requires a position on the question under investigation. Scientific enquiry and political/ideological arguing are therefore in a dependent and
Pursuit of interests 35

contradictory relation to each other. But the two concepts delineate a methodological paradigm for the process of social science enquiry. My aim is not to define state autonomy in a simple formula. It is rather to investigate the autonomy of the modern Norwegian state organization in different economic, political and ideological processes and from a set of relatively concrete descriptions to attempt to abstract a definition of state autonomy as it developed over time. Thus I want to analyze how select state policies were given form in an institutional and class context; how the organizational structures of the state were selective relative to class/group interests; and how they affected/conditioned action models of the decision-makers.

In the NPS, how did Gudmund Hernes define the analytical approach to the study of political power in Norway? Different analytical strategies were applied in different parts of the NPS, but a central choice was Hernes' rational actors in exchange approach. That is an approach that considers change a result basically of willed actions. In that approach individuals, interest organizations and the state were considered sufficient specifications of the concept of actors. Social classes as bases for action were not looked for and therefore, of course, not found.

Gudmund Hernes spelt out the rational actor model in commendable detail. Can it help us conceptualize the relation between the economy and the state in the modern Norwegian society? Hernes and the Power Project should be honoured for introducing the state as a problem and independent variable in Norwegian mainstream social science. The government-initiated

21 For a presentation of the project and how it was organized, see NPS (1982), Hernes (1975) and Gran (1983a).

22 There are several reasons why the state as an institution has been off the social science agenda for a large part of the postwar period. Professor Øyvind Østerud (Slagstad 1978) points to behaviouralism. Political science has focused on decision-making and actions in the system, not the role of the political system in society. The (classical) liberals (Aubert, Christie, Jacobsen
Pursuit of interests

NPS became rather heavily involved in the study of state organization. At one stage it co-opted problem definitions that Marxist-oriented researchers were working on (Hernes 1975). Hernes formulated a paradigm that attempted to fuse the behavioural and the strategic action approach - the Millian, Coleman approach of "political money"\(^{23}\) - with the study of the selectivity of institutional structures. Hernes also introduced the concept of "powerlessness" (avmakt). A thesis was that a study of power had to account for the existence of groups without power. A power study had to investigate how established institutions systematically excluded interests and specific problems from the political agenda.

However, now that the NPS is completed, it is obvious that Hernes' programmatic interest in powerlessness did not lead to any substantial empirical study of that phenomenon. No attempt was made to identify excluded and oppressed groups. There is hardly any discussion of powerlessness as a concept in the publications after 1975. The empirical problem addressed was the distribution of

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and others) have been more interested in the processes of incorporation of social interests into the state rather than the state as such, the state as independent variable. Political scientists have long felt that the concepts of state and state power were too "big", too complex to be of much value in analytical studies (March 1966). Norwegian political scientists made valuable studies of decision-making within policy areas, ministries and other specific units or organs of the state (Jacobsen 1964 and Vold 1968 on agricultural and fisheries administration, Hallenstvedt 1968 on administration of foreign affairs, Sjaastad 1969 on military administration, Jansen 1971 on industrial administration, Hallenstvedt and Hoven 1974 on committees and commissions in state administration, etc.) In Marxist-oriented social science in the late 1960's, the study of the state was in a way too small a problem, too empirical. The "rediscovery of Marx" was on the agenda. Theoretical problems of political economy, imperialism and critique of "bourgeois science" engaged the Marxists (Linne Eriksen 1968, Enerstvedt 1971, Skarstein 1973, Seierstad 1980).

The anthropologist Ottar Brox entered early into the empirical field with his study of state planning for Northern Norway (Brox 1966), followed by Torstein Hjellum with his study of the Bergen bourgeoisie (Hjellum 1971). In the field of scientific paradigms (Kuhn 1962), works of Skjervheim (1968), Kalleberg (1971) and Østerberg (1975) were important.

\(^{23}\) See Coleman (1986), Chapter 7 Political Money and Tilly (1978b) for a presentation of the Millian concept of strategic action.
influence in the political system, and how that distribution was at odds with the constitutional definitions of democracy. In contrast to the Marxist class-based description of the Norwegian society, the NPS reproduced a picture of a pluralist system of interest groups represented more or less proportionally in a segmented state.

THE CONCEPT OF STRATEGIC PURSUIT OF INTERESTS, AND THE STATE AS MEDIATOR

The concept of strategic pursuit of interests is based on the Millian idea of strategic action in a complex grid of actors. Hernes relates interests to control and values to resources, discussing how actors can maximize interests in given actor-resource contexts. Those without substantial power have four strategies they can follow. They can choose the normative strategy, which says interest-oriented action is acceptable as long as it does not affect others with the same interests negatively. They can choose a strategy of solidarity: I help you if you help me and we agree on the goal. They can choose an incentive strategy, that is, giving special favours to passive elements in the interest coalition. Lastly they can choose a strategy of exchanging assistance for control: I will give you some of the things I control if you will join my coalition. The central analytic concept here is exchange. It is Hernes' contention that all coalition-building requires exchanges of some sort, and that these exchanges basically hinge on trust or confidence.

As I have suggested elsewhere (Gran 1983a), it might be that both the exchange system and the actual distributions of resources/goods within it are dependent upon the social character of the production system, the basic system of ownership of the means

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24 See the final report of the NPS, (NPS 1982), Lægreid and Olsen (1978) and Hernes (1978).
Pursuit of interests

of production. At least it is necessary to check that out, i.e. to attempt to clarify the relations between the economic system (production and distribution) and the workings of the political system to test if coalition-building and organizing hinges on exchange.  

If we consider the capitalist firm as a coalition of different groups and actors there is, according to Marx's theory of production, no exchange between labour and capital on the surplus value produced. Labour produces all the values, the capitalist owners appropriate them all, distributing a part (variable capital) to labour.

Hernes accepts the need for relating the economic and the political systems. In Hernes (1982) he argued how sociology needs to apply economic concepts and models. But empirically he focuses on the processes of exchange, i.e. processes that imply the existence of powerful actors in markets.

A basic market principle is the exchange of equals. As Hernes notes, most parties to market agreements will benefit from evading that principle, i.e. putting less into the exchange than agreed upon. At this point the state enters the analysis. The state is an institution for guaranteeing equal market exchanges. It is for this purpose that the state has special access to physical force. By alone controlling force the state can demand compliance with agreements and thus increase the trust in agreements.

"The problem in this system of exchange is that it is tempting to break agreements... In all societies this problem is solved through a judiciary system that in the last resort can use physical force against those who do not abide by agreements made. The rationale for creating a specific institution with legitimate right to use physical force is to create trust in

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25 I use the concept 'political system' in the broader sense as the state and the organizations/institutions and processes directly influencing the state.

26 This focus on markets in the economy can be seen in Max Weber's seminal ideas about class being formed through asymmetrical distributions of "life chances" in markets.
the population that agreements will be held." (Hernes 1975:179, my translation from Norwegian)

Here the central function of the state, the monopoly of violence, is seen in terms of exchange. Violence is so to speak the oil needed to make markets work. The statement also indicates why the state has to have a certain autonomy from the contending parties. If the state was identical with one of them (or with the interests of a specific sector of the economy) it could not legitimately aspire to guarantee all parties to all agreements.

But this definition of the state contains problems. It does not touch upon how and why equal exchanges in the market may disguise unequal exchanges and direct use of power in non-market arenas (inside the walls of privately and publicly owned companies, in families, schools, etc.), a problem Marx used much of his time to prove was the case in capitalist societies. That is, even if the exchange between capital and labour in the market is between equals and equivalent values are exchanged there, that does not exclude unequal exchange and exploitation in production. Labour power may be bought at its exchange value, but will be employed beyond the production of its own value equivalent in the production process. If that is the case the market agreements on wages and working hours is coterminous with exploitation of labour in production. If the wage equals only part of the value the worker produces, then using the state to force the workers to work full time means forcing them to produce values free of charge for the capitalists.

How will the exchange approach interpret the state rules and regulations? It studies movements within the established exchange system (to which degree the agreements are fulfilled), but has difficulty grasping the social relations of production and the functioning of the markets. As Marx puts it in *Grundrisse*: a focus on exchange is superficial. The problem is the production of the
resources that go into the exchange. The processes that keep the exchange going and the character of the exchange system cannot be grasped within the ambit of markets. Charles Tilly argues the same way in his critique of the Millian strategic action approach:

"The Millian emphasis on the rational pursuit of interest is a welcome antidote to notions of crowd action as impulsive and irrational. Yet so far the followers of Mill have not given us much insight into the way those interests arise and change. They have not said much about the way people define, articulate, and organize their interests." (Tilly 1978b:37)

The chosen approach or paradigm has effects on theory. We can posit a logical parallel between a focus on exchange and a pluralist, democratic understanding of the state. As money and commodities are exchanged in the market, so votes and decisions are exchanged in an elected parliament. The Marxist class theory transcends the exchange ambit. As production is exploitative, so the state can be organized to serve exploiters and suppress the interests of the exploited classes. However, capitalist exploitation, if it exists, is indirect, mediated by the material output of the production process, surplus value realized by the capitalist through the sale of the products. Feudal exploitation was direct: two days work directly for the landowner. Capitalist exploitation is mediated and seemingly non-existent in the wage/work time contract. Thus the Marxist class theory of the state in capitalist society is dependent upon the validity of hypotheses of exploitation in capitalist production. And, as I have discussed earlier, the exploitation theory is dependent on a complex process of transformation of values, which makes empirical testing much more difficult than testing hypotheses of equal exchange on markets.27

27 Intuitively the exploitation theory is easy to grasp if we look historically at the accumulation of riches in means of production in the hands of select capitalists and none in the hands of workers in the capitalists’ companies. Usually the one accumulates the riches, the other accumulates nothing, or hardly anything, that can be used to employ others.
The methodological point, then, must be to study the state relative to both systems, both production and exchange/distribution systems. The NPS and Gudmund Hernes did not say a word about the social structure of capitalist production units in Norway, and thus nothing about the power base of capitalists in the ownership of the industrial means of production.

A SKETCH OF THE ANALYTICAL STRATEGY

I will develop the analysis within a class theoretical perspective: how class interests are formed in the broader social relations of the economy and conceptions of society and self at the cultural level, how class interests take form and manifest themselves in organizations, relative to other interests, and how and to what degree the organizations generate and reproduce action models that guide decision-making. Rational action, the specification of means to reach goals and defend values, is developed in a grid of social relations and general conceptions of society, opportunities and constraints set by them. For that reason we might expect, as Tilly suggests (Tilly 1984b, 1986), that rational action historically and typically clusters around a limited set of action repertoires. The freedom of the individual is circumscribed in some way, to a certain

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28 Nicos Mouzelis (1975) makes the point that the autonomy of one unit (a group of people) should be studied in its 'organizational context as a whole' and not only through data about how individuals perceive that context. "The degree of group autonomy is an empirical question, and in order to identify this degree we have to place it in its organizational context. It is not enough to learn about this context by simply examining how the individual perceives it. We have to focus our attention on it as a whole" (ibid:114).

29 At one point Hernes points to the government mandate of the NPS project which explicitly says that the project should not enter into the study of power relations within firms, beyond what is necessary for understanding power structures in society. That may of course be a reason for not raising the problem of power within firms.
degree by the institutional and societal setting and the individuals' interpretations of the setting. The acting individual and the state as an acting organization affect the institutional and cultural grids. It is in the variations of this complex interaction between structure and action that we want to define the role of the state in the modernization process.

I will thus see organizations in a sociological perspective, as expressions for collective interests and as instruments for implementing the interests in complex, often conflict-ridden and hostile environments. This concept of organization can be explicated in a modified version of Harrison White's concept of organizations as social categories and networks (See Tilly 1978b:62). Introducing the power concept, defined as formal organization, as a third dimension gives the following figure (Figure 2.1). Some examples of organizations in different locations in the diagram are written in.

![Figure 2.1 Components of organizations: Categories, networks and power](image-url)
In this way we can conceive of both different types of organizations and the possible developments within organizations: A category of people is an organization in the sense that their equal living/working conditions is an organizational dimension (at this level often not conceived as organization). The more unitary the category the stronger it is. The more networking, actual communication there is among members of a category or a formal organization, the stronger the organization is. The more formalization of a specific organization representing the category and/or the network, the more powerful the organization as a whole (usually) is. A crowd can increase its power, for example if there is an accident and someone in it take leadership to help in the accident. Here the crowd would be moving inward along the power axis. West coast peasants can create regional cooperative dairies as a product of more networking and more consciousness on the advantages of cooperation, thus moving along the network and power axis. The peasants (and the
leaders of the dairies) may create an interest organization to peddle their interests at the national level, thus increasing their power and thus moving along the power axis.

I will attempt to develop a critique of the Marxist functional model of the state-society relation. That model suggests that the state develops from and intervenes in capitalist society because capitalism as a system of production and the bourgeoisie as a class cannot do without it. Capitalism introduces class cleavages that only a state can contain. A state typically organizes the infrastructures (financial, technical and social) that capitalist production and distribution are dependent upon. The Marxist functional understanding of the state in capitalist societies assumes that the state exists to take care of the interests of the exploiting class in politics, both reproducing and controlling contradictions that might threaten the production system. In this way the functional explanation of an institution says that it exists because of its consequences (Stinchcombe 1968). The consequence is under pressure (homeostatic variable: capitalist exploitation; pressure: from the labour movement). The state supports the homeostatic variable to counteract the pressure on it.30 This may well be the case. But to demonstrate functionality of the state it is not enough to show that capitalism and a state organization exist at the same time. We have to document mediating mechanisms between the capitalist production system and the pro-capitalist role of the state. We have to include an analysis of how the state relates to other modes of production, making the state a more complex organization than one serving only the exploiters of the dominant mode. Intermediary organizations may intervene in state policy-makings modifying the relation to the dominant exploiters. We have to test that, without the

30 Non-Marxist functionalism suggests that the division of labour (differentiation) in society generates conflicts and caveats in the social system that a state has to bridge through processes of integration (Badie and Birnbaum 1983).
state, capitalism and/or the bourgeoisie would collapse or not develop in the first place. For, if capitalism can do without the type of state that exists, the thesis that the state serves the capitalist exploiting class loses its force. Here comparative studies are needed.

Thirdly I will apply a dialectic mode of analysis defining social relations as both unity and contradiction. Like a teacher-student relation, which is externally unitary, both dependent on each other for their individual existence and development, and internally contradictory. If the internal relation becomes unitary, then the relation dissolves; both become students or both become teachers or something else. Or, if the contradiction expands, the relation may break down for that reason. This mode of conceiving relations can be applied generally to social relations. It contains a concept of movement, of change of relations, through the development of its contradictions and it implies that new relations may be understood as consequences of breakdowns of old ones, thus that materials for understanding new relations can be found in existing social, organizational and class relations.

The time-period chosen for the present study excludes the study of the early emergence of capitalism in Norway. One case makes it difficult to test the null-hypothesis that autocentric capitalism would have developed and thrived in Norway under a different form of state and without an independent state. That kind of test requires comparison. Capitalism in one place may well thrive on resources and political institutions elsewhere.

Using class struggle as an organizing and heuristic concept puts the focus on structural contradictions between classes and on class as a basis for the identification of interests and action. The concept also implies a developmental theory - that classes are formed within the economy and the political system, dependent upon types of technology and institutional structures, that classes
develop political organizations to implement their interests, against the interests of other classes. Class struggle is thus a concept in an analytical system. A whole class seldom acts. Most often it is individuals and groups/organizations within classes that act. Action depends on subjectively guided decision-making, where individuals and groups work out actions, in those class/group grids that impinge upon them and that they see and understand.

THREE LEVELS OF ABSTRACTION

The state will be considered at three levels of abstraction:

(1) The state seen as one organization, distinct from society, as it functions in society, in the political, economic and ideological struggles between social classes, groups and movements;

(2) The relations between the main institutions within the state, that is, between the parliament, the representative, public discourse arena of the state; the administrative arena, with its complex divisions of administrative labour; and the judiciary, the formal conflict-resolving arena of the state; and

(3) The role of the bureaucracy and the division of administrative labour within it, the principally closed, hierarchical corporation of the state.

The analysis will span the period from mid-nineteenth century to approximately 1970, encompassing the rise of social democracy, its entry into and role in government, and what might seem to be a first indication of its demise, when it lost out to a bourgeois coalition government after the defeat in the Common Market referendum in 1972.

A first indication of findings (hypotheses) within the three levels of the state organization (institutional arena) and the three modes of analysis (analytic dimension) is presented in Figure 2.2.
Mode of analysis 47
Figure 2.2 Central hypotheses on state-class relations

<table>
<thead>
<tr>
<th>ANALYTIC DIMENSION</th>
<th>INSTITUTIONAL ARENA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Historical development</td>
<td>Parliament-Bureaucracy-Judiciary</td>
</tr>
<tr>
<td>State-Society</td>
<td>(1) The state: organizer of capitalism</td>
</tr>
<tr>
<td>Function</td>
<td>(4) Service and suppression</td>
</tr>
<tr>
<td>Dialectic</td>
<td>(7) Development of conditions for a socialist state</td>
</tr>
</tbody>
</table>
THE ARGUMENT

(1) The thesis emerging from this study is that the modern Norwegian state has had autonomy through the whole modern period. It has played an independent role, one that can only partly be explained by pressures and interventions from class/group actors outside the state. The state was an autonomous actor in the relations between the social classes. The representative state had a pull-effect on the formation of social, political and professional movements. The Storting was an arena where initially weak sections of the population, through the election of their leaders, could gain voice in national politics. The Storting was an arena for the forging of alliances, where representatives of the new industrial bourgeoisie could forge an alliance with the market-oriented part of the peasant-farmer movement and thus gain enough political weight to oust the conservative bureaucracy from the apex of the state. The Storting, through control of the political composition of the government, made possible normative guidance of the public administration, demanding a professionalization of the administration and engagement in the planning and management of the new infrastructure for the modern industrial growth economy, including the modernization of agricultural production. In this sense the state had autonomous influence in the economy, on the formation of the new social classes (the bourgeoisie and the working class) and on the structure of the political process (the formation of parties and later the integration of interest organizations into the public management process). But the state, seen as a whole, was mainly engaged in organizing and developing capitalism relative to other
modes of production. In this sense the state was a bourgeois state. The state was, in other words, not normally guided and controlled by capitalists, as a certain strand of Marxist theory has suggested.

(2) State autonomy varied with the political/ideological situation. In times of sharp conflict, capitalists increased their direct control and guidance of state policy.

(3) The state influenced the development of reformism within the labour movement. The mechanisms of power wielding introduced state-defined interests into the labour movement. The mechanisms of bureaucracy in the state and labour movement had the effect of neutralizing radical leaders and setting the political agenda of the state as the agenda for the movement (Solvang 1974). The Norwegian state in the studied period never became mainly representative for the working class (an organization representing the deep, long-term interests of the working class, the wage-earners with middle and lower wages and no subordinates). The labour movement did manage to persuade the state to engage in redistributive policies in favour of the working classes, but state power has in the whole period been with the bourgeois class, the private owners of capital and its top directors and managers.

(4) The autonomy of the state developed through the bureaucratic form of administration, professionalization of the public administration, and cooperation between economic interest organizations and the state.

(5) The contents and the scope of state autonomy have changed over time. I suggest that it has developed from instrumental to programme autonomy, that is, from an autonomy mainly used to work out ways of implementing and defending a given, law-defined policy (the tax-collecting and watchman state) to an autonomy also in the area of policy-making, that is, a professionalized state with active support from the scientific community, developing political programmes and with power to implement the programmes. The
state increasingly influenced the structure of civil society and penetrated ever more deeply into the life and work conditions of individuals. I suggest that the late nineteenth century, with the first entries of the new specialized professionals into the state administration, and the 1930's, with the entry of the labour movement into government position, date two phases in this change. The first phase meant state programming of the legal and technical infrastructure (rail, canals, telegraph, etc.) for the new market economy. The second phase meant efficient state intervention into the financial and social infrastructure as well (Keynesianism and welfare).

The study starts with a description of the modern state in the Norwegian economy as it presented itself in official statistics and organizational descriptions in the mid 1970's (Chapter 4). By starting with the modern structure of the state, it is possible to search historically for the origins of the modern forms. By going back to the origins of the modern state and looking forward at the changing structure of the state, it is possible to clarify the perspectives applied by contemporary decision-makers. The analysis in parts B to E investigates (1) movements in the economy; (2) the reorganizations of the state institutions and (3) collective and individual decision-making in specific political conflicts (the case studies).
THE CAPITALIST MODE OF PRODUCTION

The capitalist mode of production is a social system which sets the private accumulation of capital as the central organizing principle in the economy. Capitalism pushes each individual capital toward investment of profits or to what is the same, its own expansion. Markets put many capitals, many producers and consumers in a non-discursive relation to each other, their transactions mainly mediated through the price mechanism. Capitalism is therefore synonymous with competition between firms and between labourers for jobs.

Capitalism contains a class contradiction between labour and capital. That means that labour (working classes) and capital (capital owners) are dependent upon each other for their simple existence and that capital produced by the producers in common (the total worker) is accumulated and controlled by a bourgeoisie. Like any social system, capitalism functions through a material, physical structure.\(^{31}\) Feudalism built on and was limited to the

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\(^{31}\) Heilbroner (1985:36-37) states this precisely: "Capital is therefore not a material thing but a
utilization of land. Machine technology opened for capitalism. Both the feudal and the capitalist mode of production can be seen as class systems related to specific means of production, basically a three-sided relationship between producer, non-producer and means of production (Althusser and Balibar 1970; see Figure 3.1).

![Figure 3.1 The elementary concept of mode of production](image)

process that uses material things as moments in its continuously dynamic existence. It is moreover a social process not a physical one. Capital can and indeed must assume physical form but its meaning can only be grasped if we perceive these material objects as embodying and symbolizing an expanding totality”. Max Weber defined capitalism differently, as a system that motivated capital owners to invest rather than to consume their incomes. “take his [Weber's] definition of capitalism which is supposed to be ... a "neutral" ideal type. He defines capitalism as "culture": "in which the governing principle is the investment of private capital" (Meszaros 1972:39). This is certainly an important difference from the feudal/agricultural mode of production, but it is a very different concept from that of accumulation. With accumulation as the core, the motivating force is to expand capital. The concept of an investment motive leaves open what that investment will or should serve. Marxist political economy suggests that it is this expansion of capital that is specifically capitalist and that it is of prime importance to understand theoretically: when capital expands, what is the source of the expansion, and, given that the source is to be found in society, in a collectivity larger than the individual, how can the expansion end up in the form of increased private capital, and often public poverty?
The producer of the commodity is the person who participates in giving the material product its form, all who contribute, directly and indirectly to the physical qualities of the product. The non-producer is the external owner/manager of the production process, which by definition is not part of the total worker. The non-producer can be necessary in organizing the accumulation process in its financial and organizational aspects. In principle that function can be carried out by an owner who also participates in production. The third element in the relationship is the means of production, the physical materials, tools and infrastructure (again widely defined) that are necessary for production (up to the point of consumption).

The modes of production are dependent on the quality of each of the three elements and how they are related and interact. Capital is objects or things (everything from money to machines and land) that function within a capitalist social relation, that is, are used by labourers to augment capital. Modes of production can be classified along several dimensions. One dimension is whether they produce a surplus over and above what is immediately consumed. Without a surplus-producing economy, there is little possibility of sustaining a state, at least in the form of a separate organization of full-time state employees. On the other hand, when an economy has the capacity to produce a surplus, the question arises how that surplus is distributed and used. There is power in the control of the surplus. The movement from an economy of consumption to an economy producing a surplus beyond the subsistence of its producers, can basically be defined as the modernization problem.

A second dimension is the type of technology in the production process. Here we can distinguish direct gathering of products, agricultural production of food products, handicraft production of non-food products, manufacture (where handicraft at local level is organized at regional or national level), industrial production, where handicraft tools essentially are driven by an external machine
force (steam, electricity, gas, etc.), and automated industrial production, where the feeding and control of the machines is taken over by machines (first stage numerical control, second stage digital control, etc.) The technology will set limits on human interaction and cooperation and thus limit the types of organization that are possible (Scott 1981).

A third dimension is the character of the producer-non-producer relation. Here the form and amount of remuneration is important. The producer can in principle only get a share of what he or she produces, as any economy contains more people than the actually active producers. This share can be regulated by basic needs and traditionally established rules of distribution. In a surplus economy, where the producers produce in excess of immediate demands, the possibility of unproductive social classes arises, classes that live off others and who do not in any way participate in the material production process.  

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32 Two meanings of the term 'productive' will be applied in the present analysis. One is productive labour in the sense of taking part in producing goods and services that are in demand. The other meaning is productive labour in the sense of contributing to the fund of surplus value. Productive workers in this sense are workers who embody labour in products that are sold by the capitalist, so that the embodied labour is transformed to money capital over and above the capitalist's costs of production. Here we can distinguish between productive labour for individual capitals and productive labour for capital as a whole in an economy (total capital), on the assumption that labour which is productive for an individual capitalist need not be productive for the collective of capitalists. Profits gained by one may be transferred from an other. Productivity can be evaluated at the use- and exchange-value levels. Productive labour at the use-value level is labour expended on products/services that are in demand. At the exchange-value level, productive labour can be defined as labour that is expended on products/services that enter into exchange (markets). Products can there be exchanged for their use value in consumption (product against product, with or without money as medium); or they can be exchanged for their use value in production (as materials/machines for investment). Production can be either capitalist or non-capitalist, the difference being whether the production process engages foreign labour under an owner of the means of production or not. Productive labour in the first instance is then materialized in products that serve the producer's consumption. Productive labour in the capitalist production system is materialized in products/services that serve the extraction of surplus labour from the wage labourers working in the capitalist firm. Thus, productive labour in this sense is labour exchanged against capital, that
The modes of transferring surplus to non-producers vary. The surplus can be transferred in the form of direct labour for the owner of capital (two of seven week days are work for the estate owner). It can be transferred in the form of products. It can be transferred as labour time materialized in products or used in different types of services, labour time that the non-producers transform back to money form through the sale of the products/services.

To clarify the concept of a class exploitative economy, what would a classless economy (communal/socialist economy) look like? A classless economy need not be one where everyone contributes to the fund of material products. A modern economy without classes would be one with divisions between producers and non-producers (managers), but where both the distribution of products and services and distribution of investments were democratically controlled where in other words private capital did not exist. A classless society is more likely when a population understands/experiences that there is an abundance of products (no poverty, i.e. ideals or norms that limit material ambitions, etc.). A classless economy would by definition be one without economic exploitation as defined above. We might in such a system expect a democratic policy mechanism for deciding on distribution. We would expect the use and/or consumption of goods and services to be equitably distributed and that investments were planned at the firm and societal level.

is, in the form of means of production or money engaged to extract surplus labour. Unproductive labour is labour exchanged against consumption funds, with no or negative effects on total capital. The problem of the distribution of productive and unproductive labour in a capitalist economy and how that distribution affects the expansion-crisis cycle in capitalist economies is intriguing, but beyond what can be investigated systematically here (Is for example structural unemployment in capitalist economies an expression for a systematic increase in unproductive employment of labour, e.g. labour used to administer increasingly difficult and complex relations between production and distribution?) I will discuss how the two types of labour utilization affect the division of labour between the state and the economy.
In a class system we should be able to show that the surplus is systematically used by the dominant class (classes). Thus if the dominant or near-dominant mode of production establishes economic classes in society, then the previous discussion suggests that a bourgeoisie would be in need of an extra-economic power, either a sort of political and/or an ideological power, i.e. a power that secures the delivery of surplus products and/or values to the bourgeoisie and the state. If that extra-economic power did not exist, the existence of an exploitative bourgeois class could be threatened by the materially productive classes, when and if they recognize their exploitation and conceive of organizational alternatives to it. The more obvious economic expropriation is, the stronger either the state and/or the ideological production of submission will be.

In addition, in an economy without classes the extraction of surplus from the producers would ideally have to be openly acknowledged and agreed upon. In a class society we would expect the exploitation to be a central point of political, ideological and theoretical strife, the ruling and dominant classes wanting to cover up the extraction, or bluntly denying that it takes place.

THE STATE ALIENATED FROM SOCIETY

How can we then conceptualize the relation between state and capitalist society? I will suggest, to begin with, that we distinguish two types of relations. The democratic relationship is the idea of the participatory state, where those ruled actually take part in organizing the state and in formulating and executing its policies. The participation can be either indirect, through representatives, or direct, in the form of decision-making and/or controlling meetings of all ruled by a specific organ. We can also imagine different com-
The state combinations of direct and indirect participation. The *alienated* relationship implies the idea that something valuable and meaningful is torn away but returns as a foreign object with a foreign meaning. Applied to the state-society relation, an alienated state would be an organization that took on tasks defined in civil society, but as the tasks were organized into the state the definition of them changed and the implementation was foreign to those who had set or defined the task in the first place. The alienated state absorbs projects or unresolved conflicts from society, transforms them into state-defined problems and implements solutions foreign to those people who had the problem or project in the first place.\(^{33}\)

Marx suggested that alienation in capitalist society was widespread. Political alienation was related to economic alienation. On the basis of private ownership of the means of production and the distinction between the labour market where labour power was bought and production where labour was performed under capitalist management and control, the surplus value in the products produced was transferred, through the sale of the products to the capitalist and used by him to expand production of surplus value. The consequence was that the whole production system - the machines, the products produced and the management - was alienated from the workers. They produced all the (new) material products but owned none of them and had no say in the management and planning of their own workplace. Only after the worker had received a money

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\(^{33}\) As is well described by Mandel (1971), Marx moved from an anthropological to an economic definition of economic alienation; from an idea of man alienated from "himself" to a focus on how the workers were alienated from the means of production and from the mass of products that they collectively produced. Marx developed the concept of political alienation, that is, how the state was alienated from the interests of the subordinated social classes and from the interests of the society as a whole. Istvan Meszaros (1970) gives a broad presentation of Marx's theory of alienation. Richard Lindley (1986) has written about the concept as it has been developed and used within both Marxist and liberal/individualistic philosophical traditions.
wage and bought the products (often from a new capitalist) were they his.  

This economic alienation generated an alienated state, a state that had sovereign authority within a specific territory giving the state the right to suppress any attempt to create a new and alternative state within that territory, with a monopolization of the right of violent repression guaranteeing the continued functioning of an alienated economy. As Mandel says, the alienated, exploitative economy "produces political alienation, with the rise of the state and the phenomena of violence and oppression that characterize the relations between men" (Mandel 1971:181).

In the economic field the relation between use values and exchange values can be seen in terms of alienation. Exchange values can be seen as alienated, abstracted forms of concrete use values. The argument would go like this. In a capitalist economy the abstract form of value is the goal of the production process: Considerations of exchange value dominate the management of use values. Thus capitalism is a two-tier system of values, one system producing, distributing and consuming the products proper as use ...

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34 Mandel (1971: Chapter 10) presents the debate on Marx's concept of alienation that went on mainly in Eastern Europe and West Germany, with contributions from Emil Bottigelli, Jurgen Habermas, Pierre Naville, Roger Garaudy, Henrich Popitz, Erich Fromm, Jean Hyppolite, Siegfred Landshut and Gustav Mayer.

35 A system that also alienates capitalists: most of them are alienated from the actual use of the means of production, their actions are guided by abstract value- and profit-maximizing terms, and they exist in an antagonistic relation to the wage workers.

36 The Norwegian sociologist Nils Christie has noted that same alienated relationship between state and society, within the field of legal conflict resolution. His point in the comparative study of the judicial systems in Norway and Tanzania (Christie 1977) is that the courts in the Norwegian state "steal" the conflicts from civil society, from the locality where they exist, and transform the conflicts so that those involved in them become secondary actors, relative to the prosecutors and, generally, the lawyers, who are specialists, not in the dynamics of conflict resolution within specific local communities, but within the logics of state laws. See also Ericsson (1982) for a discussion of Christie's and other authors' analyses of systems for conflict resolution.
values, with their varying ability to meet human needs; the other system being a dynamic, imperfect copy or reflection of the first, a system of money related to prices used to guide economic activities and express and measure the degree of success of those activities (profits). The money system is abstracted and alienated from the system of use values. On the one hand money has no use value itself. It is a document or symbol that the producing and consuming individual has no intrinsic interest in. The primary interest in money comes from the owners of the means of production, who need a mechanism to appropriate the whole value of production, giving capital owners control over the following distribution of the production result between wage payments and investments.

The money form of the economy makes an alien ownership of the whole production result possible. In this sense money has use value. In a secondary, deductive way, money is also important for the workers. Without it they cannot buy the products on sale in the market, products that appear there as use values owned by others, by capital. The use values created by the collectivity of workers thus return to them in alienated form, as commodities for sale. Condensing the inducements to work into the wage, limiting the interest of the worker to the amount of the wage, reproduces the alienation of workers from the means of production and secures capital dominance in the whole production and distribution process.

The alternative of giving the workers part of the substantive production as pay, would - of course - require a number of mechanisms that would threaten the workings of an exploitative economy. Let me speculate a moment. Getting say, 30% of production as pay would require that the workers could sell their part so as to redistribute it. They would need organizations or firms that could sell their commodities. It would require planning, so as to make equitable distribution possible. That would require some kind of workers' participation in management. That again would most
likely raise the question of why the collectivity of workers (who actually produce all the products) could not take part in the management of the whole economy.

The money form of pay breaks any such functional connections between the collectivity of workers, the firm and the management of the economy as a whole. The intricate workings of the two-tier system make it possible to let the working class have part of the production result without having any part of the ownership of either the means of production or the result of production. The bureaucratic form of administration, I suggest, can be said to have the same kind of abstractedness. As money is designated to represent and measure the exchange value of any commodity, so the bureaucracy is formally designed to serve, as rationally and precisely as possible, any political project or goal. State bureaucracy is sharply severed from society by a number of buffers.

Alan Wolfe defines the concept of political alienation in the following terms:

"in capitalist society politics is replaced by alienated politics, which can be defined as the process through which people in similar positions are separated from each other, forced to compete instead of to cooperate... Hence political institutions in capitalist society can be defined as those institutions responsible for absorbing the common power that people possess as members of a dominated but majoritarian social class and for using that power to rule them, that is, to exercise political power (their own political power) over them for purposes alienated from those people themselves." (Wolfe 1974:148).

As the state in capitalist society absorbs problems and projects from society, transforms them into a public responsibility and organizes public administration to manage them, the possibility arises that the problem then exists within a different, a new interest context, a state-defined context. In theory (as a utopia) we can think of a non-alienated state, a state that manages problems efficiently in the interests of a client group - or a state that is genuinely under the control and in the service of a use-value, planned economy. In that
case we might, as Marx suggested, expect the state to become another kind of organization - an organization for administration rather than one characterized by coercion.  

Wolfe's concept of political alienation suggests that the state in capitalist society is alienated from the working class, that the state absorbs both working-class problems and working class representatives, but then in "solving the problems" changes the problem definitions and develops solutions that may be in the interests of the bourgeoisie and/or the dominant political coalition in the state. But because of the separation of state and society, we have to be prepared for the opposite possibility, that the government can develop policies that the dominant class does not support.  

The concept of political alienation suggests a doubly alienated state: a state alienated from the working classes, but a state alienated from bourgeois interests as well, a state that does not succeed in realizing the bourgeois project, attempting i.e. to expand capitalism but in practice (as with the programme of economic growth and market freedom) "victimizing" just those interests.  

The concept political alienation can be related to Max Weber's concept of "closure" - the idea that social groups of all kinds try to establish an exclusive internal communication and authority structure. "Weber conceived closure as the monopolization by members of an interest group of social and economic opportunities by closing off those opportunities to outsiders." (Murphy 1983). By

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37 Max Weber saw monopolization of coercion as an essential aspect of the modern state: "The claim of the modern state to monopolize the use of force is as essential to it as its character of compulsory jurisdiction and of continuous operation" (Weber 1968:56).

38 In his book on American politics (Wolfe 1981), this seems to be one of his points. Both Democrats and Republicans accept the basic policy of "business freedom and military strength". But, in Wolfe's opinion, that public program, rather than serving the bourgeois class in the United States, will "victimize" it. "Instead of an expansive future" that program will "chain it to a restrictive past" (Wolfe 1981:9).
such closure the ability to understand demands outside the group also diminishes. The possibility of alienation increases.\textsuperscript{39}

I suggested that the bureaucratic form of administration relates to policy-making as the exchange form of the economy relates to the production and distribution of use values. Is the bureaucratic form of organization systematically an alienated form seen from the point of view of the wage working classes in capitalist society? Is the bureaucratic form of administration one among several possible forms of state administration in capitalist societies or a form systematically related to that mode of production?

\textsuperscript{39} Jens Arup Seip (1980) uses the concept “transformation” (of interests) to characterize the functioning of political parties. Parties in parliamentary systems, he assumes, have to absorb and represent many interests. How does that ‘absorption’ work? In political science the concept of ‘aggregation of interests’ has been coined. Seip would rather use the concept “transformation”. Interests are absorbed and transformed in the party before they are expressed in the policy-making process. Usually, he says, the parties absorb ‘more’ interests than are expressed in the political struggle: "Man taler i politisk vitenskap om at det skjer en aggregering av interesser. Jeg vil heller tale om partiet som transformator. Interesser og ønsker hos velgerne føres over på et midlere plan og omdannes før de når opp dit hvor avgjørelser treffes. Et parti er ikke bare kanal for velgerinteresser, men nettopp en transformator hvor stømmen, kraften, fra forskjellige velgergrupper blir justert, spenning senket, strømmen blokkert om nødvendig, eller økt til det høyest mulige. Et politisk parti er et apparat hvor inntaket av interesser normalt er større enn utspillet" (Seip 1980:29).
THE BUREAUCRATIC MODE OF POLITICS

Bureaucracy, seen as the power or rule of offices, is an organizational form characterized by a hierarchy of subordinates and superiors, where those above have formal control and management of those below, where those below are without formal authority over those above and where recruitment to decision-making positions is ideally on merit and knowledge (Weber 1968, Fivelsdal 1971). Bureaucracy implies appointment. It is distinct from organizations where members are elected to their positions. Employment is usually a full-time, waged job for life. Bureaucracies work on specifically defined problems, keep each of them in dossiers and communicate on them in writing. They therefore have an advanced ability to remember and reproduce details of decision-making.

A form of hierarchy
Bureaucratic organizations are, typically, subordinate to a collegial or representative body that intermittently specifies goals and policies the bureaucracy should implement. Bureaucracies are rule-oriented, that is, they intercept and handle problems which have been defined in the rule set, subject the accepted problems to standard operating procedures in the hierarchy, and consider a problem solved when a decision on it has been made according to the defined procedures (Eckhoff and Jacobsen 1960). Whether the intention of the rule-makers is reached is formally not a matter for the bureaucratic organization. Bureaucracies are therefore a haven for lawyers, for specialists in interpreting formal parliamentary decisions, classifying problems in relation to the intentions and the existing rule sets and operating procedures and finding solutions to conflicts over intention and rule interpretation.
Bureaucracies have a peculiar double character. On the one hand they are instruments for autonomous professional and powerful intervention in society. On the other hand they are meant to be loyal servants of political authority located outside the bureaucratic confines. Bureaucracies have power form (hierarchy and appointment) and professional contents (substantive decision-making). We might expect that the power form is dominant in class divided societies and that in classless societies, bureaucracies would disappear as power instruments but retain their professional contents. By combining both the power form and the professional knowledge, bureaucracies can gain dominance over policy-making in parliamentary organs.

However, rules are not enough. Bureaucracies need substantive knowledge to be able to understand goals and classify problems relative to the existing standard operating procedures. Thus bureaucracies contain forms of knowledge that potentially transcend the rule-orientation indicated in the definition given here. They often have a potential ability to evaluate whether the chosen means will serve the goals. Thus bureaucracies contain tensions between loyalty to rules and knowledge of realities, tensions that can exist in individual bureaucrats, between different departments in the bureaucracy and between different groups of professionals.40

Hierarchy and systematic division of labour give bureaucracies the power to implement complex programmes on a large scale. Bureaucratic coordination and hierarchical control of implementation do for the state what Marx indicated cooperation

40 These tensions and contradictions within bureaucratic organizations may play a role in processes of change. Oppositional forces in society may well have a foothold within bureaucratic organizations, forces that can play a role in processes of political change and state reorganizations. I will later investigate Knut Dahl Jacobsen’s work on such tensions and contradictions within the agricultural administration in Norway in the last part of the nineteenth century. The existence of such tensions and contradictions should, perhaps, have informed the revolutionary Marxist thinking on the state as well...
did for labour: "When the labourer co-operates systematically with others, he strips off the fetters of his individuality, and develops the capabilities of his species" (Marx 1970:329). Bureaucracy, through cooperation within the bureaucratic organization, develops to an extreme the ability to manage and manipulate large societies and organizations from above, from the apex, from the point of a central will. The professional reference to scientific knowledge can strip it of any political or value content.

Hierarchical administration and bureaucracy, then, are not synonymous. Bureaucracy is definitely a hierarchy. But the opposite is not necessarily true. Hierarchical administration has, as Braudel (1985) suggested, a much longer history than bureaucracy. Typical of bureaucracy is the professional corps of administrators, paid money wages and without any ownership of the "means of administration" in the organization. Bureaucracy in this sense can be seen as inherent in or at least coterminous with capitalism. As money mediates economic transactions in capitalist society, bureaucracy mediates power relations.

*Bureaucracy and markets*

What are some of the conditions that favour the development of bureaucratic organization? Max Weber demonstrated how bureaucracy develops with the spread of capitalism. The

41 However, bureaucracy is not solely to be found in modern capitalist societies. Weber (1968) mentions the following historical examples: (a) Egypt, during the period of the New Kingdom, although with strong patrimonial elements, (b) the later Roman Principate, and especially the Diocletian monarchy and the Byzantine polity which developed out of it - and contained strong feudal and patrimonial admixtures, (c) the Roman Catholic Church, increasingly so since the end of the thirteenth century and (d) China, from the time of Shi Hwangti until the present, but with strong patrimonial and prebendal (where the state supports private persons) elements.

42 "Bureaucracy, thus understood, is fully developed in political and ecclesiastical communities only in the modern state, and in the private economy only in the most advanced institutions of capitalism. Permanent agencies, with fixed jurisdiction, are not the historical rule, but rather the exception" (Weber 1968:956).
bureaucratic administration is superbly effective in creating common rules and formally equal distributions of resources within large economies and nation states. Bureaucracy contradicts democracy to the degree that it acquires independent political power. As Weber put it: "Democracy as such is opposed to the "rule" of bureaucracy, in spite of and perhaps because of its unavoidable, yet unintended promotion of bureaucratization" (Weber 1968:991). As the bureaucratic administration expands it becomes increasingly difficult for parliaments to manage, and especially change, the policies pursued by the bureaucracy. Parliaments may make new decisions, but their ability to change the old established programmes may be weak.

Bureaucracy can be seen as a form of organization, as discussed above, as a special instrument of power, power wielded through administrative offices, or the concept can designate a social group, a group of bureaucrats, of people who have bureaucratic positions in private and/or public organizations.

Characteristic of bureaucratic organization is that it is a specialized management system, under the control of a "leader" (a capitalist or a legislature), with appointed personnel. But bureaucrats are without ownership of the means of administration and are set to manage a "society" or a "subsociety" (a company, an association, etc.) on behalf of the leadership/ownership. Bureaucracies are separated from the societies they are designed to rule and manage. Public bureaucracies are themselves part of a hierarchical relationship between rulers and ruled. They contain professional skills acquired in society, concentrated in the administration and used to manage that same society from above. In capitalism, I have suggested, bureaucracies "grow out of society" and return to it in the form of powerful, alienated management.43

43 Rosa Luxemburg saw the same mechanism at work in the social democratic party, but indicated that within the movement democracy and individual freedom were conditions that
Bureaucracies thus absorb resources from the productive sphere, both for management purposes and for purposes of their own remuneration; get their goals (ideally) from above, from a political (in some sense elected) leadership; and manage some larger group of people according to specific standard operating procedures, with the purpose of reaching the "politically" defined goals.

Thus there are at least three contradictions in bureaucracy: (1) The contradiction between democracy (defined both as representative democracy and more radically as self-administration) and the power of professionals, (2) between wielding power and giving technical advice to politicians and clients, and (3) between the organization's separation from the larger social system and the need for intervening efficiently in it. How and to what degree bureaucratic power develops in Norwegian society, is separated from it, becomes in some sense autonomous and returns to society in the form of an externalized, powerful management, is a central problem in the following analysis.

Class and bureaucracy
If we introduce the idea of class contradictions into the workings of the society - the idea that large groups of people, because of manifestly different positions in the economy, have antagonistic interests - the questions related to the functioning of bureaucracy can be expanded:

(1) Where is the bureaucracy located in the systems of class contradictions? Is the bureaucracy value neutral? Does it have the...
capacity to serve any class interest that has managed to attain state power?

(2) Can it be influenced, changed or reorganized so that it serves subordinate class interests or is bureaucracy as we have defined it systematically related to capitalism and bourgeois rule?

(3) Does bureaucracy have its own logic that cannot be reduced to or deduced from any of the main class interests in society? Or, as Weber puts it: "How far are these administrative structures in their developmental chances subject to economic, political or any other external determinants, or to an "autonomous" logic inherent in their technical structure?" (Weber 1968:1002).

(4) What happens when bureaucracies recruit bureaucrats from other than the ruling classes and their allies? Does the long drawn out recruitment process eliminate the effects of class, so that bureaucrats are apolitical, technical specialists when they (finally) reach the point of employment, or are they actively socialized into the norm system of the ruling class? Or do they under specific conditions activate their original class identifications and create decision-making subsystems around those identifications within the bureaucracy?44

44 Effects that in the literature on bureaucracy may be identified as of dysfunctional. See for example Blau and Scott (1963).
A CRITIQUE OF MAX WEBER'S
THEORY OF MODERN STATE BUREAUCRACY

Weber is often interpreted as a student of the internal structure of bureaucracy with a scant understanding of the relations between bureaucracy and capitalist society.\(^45\) This reading of Weber is, I think, faulty. Weber saw both the functionality and dysfunctionality of bureaucracy relative to bourgeois economic interests and several of the dynamic relations between bureaucracy and class.

Although Weber saw his project as one of rejecting the basic tenets of Marxism, he held several Marxist positions.\(^46\) He saw the theory of social classes as fruitful in analysing capitalist society, not least because denying class contradicted a common self-understanding among workers. But class analysis was for Weber subordinate to the study of rationalization. Weber's theory of bureaucracy was at the same level of generality as the Marxian theory of class and class conflict. Weber considered the theory of bureaucracy a stronger one for understanding capitalism: "Roughly, for Weber, bureaucracy plays the part that the class struggle played for Marx and competition for Sombart" (Parsons 1957:509). Accepting the existence of social classes and class struggle was for Weber a necessary condition for limiting and legalizing the class struggle. "Class conflict", he told the Protestant Social Congress

\(^{45}\) Weber's concept of bureaucracy defined as a "closed" system, closed to environment, without interaction with the environment, cf. Scott (1981).

\(^{46}\) Roth and Schluchter 1979. Talcott Parsons already made the same point in 1937: "Weber on the other hand, was a thinker steeped both in the idealistic tradition of thought and in the particular empirical problems of Marx and Sombart" (Parsons 1937:499). One of Weber's points was that Marx indulged in one-factor explanations. That focus produced a wrong understanding of the historical role of the bourgeoisie. In my opinion this is a quite misplaced understanding of historical materialism, which operates both with the analysis of separate factors and their empirical relationships and, more importantly, with several levels of analysis, where, at the basic economic level, Marx assigns a clear predominance to class relations and class struggles in explaining politics and state.
amid protests, "was an integral part of the present social order. It
was time the church recognized this, and in recognizing it, thereby
legalizing it" (Beetham 1974:58).

In Weber's view, capitalism would gradually spread and make all
members of society more equal, more capitalists in the markets and
smaller income differentials between capitalists and workers.
Bureaucracy was a system of administration inherent in capitalism.
Its effect was to further social levelling and to liberate and increase
the life chances of ever more individuals and groups in that society.
Weber had an optimistic view of bureaucracy as an administrative
mechanism for social and economic advancement: "The
development of bureaucracy greatly favours the levelling of social
classes and this can be shown historically to be the normal
tendency" (Weber 1947:340). Weber spoke of "passive demo-
cratization": it serves a levelling of socioeconomic conditions, but it
does not significantly increase political mobilization or activation of
ordinary people, or the subjects of the state. Weber saw a contra-
diction between the expansion of bureaucracy and "active"
democratization. However, Weber did not seem to worry about that
contradiction. His assumption was that, if bureaucracy helps capita-
lism expand, that system, in the long run, will create the maximum
of economic advance and individual freedom. That theory is
consistent with Weber's concept of history as a rationalization
process, with capitalism and bureaucracy as the 'highest' and most
rational forms of production and administration, in both the private
and the public sector.

Weber postulated that bureaucracy had a conservative effect on
ideology. Bureaucratic rule is commonly conceived of as un-
changeable and dominating. Both bureaucrats and subjects come
under the spell of bureaucracy. Even when bureaucracies break
down, ideas of alternative ways of organizing do not arise in a
thoroughly bureaucratized society. The "accustomed way" of doing
things reigns supreme. "Every reorganization of defeated or scattered army units, as well as every restoration of an administrative order destroyed by revolts, panics, or other catastrophes, is effected by an appeal to this conditioned orientation [to bureaucratically established rules and ways of doing things]" (Weber 1968:988).

This ideological effect and permeation/ideological homogenization of a population is, if it works, an efficient stabilizing mechanism in a class-divided society. Bureaucracy was, for this reason, resistant to revolutionary attacks. Bureaucracy works like a machine, and its structure controls its own personnel as strictly as it controls its subject population. The bureaucrat is "chained to his activity in his entire economic and ideological existence". It is "practically indestructible" (ibid:987). The only flaw in this harmoniously functioning, highly rational and powerful system, according to Weber, is the plight of the bureaucrats themselves. They are not free. Rather they are reduced to "cogs in the wheel", to persons interested only in "the perpetuation of the apparatus and the persistence of its rationally organized domination" (ibid:988).

Historically, capitalism has been able to resist revolutionary change to a large degree. Even in the Soviet Union that argument can be defended. The revolution of 1917 did not abolish capitalism. It has there only taken a much more statist form (Nicolaus 1975). In Eastern Europe; and in many parts of the Third World, where attempts have been made to transcend capitalism into some kind of socialism, there is reason to investigate Weber's thesis. Can the bureaucratic forms of state, also in the so-called socialist states, thwart attempts at transcending capitalism and perhaps rather favour a regeneration of more feudal forms of economy and domination?47

47 One interesting attempt at a comparison of Weber's and Lenin's analysis of bureaucracies is Wright (1979). He suggests that Lenin was one-sidedly interested in how to win over the tsarist
There is a distressing finality in Weber's description of the rationality of capitalism and bureaucratic state administration. In a way it is an end station in Weber's conception of history. But cannot the internal contradictions in both capitalism and bureaucracy indicate that there is a way out, that alternatives in some sense exist, that both systems have oppositional and transcending forces within them?

Such alternatives, even if they exist, did not catch Weber's eye. His perspective was the increase or decrease of rationality, with capitalism supported by bureaucratic administration as the highest form of societal organization. Socialism, as an elimination of private ownership of means of production and an integration between politics and administration, was for Weber a degeneration, a reduction of rationality. He saw the possibility of bureaucracy degenerating, beginning to serve its own interests to the detriment of the expansion of market freedom and capitalism. The Prussian state was such an example. There feudal lords had control of the public administration. The Soviet state after 1917 was another example, where the bureaucrats controlled both the state and society.

Why degeneration? Weber saw it as a consequence of public ownership of the means of production. Bureaucrats were conservative, only interested in defending and expanding their economic rewards and the power of their offices. Public ownership of the means of production gave the bureaucrats power to implement those interests. The capitalist on the other hand, confronted with competition in markets, was systematically induced to take risks and search for technical and social innovations, moving continuously into new and more profitable ventures and developing state. The problems of transcending bureaucracy in everyday administration came as a surprise to Lenin. Wright suggests that a closer reading of Weber could have helped at least to remove the surprise...
more ingenious and labour-saving forms of technology. Weber drew the conclusion that socialism was the rule of bureaucrats, a regression from the freedom of capitalism. Capitalism generated freedom and economic growth; socialism generated state control and economic stagnation.

Analytically it seems necessary to transcend Weber's "increase/decrease of rationality". We should rather search for laws of movement, laws effecting a change from one system to another, from one logic to another. We should search dialectically, that is, trying to identify the contradictions in existing systems, attempting to identify potentially new forms in that which is suppressed in the existing systems.48

Do we have reasons to believe that the parliamentary organs of state in the modern capitalist societies will increasingly be dominated by bureaucracies? I have mentioned the distance between people and parliaments, the indirect character of the popular influence in the parliamentary type of state. I have mentioned the combination of hierarchy and knowledge in the bureaucracies, and the difficulty that parliamentary organs, constructed on popular but highly indirect elections, have in keeping the initiative and defining realistic projects for administrative implementation. Equally important is the economic alienation inherent in capitalist production. Ordinary people have the vote, but they do not have any ownership of the means of production. Private ownership of means of production eliminates a basis for authoritative and knowledgeable participation in the parliamentary forms of government.

This asymmetry of all power in parliaments and no power in the economy reproduces the powerlessness of ordinary people, especially when the economy becomes a more integrated system.

48 Fredrik Barth and Ottar Brox call this kind of process 'generative processes', that is, processes that generate new forms of social existence. See Barth (1966) and Brox (1972, 1989).
and increasingly dependent on international economic processes and institutions. Local and national parliaments lose power. The large capitalists, in control of multinational corporations, gain monopoly-type economic control. The power of parliamentary organs is strictly limited to national boundaries. The international parliamentary organs work at an even greater distance from localities and cannot make authoritative decisions within the multinational economies.

The capitalist control of the means of production allots knowledge and policy-making potential to the bureaucracies within the larger firms. The state bureaucracies will, at least in most economic questions, be dependent upon actions, interests and knowledge defined within the private sector bureaucracies. As Weber saw, the bureaucratic form of organization was generated and developed primarily within the private sector, within the realm of the large capitalist firms. The private sector "taught" the public sector how to organize itself as bureaucracy. This permeation of the state sector by private organizational forms allots privilege of influence to the larger firms. They are acquainted with the inner workings of bureaucracy, they know how to communicate with public bureaucracies and they will be the best served in situations where there are many claimants to public services.
THE STATE
PART IN THE
B CAPITALIST ECONOMY

My intention in this part of the work is to define the Norwegian state in the capitalist economy. I will describe the structure of the state as it was organized around 1970 (organs, personnel and finances). Then I will search for the origins of the structure of the modern state in relations within the capitalist economic system. How does the capitalist economy in its relations to pre-capitalist modes of production, both pressure for and delimit the process of state formation? Are there aspects of the capitalist economy that support the thesis of an alienated state and a state that appears, at least to sections of the population, as a foreign, oppressive/exploitative power? Lastly I use materials from the social-economic study of the national and state economies to question the distribution of power between the public and private sectors, between the state and the capital-owning bourgeoisie. In Part B I thus investigate to what degree the state can and should be seen as a dependent variable, an organization formed and controlled from the outside.\textsuperscript{49}

\textsuperscript{49} Karl O. Moene and Tone Ognedal (1990) argue that different forms of public ownership of firms (direct workers' ownership, municipal and state ownership) might make a more balanced
development of a market economy possible, without the present uncontrolled restructuring of the economy, with less internal conflict over management and investment decisions, and with less secrecy concerning technological innovations.
The formal structure
of the Norwegian state (1970)

"Apparatus is the term used to describe the mechanisms or instruments through which state functions are executed. Our argument is that all previous theories of the state have neglected to trace through the form-function-apparatus structure and as a result have missed vital clues as to the state's agenda, power and bureaucratic design."

Clark and Dear (1984:viii)

A FORMAL DEFINITION OF STATE APPARATUS

By state apparatus I mean those legally defined organizations that wield state authority, that is, organizations whose goals and modes of action are defined within the law-making process, and that can mobilize state force, bureaucratic, judicial and physical force to implement their decisions. This definition accords with the constitutional conception that state power flows from the Constitution, and downward into those institutions and organizations that explicitly are endowed with state authority (Andenæs 1962, Eckhoff 1982). In this sense the state authority can be manipulated and distributed by political leadership; it can be concentrated in fewer organs and at higher levels in the hierarchy; it can be decentralized, moved out, so to speak, to new and more regionally dispersed organizations and - if wanted - to lower levels
in the hierarchy. Private organizations and persons can also be endowed with state power.

Concentration of authority will often take place in conflict situations and diffusion will be the trend in more peaceful periods, when ideological and other conflicts are less developed or noticeable (Eisenstadt 1958 and Jacobsen 1964). A ruling class and/or party would be expected to diffuse or decentralize authority when its values are dominant in society, and concentrate authority in the state when oppositional or alternative values gain support.

The state apparatus in Norway (1970) has the following structure: formally a monarchy, state authority is wielded by three organs of state, the parliament, the Storting, the administration \(^{50}\) and the judiciary. I will here present an overview of the structure of the state and search for the political values and group and class preferences that are built into these institutions, and how and to what degree their value bias impinges on decision-making and actions within the state.

THE STORTING

The Storting is divided into two "houses" the Odelsting and the Lagting, for law-making, \(^{51}\) but otherwise operates as one unit. The Storting should be seen as a unicameral system. There is no

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\(^{50}\) The 'administration' here refers to the whole public administration. I will use the term 'government' most often for the collegium of ministers at the top level of the state. I will use the term 'public administration' or 'state administration' for the whole administrative system, at all three levels, national, provincial and municipal. I will use the term 'central administration' for administration directly subordinate to the ministries, at all three levels. At the local level I distinguish between central and municipal administration. The central administration has regional and local offices. The municipalities have their own municipal administrations.

\(^{51}\) A proposed law is first sent to the Odelsting, then to the Lagting. If the Lagting rejects the suggestion twice, then the Storting meets and decides on the proposal by a two-thirds majority.
difference in the way members are recruited to the two houses. In 1970 there were 150 members of the Storting, distributed between the political party lists taking part in parliamentary elections according to a modified Lagve method of distribution.\textsuperscript{52} The Storting elects six presidents, two for each of the houses and two for the plenary Storting, and a number of committees. The committee structure resembles the structure of the ministries.\textsuperscript{53} The committees prepare decisions for the Storting within their field of work. They have no formal role in relation to 'their' ministry, but informally there is policy-making influence going from committee to ministry (Olsen 1983). The committees have increasingly invited interest organizations to their meetings to present viewpoints and evidence on policy questions. The Federation of Norwegian Industries (NIF), for example, in the 1970's had meetings with members of the Committee for Industry each week. The committees are important decision-making units. "The large majority of representatives [in the Storting] spend most of their time in their committees" (Olsen 1983:61). Recruitment to the Storting depends upon nominations in state-approved political parties\textsuperscript{54} and national elections every four

\textsuperscript{52} This method implies that the votes for a party are first divided by 1.4 for determining who gets the first mandate. Then the party votes are divided by 3, 5, 7, etc. The method favours the largest parties, but not to the same extent as the earlier applied d'Hondt's method of distribution (Andren 1963:132).

\textsuperscript{53} There are some exceptions. The Ministry of Trade did not have a trade committee in the Storting. Its matters were taken care of in several committees, but mainly in the Committee for Foreign Affairs. The functional division of labour between the Trade Ministry and the Foreign Affairs Ministry has for a long time been unclear (see Debes 1978). There are also two committees for foreign affairs, the main committee and an expanded committee where the Storting presidency and the head of the Military committee meet. In 1948 the expanded committee was dismantled in favour of a special committee, with only four members from the expanded committee. The intention was to exclude members of the Communist Party. In 1949 the Communist Party lost its representation in the Storting. The Storting then reestablished the earlier two committees for foreign/military/constitutional affairs.

\textsuperscript{54} A new party wanting to participate in elections has to have 3000 supporting signatures to be accepted.
years. All positions in the *Storting* are contested each time. The voters are presented with a choice between lists of party candidates. This makes the vote a vote for parties and their programmes rather than a vote for persons. The political parties thus play an important role in selecting members of the *Storting*. The political parties are, however, considered as private organizations in constitutional law. They have no formal role within the Constitution as it is written, even if they are the central mechanism channelling nominees from their civil positions in society into parliamentary positions. The party organizations therefore play an important role in determining which sections of the population are to be represented in the *Storting*, and in selecting people within these sections (Valen and Katz 1964). The indirect character of the parliamentary democracy means that candidates for positions of power and authority in the state have to pass several 'gates'. Prewitt suggests generally seven such gates for upcoming candidates: From the population to becoming a voter, from voter to party member, from party member to party leadership, from the party to be nominated as candidate, from there to be elected and then to actually become a member of parliament and the last gate (in a parliamentary system), from parliament to becoming a member of government (Prewitt 1969).

Studies of the parliamentary channel show that the activity in it is oriented toward producing rational, coherent plans and policy decisions - much less towards influencing the *organization of the political and administrative process* (Jacobsen 1964, Jansen 1971, Olsen 1983).\(^{55}\)

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\(^{55}\) We can speculate on the effects of a state system in which law-making and administrative implementation are more closely related than in the present Norwegian state, where elected parliamentary organs have more direct control of the public administration. On the one hand a higher degree of election of officials, as in the US government system, seems to make administrative actions more open to public scrutiny. On the other hand such elections can threaten professionalism. Engels points to how election of government officials, as done in the Paris Commune, might be an important element in a working-class state: "In the first place, it filled
The development of the party structure between 1882 and 1973 can be depicted in the following manner (Figure 4.1). A left-right analogy is used but the placement of the parties in relation to each other may well vary, depending on which political dimensions/policies are focused on. To the right of the diagram are the percentage of votes the parties received in the Storting elections of 1969.

all posts - administrative, judicial and educational - by election on the basis of universal suffrage of all concerned, subject to the right of recall at any time by the same electors” (Marx, Engels 1990:190, written by Engels for the new edition of Marx's text Der Bürgerkrieg in Frankreich, Berlin, 1891). Such elections and a radical right of recall would, no doubt, increase the power of elected assemblies.
THE CENTRAL ADMINISTRATION

The central administration is organized mainly in ministries and directorates, the latter formally intended to be responsible for a specific management area (railway, post, procurement and sales of medicines, etc.). However, the distinction between ministries and directorates is unclear in practice, and the position of the directorates relative to the ministerial hierarchies vary. Some directorates are independent organizations with a clear policy-making role (like NORAD, the international aid directorate, and the Health Directorate), while others are more like departments within ministries, tightly controlled and without much policy-making autonomy.

The central administration in Norway is less clearly divided between political secretariats and technical administrations than is the case in Sweden. There the directorates have strong and very distinct technical roles. The ministries are more directly political councils for the government (Andren 1963).

Some ministries and directorates have a subordinate system of regional (fylke) and municipal units, and several kinds of public production and service institutions at the bottom of the pyramid. If we distinguish between income-generating and non-income-generating public institutions, defining income-generating institutions as those that sell products and/or services to the public, we can depict the hierarchy in the administration and the number of persons employed at each level in Figure 4.2.
The size of the public service institutions within the income- and non-income-generating categories at the bottom of the administrative government hierarchy is given in Figure 4.3. It spells out in somewhat more detail which institutions they are and how large they were in 1973.

<table>
<thead>
<tr>
<th>The government</th>
<th>No.</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parliament and ministries</td>
<td>3110</td>
<td>2.2</td>
</tr>
<tr>
<td>Directorates and other central administration outside the ministries</td>
<td>7443</td>
<td>5.3</td>
</tr>
<tr>
<td>The civilian regionalized central administration, offices in communes and provinces</td>
<td>28865</td>
<td>20.6</td>
</tr>
<tr>
<td>Public institutions delivering non-priced public services</td>
<td>100673</td>
<td>71.9</td>
</tr>
<tr>
<td>Public institutions delivering priced goods and services</td>
<td>16914</td>
<td>11.9</td>
</tr>
</tbody>
</table>

Note: 13285 or 9.5% were ad hoc.
Source: St.meld. no. 112 (1973-24:6)
I will in Chapter 6 on the economic power of the state and in Chapter 18 on the management of Kings Bay Coal Mines, analyze...
the economic function and management orientation of these institutions relative to the interest in capital accumulation in the private sector.

How were state employees in 1973 distributed over the sectors of state activity and between the sexes? A parliamentary report (St.meld. no. 90, 1977-78) answers this question. About 30% of all were women. Women were heavily represented in banking, in communications, health, education and cultural work.

Table 4.1 State employees by sector and sex, 1973

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Total No.</th>
<th>%</th>
<th>Women No.</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industry</td>
<td>2273</td>
<td>1.9</td>
<td>16</td>
<td>0.7</td>
</tr>
<tr>
<td>Electric power/water</td>
<td>522</td>
<td>0.4</td>
<td>9</td>
<td>1.7</td>
</tr>
<tr>
<td>Construction</td>
<td>3205</td>
<td>2.6</td>
<td>27</td>
<td>0.8</td>
</tr>
<tr>
<td>Transport/post/tele</td>
<td>33570</td>
<td>27.6</td>
<td>8980</td>
<td>26.8</td>
</tr>
<tr>
<td>Banking</td>
<td>2822</td>
<td>2.3</td>
<td>1617</td>
<td>57.3</td>
</tr>
<tr>
<td>Public administration</td>
<td>36839</td>
<td>30.3</td>
<td>12548</td>
<td>34.1</td>
</tr>
<tr>
<td>Defence</td>
<td>21339</td>
<td>17.6</td>
<td>2914</td>
<td>13.7</td>
</tr>
<tr>
<td>Education/health</td>
<td>18353</td>
<td>15.1</td>
<td>8176</td>
<td>44.5</td>
</tr>
<tr>
<td>Culture</td>
<td>2217</td>
<td>1.8</td>
<td>770</td>
<td>34.7</td>
</tr>
<tr>
<td>Other occupations</td>
<td>273</td>
<td>0.2</td>
<td>45</td>
<td>16.5</td>
</tr>
<tr>
<td>Totals</td>
<td>121413</td>
<td>99.8</td>
<td>35102</td>
<td>28.9</td>
</tr>
</tbody>
</table>

COMMISSIONS AND BOARDS
UNDER THE CENTRAL ADMINISTRATION

Since 1814 the central administration has had commissions and boards that look into specific questions or are responsible for managing some part of the public sector. They have several functions: they increase the number of people engaged in government decision-making; they increase the amount and kind of professional knowledge directly available for government decision-making; and - at least potentially - they return knowledge about
government decision-making to society, both through the decisions made by the government, and through the commission members working in their regular jobs with added knowledge of the workings of government.

In the 70-year period from 1814 to 1884 some 580 commissions and boards were established. After the Second World War the total number of commissions increased from 503 in 1951 to a maximum of 1141 in 1976 (Lægreid and Roness 1983:191).

In 1980 there were 5500 people engaged in about 1000 commissions and boards. In 1983 there were 3148 positions in the ministries (Lægreid and Roness 1983:72). Thus the government recruits a large number of people into government through the commissions system. The group of commissioners was nearly double the size of the permanent personnel in the ministries in 1980. They emulate the class profile of the administration in general, that is, urban, upper/middle-class males predominate.\(^{56}\)

What kind of problems do they attend to? Lægreid and Roness (1983) found that most of them worked with administrative problems of a national character (64%), about one-third of them attended to problems at the municipal/regional level (29%) and 8% were engaged in international affairs. The commissions and boards were distributed among the ministries as shown in Figure 4.4, with the Ministry of Foreign Affairs having the smallest number (14) and the Ministry of Education/Church having the largest number (112). The mean among the 16 ministries was 42 commissions and boards.

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\(^{56}\) In 1981 66% were from the Oslo/Eastern Norway region where 48% of the total population then lived; 7% of the members belonged to the occupational categories "farmer, fisherman, worker and lower administrator"; about 25% of the members were women. In addition we note that 64% of the members were public employees (22% in the central administration, 9% in municipal positions and 33% in other parts of the state apparatus) (St.meld nr. 7A, 1981-1982).
The commissions and boards represent a layer of professionals, organization leaders and politicians, not regularly employed in the
state (but well paid for their services), supplementing and strengthening the power of the government, working within the confines of the public administration.

**INCOME-GENERATING AND TAX-CONSUMING GOVERNMENT INSTITUTIONS**

We can crudely distinguish the ministries related to production sectors of the economy (production of priced goods and services) from the ministries engaged in labour-related public services, like education, culture and social welfare (non-income, or not individually priced services). As of November 1979 there were six ministries in the first category (Agriculture, Fisheries, Industry, Oil and Energy, Transport and Trade) and five in the public services category (Local Government, Environmental Affairs, Social Affairs, Church and Education, and Consumer Affairs). If we add the ministries engaged in the administration of the state itself (Finance, Foreign Affairs, Defence and Justice) to the public service ministries, we have six in the first category and nine in the second.

We can distribute the state budget and the national budget between these two categories, income-generating commodity production and non-income-generating distribution of public goods. This division produces the following result: the six ministries within income-generating production administered about 25% of the state budget, while the corresponding sectors of the national economy produced 80% of the gross domestic product (as measured in the economic terms employed by the Bureau of Statistics); the ten service and general administration ministries took the rest of the state budget, that is, 75.6%, while the corresponding sectors of the economy (mainly the welfare services and general administration, like police, military, judicial system, education, research, cultural
Productivity, etc.), contributed 18.1% of the gross domestic product (Table 4.2).

Table 4.2 Production patterns in state and society. Non-commodified service and commodity production in the state and in the economy

<table>
<thead>
<tr>
<th>STATE</th>
<th>ECONOMY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sector/ministry</td>
<td>% of state budget</td>
</tr>
<tr>
<td>Production of commodities:</td>
<td></td>
</tr>
<tr>
<td>Agriculture</td>
<td>8.7</td>
</tr>
<tr>
<td>Fisheries</td>
<td>1.7</td>
</tr>
<tr>
<td>Industry</td>
<td>1.6</td>
</tr>
<tr>
<td>Oil and energy</td>
<td>4.3</td>
</tr>
<tr>
<td>Transport</td>
<td>7.7</td>
</tr>
<tr>
<td>Trade</td>
<td>0.4</td>
</tr>
<tr>
<td>Totals</td>
<td>24.4</td>
</tr>
<tr>
<td>Non-priced public services:</td>
<td></td>
</tr>
<tr>
<td>Social work/health</td>
<td>16.6</td>
</tr>
<tr>
<td>Church/education</td>
<td>6.3</td>
</tr>
<tr>
<td>Environmental</td>
<td>0.8</td>
</tr>
<tr>
<td>Culture/science*</td>
<td>5.0</td>
</tr>
<tr>
<td>Municipal affairs</td>
<td>4.3</td>
</tr>
<tr>
<td>Consumer affairs</td>
<td>4.4</td>
</tr>
<tr>
<td>Finances</td>
<td>21.4</td>
</tr>
<tr>
<td>Defence</td>
<td>10.3</td>
</tr>
<tr>
<td>Justice</td>
<td>2.6</td>
</tr>
<tr>
<td>Foreign affairs</td>
<td>3.9</td>
</tr>
<tr>
<td>Totals</td>
<td>75.6</td>
</tr>
<tr>
<td>Grand total</td>
<td>100.0</td>
</tr>
</tbody>
</table>

* Established 1982 by a separation from the Ministry for Church and Education
** Less than 100 because of net imports in the balance of trade

If the distinctions are valid, this demonstrates how the state is heavily oriented towards services. While nearly 80% of the domestic product emanates from commodity production, the state allots only 25% of its resources to that commodity production. The major part of its budget is used for the administration of non-priced public services. Why are these services provided through the state? Why are they not taken care of by private entrepreneurs and companies? At least two possibilities exist: (1) political movements have succeeded in organizing this service production through the state, making it a public responsibility and thus financing the services at least partly through tax revenues; (2) the production of these services are of no interest to private capital. Profitability is either low or spread out over a long investment period, so that yearly profits are low. Given that the services are important for the reproduction of labour power, public financing may be an advantage for private capital, leaving more private capital for direct investments.

THE SIZE OF THE STATE

The total number of public employees in both central and regional/local administration, their distribution between the different categories of activities (general administration, services and commodity production) in 1970 is shown in Table 4.3.
Table 4.3 Public employees, 1970

<table>
<thead>
<tr>
<th>Public administration and defence:</th>
<th>No.</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration</td>
<td>59710</td>
<td>19.2</td>
</tr>
<tr>
<td>Defence</td>
<td>13062</td>
<td>4.2</td>
</tr>
<tr>
<td>Public commodity production:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>State banks</td>
<td>2176</td>
<td>0.7</td>
</tr>
<tr>
<td>Post/tele/radio</td>
<td>30477</td>
<td>9.8</td>
</tr>
<tr>
<td>Railways</td>
<td>17726</td>
<td>5.7</td>
</tr>
<tr>
<td>Public transport/energy</td>
<td>31721</td>
<td>10.2</td>
</tr>
<tr>
<td>Public services:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Education</td>
<td>75882</td>
<td>24.4</td>
</tr>
<tr>
<td>Health/social services</td>
<td>78991</td>
<td>25.4</td>
</tr>
<tr>
<td>Religious services</td>
<td>1244</td>
<td>0.4</td>
</tr>
<tr>
<td>TOTAL</td>
<td>310990</td>
<td>100.0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>As % of total work force</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>N</td>
<td>310990</td>
</tr>
<tr>
<td>As % of total work force</td>
<td>21.3</td>
</tr>
</tbody>
</table>


This table presents a picture of the personnel structure in the Norwegian state. In 1970 the state employed about one-fifth of the total labour force in the country. Half of the public employees worked in the welfare service sector, about equally distributed between health and social services and education. In commodity production post and telecommunications employed about as many as public transport/energy production, if we exempt the railways. The railways employed close to 6% of all state employees. General administration took about a quarter of public employees. Thus the personnel structure supports the welfare state thesis: the majority of employees were engaged in welfare services in 1970. We will return to these data and supplement them with analyses of the historical development of the personnel structure and its distribution between sectors of state activity.
Approximately half of all public employees worked at the municipal and provincial levels of government. Table 4.4 depicts the type of work the municipal employees were engaged in and the number of persons in each department. I have included data specifically on the municipality of Oslo because of its size. I have inserted an overview. We see that the mass of welfare services to the population is delivered through the municipal level of government.

<table>
<thead>
<tr>
<th>Location/type of work</th>
<th>Total</th>
<th>Oslo</th>
<th>Oslo as % of total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Full-time employed:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administration: provincial</td>
<td>2500</td>
<td>1.7</td>
<td>31.1</td>
</tr>
<tr>
<td>Administration: municipal</td>
<td>51710</td>
<td>34.7</td>
<td>20.9</td>
</tr>
<tr>
<td>Health work</td>
<td>36020</td>
<td>24.2</td>
<td>25.2</td>
</tr>
<tr>
<td>Electricity</td>
<td>3500</td>
<td>2.3</td>
<td></td>
</tr>
<tr>
<td>Total full time</td>
<td>93730</td>
<td>62.9</td>
<td>76.9</td>
</tr>
<tr>
<td><strong>Part-time regulated:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administration: provincial</td>
<td>250</td>
<td>0.2</td>
<td></td>
</tr>
<tr>
<td>Administration: municipal</td>
<td>9450</td>
<td>6.3</td>
<td></td>
</tr>
<tr>
<td>Health work</td>
<td>10320</td>
<td>6.9</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>20020</td>
<td>13.4</td>
<td></td>
</tr>
<tr>
<td><strong>Part-time not regulated:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sanitation</td>
<td>10110</td>
<td>6.8</td>
<td></td>
</tr>
<tr>
<td>Home workers</td>
<td>22000</td>
<td>14.8</td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td>3200</td>
<td>2.1</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>35310</td>
<td>23.7</td>
<td></td>
</tr>
<tr>
<td>All part-time:</td>
<td>55330</td>
<td>37.1</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>149060</td>
<td>100.0</td>
<td>30700</td>
</tr>
</tbody>
</table>

**Overview:**

- Full-time: 93730
- Part-time: 55330
- Total: 149060

Source: NOU (1974-60:130)

**THE JUDICIAL SYSTEM**

The Supreme Court (Høyesterett) has through its own decision-making established the Court’s right to test the legality and consti-
tutionality of laws made in the Storting and administrative decisions made in government (Andenæs 1962:249-265). The Constitution does not define that right. However, the Storting can regulate the rules of the Court through its law-making. Compared with the USA, the Supreme Court in Norway has seldom made use of its right to test laws and seldom contested the judicial understanding prevalent in the Storting.

The court system
Constitutionally the Supreme Court is an independent institution, not subordinated to the Storting or the government. Its members are appointed by the government and the Storting has some influence on the Court's organization through its approval of Supreme Court budgets and posts. But neither the Storting nor the government can overrule the Supreme Court's decisions on law interpretation and justice (Andenæs 1962:154 and Eckhoff 1982).

There are three levels in the Norwegian court system. Below the Supreme Court there are regional courts (Lagmannsrett). The country is divided into five Lagrett districts, using the names of the assemblies from the early middle ages: Eidsivating (Oslo), Agder (Skien), Gulating (Bergen), Frostating (Trondheim) and Hålogaland (Tromsø). Beneath them there is a complex system of urban and rural courts, a system for working out compromises before entering the formal court system (forliksråd) and special courts (vergemålsrett, (child rights), jordskifterett, (land ownership), fiskeridomstoler, (fishing rights), konsulrett, (adjudication of Norwegians in foreign countries), etc.). The courts had 1097 permanent posts in 1973 (NOU 1974-60:126).

The legal system in Norway is structured on the idea that accumulation of capital through employment of foreign labour is a private right. This is most clearly expressed in paragraph 105 of the Constitution, which states that persons who have to secede any form
The judiciary

of property to the state, whether that is means of production, land or means of consumption, shall have full economic compensation (Andenæs 1962, Fleischer 1968). This principle permeates the legal structure of the country, and is a principle that a socialist state (of some kind) probably would modify.

The state prosecuting apparatus/the police

The state prosecuting apparatus is divided into a civilian and a military branch. The civilian system is under the Ministry of Justice, headed by a State Prosecutor, with subordinates at the regional/provincial level. The military system is also subordinated to the Ministry of Justice, headed by a General Prosecutor (Generaladvokat) with War Prosecutors as subordinates in each of the main five military regions of the country, the Eastern, Southern, and Western regions, Trøndelag and Northern Norway. The prosecuting system is administratively independent of the Ministry of Justice. Only the government can give instructions to the prosecutors (NOU 1981-35:63).

In Norway the police are organized as part of the prosecuting apparatus. The state prosecutors are superordinate the police chiefs. However, the police are also managed and controlled by the Ministry of Justice. This puts the police under a double leadership, an arrangement that may cause conflict (politically motivated leadership from the Ministry of Justice, legal/judicial leadership from the prosecuting authorities). The police apparatus is divided in two, between 50 police stations, mostly in urban areas, and some 400 rural police offices (lensmenn). The trend in this system since

57 The government document NOU 1981:35:63 on the role of the police, mentions that suggestions have been put forward to sever the organizational connection between prosecutors and police, and thus create a system parallel "to most other countries that we with some reason can compare to Norway".

58 The rural police have a number of civilian duties in addition to police functions (bidragsfogd, stevnevits, namsmann, oppgaver for skifteretten, den lokale domstol) and as
about 1950 has been a relative reduction in the number of rural policing officials and an integration of police offices into larger regional units (regionalization was formally decided upon in 1976). There have also been some attempts at establishing local police centres within a police station district, especially in densely populated, suburban areas. The police had about 7700 posts in 1980, 5900 in police stations, 1800 in rural policing units.

such are subordinate to a number of different state authorities. Ten local police districts have been stripped of all police functions. Concerning district police offices: five of them have regional police functions (East, South, West, Trøndelag and Northern Norway regions); five of them have regional functions within surveillance and security; two of them are rescue commands; the other district offices are local rescue commands.
The judiciary

The jails
The jails are the last and most crudely suppressive institutions of the civilian judicial system. There exist national and regional jails. There are three national jails: Bredtvedt (Grorud, outside Oslo), Ullersmo (Klofta, also outside Oslo) and Ila. Norway is divided into four jail districts, East, West, South and North. Within each district there are two kinds of jails, district jails and supplementary jails (see Table 4.5).

Table 4.5 Jails in Norway

<table>
<thead>
<tr>
<th>District</th>
<th>East</th>
<th>West</th>
<th>North</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Oslo</td>
<td>Ana</td>
<td>Trondheim</td>
</tr>
<tr>
<td></td>
<td>Hamar</td>
<td>Kristiansand</td>
<td>Bodø</td>
</tr>
<tr>
<td></td>
<td>Kongsvinger</td>
<td>Haugesund</td>
<td>Tromsø</td>
</tr>
<tr>
<td></td>
<td>Gjøvik</td>
<td>Stavanger</td>
<td>Vadsø</td>
</tr>
<tr>
<td></td>
<td>Sarpsborg</td>
<td>Bergen</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Fredrikstad</td>
<td>Ålesund</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Molde</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Supplementary:</th>
<th>Moss</th>
<th>Vik</th>
<th>Mosjøen</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eidsberg</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Totals:

<table>
<thead>
<tr>
<th></th>
<th>District</th>
<th>Supplementary</th>
<th>In all</th>
<th>Grand total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>6</td>
<td>2</td>
<td>8</td>
<td>21</td>
</tr>
<tr>
<td></td>
<td>7</td>
<td>1</td>
<td>8</td>
<td></td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>1</td>
<td>5</td>
<td></td>
</tr>
</tbody>
</table>

Source: State Calendar (1980)

THE MILITARY ARM OF THE STATE

Where in the administrative structure should we locate the military - as a part of the judicial system, as part of the government/central administration, or as a separate fourth state institution? Both because it is managed by one ministry, the Ministry of Defence (earlier there were separate ministries for the army and the navy), and because the military, whether it acts internationally or against
The judiciary

its own countrymen, essentially acts outside the rules of the judicial system (though it of course has no right to act outside the constitutional rules), it is perhaps most reasonable to view it as an element of the government/central administration. The degree of autonomy the military has in government is an empirical problem, dependent on political conditions between Norway and the outside world, and between the military and the political leadership in the country. The military system has a centralized leadership (Forsvarets Overkommando), with administrative units for personnel, intelligence, security, operations, logistics and planning. There are subordinate regional commands for Southern and Northern Norway. Under the central leadership there are leaderships/commands for the four main elements: the army, the navy, the air force and local defence. So we see a kind of military grid or matrix organization, with one axis divided functionally, one divided regionally and a third axis divided between the main types of military forces.

The Norwegian military is integrated into the NATO command, both the NATO civilian system and the military command. NATO takes command of the Norwegian forces if and when Norway is at war, and can act within the Norwegian territory in the case of a government-defined internal crisis.59

59 Kleven (1976-1977:258-260) writes about this law, Beredskapsloven of 15 December 1950, which legalizes a bypassing of constitutional authorities. The government can generally delegate public authority: "Myndighet etter loven kan delegeres til andre i den utstrekning det anses nødvendig for at lovens formål kan oppnås". The military can take full command of the police during war: "På krigsskueplassen kan de militære myndigheter overta den øverste ledelse av politiet ... Kongen kan bestemme at alt politi, enkelte politikorps eller politiet i visse distrikter skal innlemmes i de militære styrker." The law can also be activated in situations of internal conflict: "Rikets selvstendighet eller sikkerhet kan nemlig bli truet av andre grunner enn krig, truende krigsfare eller fiendtlighet mellom fremmede stater. Under en situasjon med sterk utenrikspolitisj spenning vil således indre uro og uro kunne bety en overhengende fare for rikets sikkerhet, selv om det i øyeblikket ikke kan påvises at det foreligger krigsfare for Norge." The military can more generally take command of the state: "I den utstrekning det anses nødvendig for å fremme og trygge militære tiltak kan de militære myndigheter overta ledelsen også av andre civile forvaltningsgrener".
In 1980 the Norwegian military organization had 9000 civilian and 15 000 regular, full-time military posts. There was a standing army of about 35 000 officers and soldiers, mainly located in Northern Norway. About 80 000 Norwegians participate in military practice operations each year. The maximum army that can be mobilized is about 400 000, among them 100 000 officers. In 1980 the Norwegian military consumed about 9% of the national budget. All physically and psychologically fit men are called up for one year of obligatory military service.

CONCLUSION: THE FIVE CHANNELS OF STATE-SOCIETY INTERACTION

From this description of the formal structure of the Norwegian state, we can define five channels of interaction between the state and the
society: a parliamentary (1), a bureaucratic (2), a judicial (3), a corporative (4), and a military (5) channel. The first three are systems for decision-making, with only the parliamentary channel having a specific ambition of being representative of the population. The other two channels are systems for solving societal conflicts using legally based, indirect dialogue or force. These internal divisions of political and administrative labour regulate access to public policy-making and are important for contents, selectivity and power of state intervention into society (who gets what, when and how?). I turn now to an analysis of the value content of this state structure, looking into the base-superstructure idea in Marxist theory, the role of wars in state formation and how political and economic alienation may be related.
State formation
and the role of the superstructure

“It is only this autonomization of the political, as opposed to the dictates of the economic base, that permits [the political] to play this role of recomposition and reunification against infrastructural tendencies which, if abandoned to themselves, can only lead to fragmentation.”

Laclau and Mouffe (1985:31)

THE DISTINCTION BETWEEN BASE AND SUPERSTRUCTURE

Marxist social theory assumes that the state-society relationship in a class society is hierarchical, that it takes the form of a base-superstructure relationship, with the economic system as the base and the state with its institutions, personnel, ideology and legal framework as superstructure. Marx's assumption, as I interpret it, is that in capitalist (and most earlier) societies the base determines a number of structures and types of actions and ideas in the superstructure. The scope for autonomy and power of the superstructure is in principle always present but its extent and the degree to which it is used by actors to give form to society vary. As societies grow richer we might expect the scope for superstructural (political-cultural) influence to increase with a parallel increase in the importance of the cultural-ideological struggle for conservation or change of soci-
ety. Rich classless societies might well make the distinction redundant, in the sense that all the social dynamics of the economies are under subjective, individual and popular democratic control.

*The state has a separate, distinct type of authority*

The state has a kind of authority that the organizations and institutions in the private sector lack. That is, modern states can act on behalf of the whole society in a way that private institutions cannot. The state has a type of sovereignty that it does not share with any other institution or organization in society. The state is the only organization that can ultimately act on behalf of everybody. In this sense it has a monopoly - not, I think, a monopoly to use force, even legitimately. Many can use force in society - but monopoly of the use of force on behalf of the common will.

This sovereign authority should then be a fruitful criterion for delimiting the state apparatus: the state is all those institutions and organizations that wield the sovereign authority. Public administrative law assumes exactly that. State authority is an attribute that is assigned to institutions. State authority in Norway emanates from the Constitutional Assembly of 1814, and from the Storting in its right to make and revise constitutional laws. This state authority is assigned downwards in the institutional structure, as Figure 5.1 depicts.
The content of the sovereign authority
What social forces determine the content and distribution of this sovereign authority into and within the state? What processes produce the concentration of state authority in the Storting in the first place, furnishing it, so to speak, with something to distribute at all? Eckhoff (1982) does not address that question. The question analyzed there is how state authority is organized, and how it functions.

In constitutional law, however, there are attempts at explaining the concentration of power in the state and the division of political labour between state and society. In Andenæs (1962), a standard textbook on constitutional law, it is assumed that it is the will of the people that is behind the concentration of sovereign authority in the state. Sociologically this is a simplistic statement, but it is none the less important, because it is widely embraced in official and in elementary descriptions of the political system in Norway. Andenæs (1962:15) puts it this way:

"The people is a concept delineating a group of people that through a common language, a common territory and common traditions has been unified... The state is the organization this people creates, with a king, a government and a parliament as the peak authority, with an army of public officials and with the multitudes of people as its common members."

Why does the people create a state? Because a state is "a condition for development and common welfare in society" (ibid:16). According to Andenæs, the characteristic of the state is not its legally defined monopoly of force. It is its policy-making sovereignty.

"From a judicial point of view, the difference between state and non-state, is that the state is independent (selvstyrende). That means the state makes its own laws, without reference to any higher authority or other society. This defines the difference relative to private organizations and to municipal authority." (ibid.:17)\(^6\)

\(^6\) Eckhoff (1982:10) also notes the dependent character of the municipal administration, stating that even if it is common to speak of municipal independence in the Norwegian state system, the municipalities should be understood as an integrated and dependent part of the state.
So we have two extremes. One is that state authority emanates from a dominant social class (given that such class concepts have empirically meaningful reference in the society we are studying), with the state as an organizer of the socio-economic system that sustains the dominant class. The other is that it emanates from the people as a whole. (a) To what degree can a Marxist-oriented class theory of state authority be defended in modern Norwegian state history, i.e. has the state been an independent agent of modernization, changing the economy to capitalism dominated by and giving freedom to a nationally based bourgeoisie? (b) To what degree has the state become an independent source of state authority, that is, an organization with enough independent power within the modern dominant capitalist mode of production to set its own imprint on the structure and content of state authority and government policy-making?

**WHY STATE?**

Vilhelm Aubert and Knut Dahl Jacobsen consider the existence of the state as a natural or at least unproblematical fact. They have done pioneering research into who manages to gain position and influence in the state. Their questions were: how does the actual distribution of influence in the state compare with the democratic ideals of the state as representative of all groups and classes? And to what degree does the democratic ideal of parliament as the real lawmaker and distributor of collective goods hold true? In particular, what is the role of the bureaucracy and the professions in the bureaucracies? Are they the neutral implementers the ideal supposes or are they better considered as political actors, taking part in policy-making?
While sociologists were interested in the problem of how poorly represented groups could increase their representation and influence in the state, the Norwegian Power Study moved the focus one step forward. The question became not primarily how to improve representation of poorly represented groups, but how and, to what degree, strong, well-represented interest groups would come into conflict with the general interest, the general will of the people, as it was expressed by majorities in the Storting. The study reformulated the problem of constitutional law: how to organize the state so that it can represent and implement the common will of the people? Here Gudmund Hernes (1975:179), as mentioned earlier, formulated the age-old liberal hypothesis: the state must control the use of violence; with that monopoly the state can instil confidence in the population that rules and contracts will be respected.

The state is a guarantee for compliance to its own rules and regulations. In this sense those abiding to the rules can have confidence that the state, generally will support them. But it seems more likely to find the reason for the monopolization of physical force in the state's relation to its internal and external contenders who might have the ambition of establishing new sets of rules and regulations in the country. Thus, at the historical level, the state's monopolization of physical force in Norway is related to projects like establishing capitalism in a massive agricultural subsistence economy and (later) containing the contradictions within capitalism, between capital and labour, between the state and the unemployed, between the state and capitalists who do not abide by established rules, etc.

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61 See Gudmund Hernes (1975 and 1978) on how the state regulates market transactions in the interests of all and relative to competing large companies with 'political' power in markets. Francis Sejersted (1984:19), takes the same position, lamenting the segmented state and the lack of "overall coordination": "Power has been distributed so widely that we have moved into the segmented state. The overall coordination of state activity has been lost on the way."
All these answers have one trait in common: the state exists to contain, bridge or mitigate conflicts. If the state did not exist, the assumption is that the society might disintegrate. The answers differ on the structure of the Norwegian society and on how representative the state is relative to the differing interests and values in society. Few studies have questioned whether a modern Norway could continue without a state (in the essential meaning of the term, as an organization wielding physical power alone on behalf of the population). There is reason to ask that question, as the distinction between state and society becomes blurred, as the international economy limits the power of the national state and as the surrendering of state sovereignty and power to international organizations becomes a realistic option.

STATE AND WAR MAKING

The idea of a genuinely democratic state is an old idea, but within most societies throughout European history democracy has been defined as democracy for the "independents", that is, for those members of society who were already active within the dominant mode of production and had an interest in its continuation. In Norway the Constitution of 1814 gave voting rights to owners of some kind of capital, and it was only in 1912 that those rights were extended to the whole adult population. Capital accumulation is coterminous with competition between firms struggling to defend their privileges and technological advantages and with the labour-capital conflict. The system is conflictual, the dominant actors in it are aggressive and expansionary concerning territory. Charles Tilly, looking historically at "state-making", finds that state-builders in Europe often acted within a context of war:
"A portrait of war makers and state makers as coercive and self-seeking entrepreneurs bears a far greater resemblance to the facts than do its chief alternatives: the idea of a social contract, the idea of an open market in which operators of armies and states offer services to willing consumers, the idea of a society whose shared norms and expectations call forth a certain kind of government." (Tilly 1985b:169).

In Tilly's studies of politics, individuals and relations between them and institutions are more prominent dimensions than social classes striving in some way to articulate and implement their interests. The concept of state-makers does not in any way indicate that social classes might have been a root cause of the formation of state organizations. But the statement does indicate that democratic, peaceful representation of the population has not been the hallmark of European state formation. The coerciveness of states does tend toward the Marxist interpretation: the modern European states were typically violent, bureaucratically organized machines, fighting for dominance over territories.

The Tillian statement cited evades defining the "state-makers". Who were they? Did they represent class interests of some kind? Did the kind of state system that arose in Europe relate to the kinds of social classes that were on the ascendant from the fifteenth to sixteenth centuries, that were becoming the dominant social for-

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62 Tilly (1978b) has much praise for Marx's analysis of the nineteenth-century European societies, where class analysis is a prominent element, and for the Marxian focus on conflict and change.

63 In Tilly (1986), the class character of the state is more visible, for example where the intendants' zeal to defend the royal government in practice supported the development of commercial and agricultural capitalism, and gradually gave the capitalist classes leverage over the state: "In their zeal to maintain the crown's sources of credit and to generate new taxable income, furthermore, intendants were hesitantly promoting commercial and agricultural capitalism. Purchases of office, loans of money, bids to farm taxes, attempts to create new industries, efforts to increase grain exports all looked desirable, since they seemed to solve the monarchy's pressing domestic problems. Those very activities, however, placed restraints on government... Those activities also caused the hardships about which ordinary people became angry" (Tilly 1986:244).
mations in the capitalist economies of Europe? Or were the state-makers special elites, quite separate from the economic system, that fought for their own interests?

Tilly makes the point that the state was a political organization for protecting specific interests against others, and that states widely used suppression in the process. In this perspective much of the data on Norwegian state-making falls into place. We can, again assuming the fruitfulness of a class perspective, interpret the state in the following way. The state apparatus was a prized object of the struggle between the social classes. In the eighteenth century an early Norwegian bourgeoisie, allied with nationalist movements among the peasantry, fought the Danish aristocracy, gradually articulating an interest in a separate, independent Norwegian state. The contending classes, through their representatives, sought control of the state. In a sense, 1814 was the first chance of establishing a bourgeois parliamentarian state, a state that let capital owners actively choose state personnel, a state that could control the monarch through a law-making parliament, and a state that could effectively implement a policy of market formation and infrastructural development advantageous for expanding capitalism.

The year 1884 can be interpreted as a battle for a continued development of the bourgeois state. The bureaucratic elite that monopolized the top positions of the state was ousted, even if important parts of it had served capitalist expansion well. In retrospect, in the 1880's the rising bourgeoisie and its allies were strong enough to take direct control of the top positions in the state and expand the democratic form by augmenting the political power of the parliament. The democratic expansion was essential for building viable coalitions with capital-supportive class elements and for legitimizing the often quite brutal expansion of the capitalist mode of production into Norwegian subsistence agriculture, forestry and fishing.
Only a few years later, in 1905, full national independence was attained. The broad national coalition managed to eliminate the Swedish king and aristocracy from the Norwegian political system. The bourgeois revolution, creating a nationally independent state structure responsive to all political movements and professionally organized to develop infrastructure for capitalist expansion, was completed.
POLITICAL ALIENATION ROOTED IN ECONOMIC ALIENATION?

Stein Rokkan recognized how the bureaucracy was a foreign, alienated body relative to the peasants. Under the heading "A fundamental theme in Norwegian politics: opposition to central authority" he says:

"[The peasants'] motives were simple and eminently practical: they had come to see the administrative apparatus of the new nation-state as a threat to the traditional ways of life of the rural communities; they wanted to keep this apparatus in check and they wanted to shift the burden of taxation from the subsistence economy of the countryside to the money economy of the cities and the trading centres. They came to realize that this cause could be advanced at two levels, in the Storting, through their efforts to keep central expenditures at a minimum and to curtail the rights and privileges of government officials; in each local community, through direct control of the field administrators." (Rokkan 1967:371).

This idea of alienation is absent in Hernes' and Andenæs' reflections on the Norwegian state. They both focus on how the state is established (formally) to serve all. I have suggested that this is a superficial characteristic of the parliamentary state as long as the main means of production are in the hands of a (numerically) small section of the population and as long as parliamentary organs are without real directing and controlling power over the bureaucracy. But the superficial outer form of the state (representative of all) can function to maintain the legitimacy of private ownership of the means of production in the economy. (Since the state is democratic and the means of production are in private ownership, and the state can regulate ownership, then private ownership is subordinate to the will of the people).  

64 Elster (1982) suggests that functional logic is a lazy logic. Functional theory is not inherently lazy, even if it is easy to state that A has a function for B when both A and B exist. The problem, as G.A. Cohen (1982:486) rightly puts it, is to demonstrate that A has a function for B and how that function is mediated, through what feedback mechanisms and social relations the function manifests itself. Cohen defines functional theory in this way: "e occurred
The alienation of the state relative to the primary producers, the peasants and the working classes can have part of its source in the capitalist economy. In that economy the abstract (surplus value) aspects of the work process are in focus. For the capitalists the abstract aspect of labour, that it, independent of form, produces surplus value is the most important aspect. Abstract labour is the logical basis of surplus value and profits. What is actually produced is subordinate. It is the amount of abstract labour that can be extracted as profits that is at the root of capitalist economic decision-making and planning.

It is possible to distinguish between division of labour in society, between types of production (farming, handicraft, industry etc.) and division of labour within the firm, between the different steps in the production process and functions related to it (sales, accounting, personnel administration etc.). Durkheim (1964) related the divisions of labour to developments of two types of solidarity, organic and mechanic solidarity. Organic solidarity develops between people with different economic and social functions. They do different things and thus become interdependent. Mechanic solidarity on the other hand was that which developed between people who do the same work operation or have the same knowledge. Mechanic solidarity could be a basis for organized collective action, but did not give form to society, did not generate interdependence. These divisions of labour and types of solidarity can be systematically related to the Marxist distinction between concrete and abstract labour, as in Figure 5.2.
This model suggests that the dualism capitalism creates in the work process, between concrete and abstract labour, may generate a dualism in society between the economic sector, where capital is in control and the political system where the struggle especially for democracy can go on independently of the power relations in the economy. The model suggests that there might be a relation between the capitalist duality in the economy between concrete and abstract labour and the duality in society between the society and the state. The state is "separated out" from society and given an abstract form (democracy, bureaucracy) that can in principle contain and serve everybody and returns to society as a powerful actor systematically and concretely defending the capitalist mode of production from both earlier and possible future forms of production.

The more specific analogy to abstract labour in the state is the professional, value-neutral, politically neutral, but powerful bureaucracy. Because there is nothing democratic about the extraction of surplus value from the primary producers and because the primary producers are a large majority the state under these
conditions will often be a separate, alienated and powerful institution. A sharp separation between the bureaucracy and the parliament is likely. The one speaks on behalf of the people, the other plans and implements modified but class-specific policies. The state will monopolize force. If the weaponry was distributed in the population and the working classes became convinced of their exploitation, then the exploiters could be forced to relinquish their privileges.

This complex relation between labour, capital and the state in the exploitative logic of capitalism can perhaps be depicted as in Figure 5.3.
The starting point here is Marx's idea that work has two analytically distinguishable aspects. It is first the expenditure of human energy in production. This use of human energy in work, the use of "muscle, nerve and brain energy", is basically the same across all kinds of work. But work is always concrete, that is, it is production of something specific, a use value. In this aspect work is different, requires different forms of education, different skills, different tools, etc. The idea is that because capitalist production gives priority to the abstract aspect of labour and to the maximization of surplus labour, over and above the labour necessary for the reproduction of the labourer, the capitalist class needs an extra-economic power, a state, to guarantee the reproduction of the capital-wage labour relationship, a relationship that is exploitative, and a relationship that in a democratic setting most likely would be transcended by wage labour demanding that the exploitation be terminated.
This, I suggest, could also be one of the reasons for the marked institutional separation of the administration from parliament. By separating them so sharply - as is the case in Norway - it is difficult for parliament to direct and control routine, everyday administration; it is difficult for parliament to take the initiative in law-making and budgetary processes; and it is relatively easy for strong interest organizations to influence policy-making through the public administration.

**POSSIBLE CHANGES IN THE BASE-SUPERSTRUCTURE RELATIONSHIP**

That the parliamentary state with its bureaucratic administration favours the reproduction of an existing capitalist economy does not necessarily mean that the state is an "instrument in the hands of the bourgeoisie". It might be such a state. There is reason to believe that no other major class within capitalism could make that state such an instrument for itself. There is more reason to believe that the state will have autonomy within the broad limits of reproducing capitalism. The capital-owning classes are themselves fragmented, in need of an organizing mechanism. The economic infrastructure is constantly changing. An institution that can independently plan and organize the production of infrastructure can gain support from individual capital owners. The structure of the classes and the relations between them are constantly changing. Arranging compromises between them is a project that requires an overview that persons, groups and organizations embedded within a class would have difficulty discerning. National companies are increasingly engaged in economies in other countries. A state can both further and ease international interactions. Rather than the Marxist (Stalinist) instrument-theory of the state, a theory of an autonomous state with the
ability to organize the capitalist system at both the economic and the political/cultural level, and thus a state which is representative, would seem generally more functional for an economically dominant bourgeois class. Given that this is a reasonable assumption, the problem is the content of the autonomy and the limits of it: Does capitalism have stages when it can do without a strong state? Is the development from the parliamentary state with the Storting in command to a parliamentary state with the corporatist-bureaucratic administration in practical control of policy-making an expression of a capitalist economy losing its own expansionary dynamic? When do the problems and contradictions in capitalism outstrip what the parliamentary-representative-bureaucratic state can contain and deal with?

What happens to the base-superstructure relationship when the state becomes a producer of commodities and services and increasingly an owner of means of production? In a small, capitalist/imperialist type of economy like the Norwegian one, does that lead to democratization of the state and more effectual popular participation in politics, or does it mean a more brutal, more exploitative state-capitalist type of economy and a state with less democracy and less popular participation?
The economic power of the state

What economic power does the Norwegian state have relative to the bourgeoisie in the private sector and relative to the working class? How have economic resources been distributed between the private and public sector in Norway over time? In this chapter the data in the national accounts are used to answer those questions. An attempt is made to abstract statements about power from the data on the size and composition of production, consumption and investments in the Norwegian economy. First I attempt to get an overview of the distribution of economic resources. Then I look at the changing pattern of state expenditures, abstracting from those materials statements on the economic power of the state. I also use the changing pattern of expenditures as basis for some reflections on government strategy relative to bourgeois and working class economic interests.

GOVERNMENT EXPENDITURES RELATIVE TO THE GROSS DOMESTIC PRODUCT (GDP)
What has been the size of government expenditures over time and how do they compare with the size of the economy as a whole, measured by GDP?

Looking at the overall development of central government expenditures from 1900 to 1969 (Figure 6.1a), we see that they increased at a new and higher rate from about 1939. Although there was some slowing down in the early 1950's, around the Korean war and the slight economic depression just before, the increase in the 1950's was exponential. The diagram depicts how increases in government expenditures are related to wars. After the First World War the level of expenditure fell. After the Second World War there was only a brief downturn around 1945 and then a continuous increase.

If we draw the same diagram on a logarithmic scale, we get a clearer picture of the details in the periods before and after the First World War. In Figure 6.1(b) we see the downturn in the 1920's and 30's. Actually it came rather abruptly in 1921.
Figure 6.1 Central government expenditure, 1900-1969

(b) In logarithmic scale
Expenditures 94
With the Labour government of 1935, the picture changed. One interpretation could be that by 1935 the "storm" was over: the
Labour Party was out of the Comintern, the communists had left the Labour Party and created their own party, the Norwegian Communist Party. The political arena was clear for engaging social democracy in state management and for an expansionary state, with capacity to regulate breakdown tendencies in the capitalist economy.

The increase of expenditures during the first social democratic period, 1935 to the German invasion of Norway in April 1940, was moderate compared with what happened under German occupation 1942-1944, which represents the really big jump forward.

How large are the state expenditures relative to gross domestic product, GDP? The dramatic increase shown in Figure 6.1(a) decreases when data on GDP are introduced. Figure 6.1(c) shows the relationship on a logarithmic scale for the whole period, 1900 to 1969. What we see is a subordinate state. GDP expanded abruptly with 1914 and the First World War, and took a sharp downturn in 1920. It was only in 1917 that an increase in state expenditures was registered in these data, and the increase was moderate relative to the size of the economy (GDP). Then the state reduced expenditures. When Berge Furre (1971) says that the crisis of the 1920's wasn't especially serious for the majority of the bourgeoisie, these data confirm that statement. Then, in the same way, in the economic upturn towards the Second World War, the upturn in state expenditures was again moderate. A parallel development of government expenditures relative to GDP took place in the postwar period.

The general picture that emerges from these data is of an expanding state, but a state subordinate to the private sector in terms of control of economic resources.

GOVERNMENT EXPENDITURES RELATIVE
TO OTHER COMPONENTS OF GDP

Public consumption comprises goods and services used by the central and local government, including the social security administration, for current administrative purposes. It does not include consumption of goods and services by government enterprises. The category includes both civilian and military costs for personnel and infrastructural investments (CBS 1978:90). The marked area in Figure 6.2 gives an historical overview of public consumption as part of the total economy.

Figure 6.2 Gross domestic product: Main components, 1865-1969

Source: CBS (1978:94), Figure 17
Figure 6.2 measures public consumption relative to gross investment, private consumption and export surplus. The diagram demonstrates the stable structure of the economy from 1865 to 1905, with private consumption accounting for the main part, 80% of the GDP. But from 1905 the Norwegian economy was increasingly an investment economy. Investments took larger parts of GDP, indicating increased economic power to the owners/managers of the modern means of production. In the 1960's private consumption was down to the 50% level.

The diagram demonstrates how Norway was a net exporter for the first time in 1915, mainly because of its international shipping services, which brought large amounts of finance capital to leading sections of the bourgeoisie.

The diagram also demonstrates how public consumption gradually increased relative to other components of GDP, with some brief periods of relative reduction (in 1875, in 1915 compared with 1905, and in 1955 compared with 1946). However, even in 1969, public consumption had not passed the 20% mark.

Lastly the diagram demonstrates how the sum of public consumption and investments - the economic power base of the bourgeoisie and the state, relative to the working class - has increased dramatically, from a meagre 15% in 1865 to 50% in 1969.
Can data on public consumption and gross investments give a more detailed picture of public and private economic strength?

**CHANGING RELATIONS BETWEEN ELEMENTS OF THE DOMESTIC PRODUCT**

Within the domestic product, as it is defined in the national accounts, I will consider wages an indicator of working-class strength, taxes an indicator of state strength, and net investments and income on investments a crude indicator of bourgeois economic strength. Table 6.1 and Figure 6.3 show a dramatic shift in positions from 1900 to 1969. I have called the shift "from a consumption to an investment economy".

**Table 6.1 Domestic product by category of expenditure, 1900-1969**

<table>
<thead>
<tr>
<th>Year</th>
<th>Private consumption %</th>
<th>Public consumption %</th>
<th>Net investment %</th>
<th>Depreciation of capital %</th>
<th>Total %</th>
<th>GDP NOK mill.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1900</td>
<td>80.2</td>
<td>6.4</td>
<td>7.4</td>
<td>11.2</td>
<td>105.2</td>
<td>1115</td>
</tr>
<tr>
<td>1910</td>
<td>77.2</td>
<td>5.9</td>
<td>7.4</td>
<td>10.8</td>
<td>101.3</td>
<td>1435</td>
</tr>
<tr>
<td>1920</td>
<td>73.6</td>
<td>7.0</td>
<td>16.9</td>
<td>13.6</td>
<td>111.1</td>
<td>7500</td>
</tr>
<tr>
<td>1930</td>
<td>69.6</td>
<td>7.5</td>
<td>11.5</td>
<td>11.4</td>
<td>100.0</td>
<td>4377</td>
</tr>
<tr>
<td>1939</td>
<td>65.5</td>
<td>8.4</td>
<td>12.1</td>
<td>13.4</td>
<td>99.4</td>
<td>6253</td>
</tr>
<tr>
<td>1946</td>
<td>62.5</td>
<td>11.9</td>
<td>14.3</td>
<td>16.6</td>
<td>105.3</td>
<td>10778</td>
</tr>
<tr>
<td>1950</td>
<td>60.4</td>
<td>8.9</td>
<td>17.3</td>
<td>18.0</td>
<td>104.6</td>
<td>16425</td>
</tr>
<tr>
<td>1955</td>
<td>55.8</td>
<td>10.2</td>
<td>17.4</td>
<td>19.2</td>
<td>102.6</td>
<td>26376</td>
</tr>
<tr>
<td>1960</td>
<td>54.2</td>
<td>11.1</td>
<td>14.0</td>
<td>21.5</td>
<td>100.8</td>
<td>36101</td>
</tr>
<tr>
<td>1965</td>
<td>51.5</td>
<td>12.7</td>
<td>15.9</td>
<td>20.2</td>
<td>100.3</td>
<td>55828</td>
</tr>
<tr>
<td>1969</td>
<td>52.1</td>
<td>13.9</td>
<td>11.4</td>
<td>20.3</td>
<td>97.7</td>
<td>77837</td>
</tr>
</tbody>
</table>

*Source: CBS (1978), Table 51.*
In Norway around the turn of the century wages (broadly defined) represented 80% of the gross domestic product. The wage element declined continuously to 1965, when it was a little above the 50% mark. The state, as shown by the public consumption indicator, strengthened its relative position evenly from 6.4% in 1900 to 14% of GDP in 1969. Capital accumulation, measured in net investments, leaped forward around the First World War, returning to a low of 11.5% in the 1930's, thereafter increasing to a new high in 1955 (17.4%) with a declining tendency to 1969. Net investments were up to 1965 larger than resources expended on public consumption, the difference being especially large in 1920 (9.9%) and 1955 (7.2%). In 1969 the relation changed, with public consumption somewhat larger (2.5%).

We can visualize these movements in two figures, 6.3(a) depicting the sum of public consumption and gross investments relative to private consumption, and 6.3(b), a cumulative distribution of the components of the gross domestic product.
Expenditures 101
Figure 6.3 Economic strength of labour, capital and the state, 1900-1969
(b) Cumulative distribution of GDP, 1900-1969

Source: CBS (1978), Table 51.
These data tell us that from 1939 there was an increase in economic strength for both the state and the bourgeoisie in the private sector. Who led the way? A picture of relative economic strength from 1900 to 1969 is shown in Table 6.2. The state declined in strength up to 1920, lingered at the 25% mark in the 1930's, was at a low point in 1950, but expanded from then on.

**Table 6.2 Economic strength of state and bourgeoisie, 1900-1969**

<table>
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<tr>
<th></th>
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<tbody>
<tr>
<td>(1)</td>
<td>71</td>
<td>84</td>
<td>525</td>
<td>330</td>
<td>526</td>
<td>1286</td>
<td>1467</td>
<td>2711</td>
<td>4018</td>
<td>7111</td>
<td>10831</td>
</tr>
<tr>
<td>(2)</td>
<td>208</td>
<td>263</td>
<td>2297</td>
<td>1005</td>
<td>1600</td>
<td>3347</td>
<td>5815</td>
<td>9675</td>
<td>13129</td>
<td>20190</td>
<td>24764</td>
</tr>
<tr>
<td>(1)+(2)</td>
<td>279</td>
<td>347</td>
<td>2822</td>
<td>1335</td>
<td>2126</td>
<td>4633</td>
<td>7282</td>
<td>12386</td>
<td>17147</td>
<td>27301</td>
<td>35595</td>
</tr>
<tr>
<td>(1) as % of (1+2)</td>
<td>25.4</td>
<td>24.2</td>
<td>18.6</td>
<td>24.7</td>
<td>24.7</td>
<td>27.8</td>
<td>20.1</td>
<td>21.9</td>
<td>23.4</td>
<td>26.0</td>
<td>30.4</td>
</tr>
</tbody>
</table>

(1)=Public consumption  
(2)=Gross investment  
**Source:** CBS (1978), Table 51.

Some public investments are included in gross investments. If anything, these numbers underrate the strength of the state. The movement over time of the relative strength of the state can be shown more clearly in Figure 6.4.
Figure 6.4 Public consumption relative to total investments, 1900-1969

Source: CBS (1978), Table 51
In 1980 the GDP was NOK 283 bill. (*Statistisk Årbok* 1982:75). State income that year was NOK 150 bill. Although this figure is not directly comparable to public consumption in Table 6.2, it indicates that in 1980 the state captured around 50% of GDP.

This demonstrates that after the Second World War the state increased the amount of resources either created within its bounds or channelled through it. The state is intertwined with the capitalist economy in many different ways, through production and distribution functions and through control of finances and the redistribution of consumption funds within and between groups in the population.

**CHANGING MAGNITUDES IN THE MAIN CATEGORIES OF GOVERNMENT EXPENDITURES**

What does the increase in economic resources mean for the political character of the state, its power and its interests, as an actor attempting some kind of overall planning? What we can say on the basis of these data is that the Norwegian state gradually has grown stronger, and that in crisis situations it is possible for the state to expand its power substantially. But, what interests motivate state intervention in the economy? One step towards understanding that can be gained through a more detailed study of how the state used its revenues.

In the following figures, government *income* is split into four component parts: two that represent redistributions, that is, "transfers to households" and "subsidies to firms/sectors of the economy"; the third category, "public consumption" represents money that the government spends on production and services; the fourth, "government capital formation", is additions to government physical capital. The four forms of activity and their scope imply
power. However, the capital formation category is of special interest. Capital is a stable power base, and it is directly related to the bourgeois interest in accumulating capital, that is, using surplus value to increase the total reservoir of the means of production - the basis for employing wage labour.

Figures 6.5 (a), (b) and (c), present the relationship between the four variables computed in absolute values over three time periods.
Figure 6.5 Phases in state formation, 1865-1969

(b) The transitional state, 1900-1939
Figure 6.5 Phases in state formation, 1865-1969

(c) The managerial state

Source: CBS (1978), Table 56.
The data indicate three stages in the development of the state economy. In the first stage, up to 1900, the state was a *consuming state*. The redistributions and state capital accumulations were at a minimal level, not moving above the NOK 10 million mark.

In Figure 6.5(b), 1900 to 1939, we see how the First World War gave the state budgets a jolt upward, an effect that subsided, but only slowly. The state budgets never returned to the old prewar level. In addition to consumption, subsidies increased during the First World War. The state extracted more money from society and became involved in the private economy. The other forms of state activity started taking on substantial size, but only slowly, relative to public consumption - with an increasing pace from 1935. Thus in this period we can call the state a *transitional state*.\(^6\)

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\(^6\) One element behind the transition of the state organization was the emergence of the Keynesian deficit spending strategy championed by, among others, Professor Ragnar Frisch.
In the third postwar period, the *managerial state* unfolds. All four categories of activity have substantial size and seem to increase together. State accumulation of capital is substantial, with a marked increase in the time of Marshall Aid. And the sum of redirecting activities, subsidies and transfers to households, exceeds public consumption (NOK 12 bill. as against NOK 11 bill. in 1969).

The *relative* size of the four components of the government budgets over the whole time period is depicted in Figure 6.6.
This shows how public consumption dominated the other elements of the state budget up to about 1900. In 1900 public consumption took nearly 90% of the government budget. But then the differentiation process set in. Again in the 1920-1925 crisis, the relative size of general administration increased to the detriment of the other elements. A turn towards a differentiated use of the government budgets was taken in the late 1920’s, the period called the transitional state, when the forces for the expansion of a politically conscious state (the Keynesians) and the forces for limitation and reduction of the state,  

struggled for hegemony. With the end of the Second World War, and the arrival of a social democratic majority government, the managerial state was established and the whole policy repertoire was in use. Subsidies, capital formation and especially transfers to households became major parts of state economic activity.

Does this last phase represent a statist economy, giving the social democrats major economic leverage in the total economy through the state, and making it possible efficiently to change the social system, even the class system through state policy making? Is in other words the managerial state a new type of state with autonomy relative to the capitalist mode of production and the

---

66 Parts of the farm and liberal intellectual movement of the time. The so-called "axe committee" was set down by the government to reduce the size of the state (see Tønnesson 1979).
private sector bourgeoisie? The data so far show a change of economic strategy, but hardly support a theory that there has been a major change in the balance of economic power between the state and the private sector. Can the distribution of public and private fixed capital change that picture?

PUBLIC CAPITAL

The national statistics are not especially good on the 'reservoir' of public capital. However, given the limitations, what resources, in the form of real and finance capital did the state have in the postwar period?

The registered amount of real capital increased in the economy as a whole. From a total capital stock in current prices in 1939 of NOK 24 billion, it rose in 1945 to 40 billion, in 1957 to 132 billion and in 1965 to 213 billion (Formuesfordelingskomiteen 1968:61, Table 1).

Table 6.3 shows how this capital stock was distributed between the public and the private sector and between real capital assets and finance capital in 1945 and 1965. The distribution demonstrates a significant structural change.

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67 Real capital is capital which is invested in material structures, like buildings, roads, transport equipment, machines, etc. Finance capital is capital in money form.
The state increased its control of real capital from 24% to 30% between 1945 and 1965 and at the same time reduced the public financial debt to the private sector from -22% to -1%. Both dimensions indicate a strengthening of the state. However, the private sector was strong in real capital assets, showing a slight increase from 73% to 74% of the total, although by 1965 the state had paid back most of its loans from the private sector. These data indicate an economically stronger state up to 1965, that is, during the main period of social democratic rule. However, in 1965 the state was still in a subordinate position relative to the capital fund in the private sector.

Taking the statistics on fixed capital in all sectors of the economy, it is difficult to separate public from private. But we can get an indication of the public sector position when we select those sectors that clearly are state controlled (the publicly controlled infrastructural sectors) and compare them with the rest, even if state capital is present in many of the categories that do not distinguish public and private (Table 6.4).

<table>
<thead>
<tr>
<th>Sector</th>
<th>Real capital</th>
<th>Finance capital</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1945</td>
<td>1965</td>
</tr>
<tr>
<td>Public sector</td>
<td>24</td>
<td>30</td>
</tr>
<tr>
<td>Private sector</td>
<td>73</td>
<td>74</td>
</tr>
<tr>
<td>Total capital</td>
<td>97</td>
<td>104</td>
</tr>
</tbody>
</table>

**Source:** Formuesfordelingskomiteen (1968:61), Table 1.
Table 6.4 Public capital. Public fixed real capital, 1899, 1939 and 1969

<table>
<thead>
<tr>
<th>Public sectors</th>
<th>1899 Value*</th>
<th>1899 %</th>
<th>1939 Value*</th>
<th>1939 %</th>
<th>1969 Value*</th>
<th>1969 %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity and gas</td>
<td>15</td>
<td>2</td>
<td>1134</td>
<td>22</td>
<td>23288</td>
<td>26</td>
</tr>
<tr>
<td>Railways</td>
<td>170</td>
<td>27</td>
<td>1089</td>
<td>21</td>
<td>11363</td>
<td>13</td>
</tr>
<tr>
<td>Telecommunications</td>
<td>21</td>
<td>3</td>
<td>226</td>
<td>4</td>
<td>4365</td>
<td>5</td>
</tr>
<tr>
<td>Consumption capital</td>
<td>423</td>
<td>67</td>
<td>2656</td>
<td>52</td>
<td>50591</td>
<td>56</td>
</tr>
<tr>
<td>Total</td>
<td>629</td>
<td>99</td>
<td>5105</td>
<td>99</td>
<td>89607</td>
<td>100</td>
</tr>
<tr>
<td>Total fixed real capital</td>
<td>3242</td>
<td>19604</td>
<td>269133</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public as % of total</td>
<td>19.4</td>
<td></td>
<td>26.0</td>
<td></td>
<td>33.3</td>
<td></td>
</tr>
</tbody>
</table>

* = NOK mill.  
Source: CBS (1978), Table 62.

Using this restricted definition of public capital, the state increased its control over fixed capital from about one-fifth to one-third over the 70-year period.

What freedom does the state have in utilizing its capital resources? To what degree are they utilized as capital, that is, as means to extract and accumulate surplus value? Or can the state use other criteria in its capital management, considerations of public need, public good, equitable distribution of production results, etc.?

I shall return to this question of management criteria, but to the degree that fixed capital makes wage employment possible and production that can be sold through the market at prices above production costs, we are talking of capital accumulation in the classic Marxist sense of the term. The problem is to what degree state production is sold through the market. Earlier we assumed that some 46 800 state employees were engaged in such
production (electricity, post, telecommunications and railway services - Figure 4.3). Compared with the private sector economy, that is a small number of employees.

CONCLUSION

Even if the state had control of one-third of all fixed capital (most likely more than that), two-thirds was still in "private" hands (both persons, families and institutions). The idea that the state had become economically dominant or that it functioned outside the capitalist economy on its own economic base by 1970 does not seem plausible, given the concepts, ideas and data presented here. It seems reasonable to say that the modern Norwegian state has (a) functioned within the economic logic of the modern capitalist/imperialist economy, (b) had its economic resources mainly in the field of infrastructures and (c) been subordinate in economic power to the private sector, where the bourgeoisie has had dominant and decisive power in its control/ownership of the means of production. To the degree that the working class has had control of capital it has not been through the firms but indirectly through policy-making in the Storting. The state increased its position relative to the private sector during the regime of social democracy. From this analysis there is little reason to talk of a statist economy or a statist mode of production developing within the capitalist economy, giving a state-based social class a new type of economic interest, different from that of the private sector bourgeoisie.
THE STATE AS INNOVATOR: FROM PART INSTRUMENTAL TO PROGRAMME AUTONOMY

"Who commanded the Norwegian state between 1814 and 1884? Was it Odysseus [sailing for his utopia undisturbed by present dangers, demands and rewards] or was it Prometheus [free to steer his ship from harbour to harbour]?

Sørensen 1988:11; my translation/additions

We have in the previous part of this work discussed what capitalism as a social system of production is, how that system seems to be dependent upon the ability to materialize labour in commodities, to avoid expansion of unproductive services and upon the existence of an extra-economic power in a state. As material production is increasingly automated, that is, as productivity increases, the limits on capitalist expansion (globally) seem to become tighter (structural unemployment). As societies get richer in material products and more complex in their divisions of labour, the demand for services both to capital and to labour seems to expand. As economies get larger, the demand for more service work in arranging the exchange process increases. As the limits on accumulation get tighter, there is an expanding demand for more scientific and administrative work directed at increasing productivity and finding new arenas for productive investment. As demands on labour increases more services are required for its reproduction.
Now I turn to the historical analysis. What role did the state play in arranging the early penetration of capitalism into the Norwegian society in the nineteenth century? To answer this question I will, referring to the heuristic model (Figure 1.2), first study capital as the independent variable. How did it penetrate the Norwegian agricultural economy? How did the capitalist system affect the formation of classes and groups in the early period? And how did capitalist entrepreneurs relate to and demand action from the state? Having answered these questions I turn the spotlight round. How and to what degree did the state elites, through parliament and the government bureaucracy, act autonomously in relation to differing economic class interests in the early period? To what degree was this autonomy important for the modernization process, for the penetration of capital into the Norwegian economy?

According to the analysis in Part B, as long as capitalism expands the scope of material/industrial production, there is reason to believe that the capitalist economic system will thrive. The state will benefit from the expansion: tax incomes and jobs will increase and there will be room for wage increases and welfare.

With the expansion of capitalism we would expect the rural, subsistence mode (the household economy) in agriculture to be under attack. Urban capitalism demands a production surplus from agriculture. Landowning peasants might organize opposition to the urban onslaught, as happened in Norway (Koht 1975). We would expect that an expansion of capitalism would increase the size, and perhaps the homogeneity, of the working class (at least in the early phases of capitalist expansion; see Bettelheim 1985:15-). The new working class will, in the expansive phase of capitalism, experience both warm and cold winds. The warm wind is the absolute increase in the number of jobs in capitalist industry, absorbing larger parts of the workforce. Wages will vary, but will become relatively high in those sectors with the highest profits. The cold wind will be the harsh working conditions and the low wages in the less profitable
parts of the system. Capitalism in this early, expansive stage lacks a regulatory state, one that can administer the wage fund politically.\textsuperscript{68}

I will investigate how capitalism affected Norwegian state formation. Dieter Senghaas (1985) has suggested that the structure of land ownership is an important variable for explaining the development of a liberal, democratic political movement in European societies, one that could actively define and implement the conditions for an auto-centric capitalism. Without a break-up of the large, feudal or semi-feudal estates into smaller plots worked by independent peasants, such a farm movement would typically not emerge. When created, that movement played an important role, together with sections of the bourgeoisie (industrialists, traders, administrators, etc.), in establishing a parliamentary democratic form of government and a dominant regime of a farmer-industrialist alliance oriented toward modernization. I will reflect on the relevance of that theory in the Norwegian case (see Mjøset 1983 and Gran 1989).

I will investigate materials on land ownership from the end of the seventeenth century when Norway and Norwegian peasants and farmers\textsuperscript{69} became directly subordinated to Danish state rule. Then I query to what degree the state had an autonomous role in changing the economic system. I will investigate the role of the state in this contradictory process in the nineteenth century and attempt to define the kind and extent of state autonomy up to 1905, when Norway seceded from formal subordination to the Swedish monarchy. My suggestion is that the state played an independent

\textsuperscript{68} Keynesianism and the development of the welfare state are, I suggest, an expression of such maturity, of a political control of the size and distribution of the wage fund in society.

\textsuperscript{69} I will use the term 'peasant' to imply an agriculturalist who works a piece of land (owned or rented) without any foreign labour (labour of other than family members) and who produces directly the livelihood of his own household with market exchanges as supplement. A 'farmer' is an agriculturalist who owns or rents land, or works for wages for an owner on land that produces mainly for markets. Empirically, of course, the distinction is located on a continuum.
role in the modernization process. Its parliamentary form, its professional bureaucracy subordinated a democratically controlled government, was decisive for success. The bourgeoisie could not have managed without that state. The state in the early period was small and seemed to have autonomy mainly in the field of working out means to implement policies defined by bureaucratic/political elites (instrumental autonomy), while later, toward the end of the century, the state developed a higher-level autonomy, programme autonomy or the ability to develop policy independently, for modernization and infrastructural works, based in its own professional competence and policy-making systems.
The early formation of the industrial bourgeoisie

How did the bourgeoisie as a dominant class in a modern economy take form in Norway? With Dieter Senghaas (1985) we can suggest that land-owning peasants play a central role in the modernization process. The industrial bourgeoisie cannot make it alone. Only in alliance with a strong farm/peasant movement is the bourgeoisie strong enough to oust feudal or bureaucratic power from the centre of the state. A state structure that invites representation of political movements seems to be important for the rise of politically ambitious farmer/peasant movements. The independent ownership of small plots of land that can be tilled by the peasant is a crucial element in the political mobilization of the peasants toward collective action for their own economic interests. How did land ownership develop in Norway from 1661, when the Norwegian territory and the Norwegian and Lapp nations were subordinated to direct Danish rule, to 1814, when the first liberal democratic form of state was organized in the country on a semi-independent basis?70

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70 There has been a debate on the character of agricultural production in Norway in the
THE DISTRIBUTION OF LAND, 1661 TO 1850

The distribution of land in Norway in 1661, at the inception of Danish autocratic rule in the country, has been studied in some detail by Holmsen and Bjørvik (1955). Holmsen found that during the Middle Ages only about a quarter of the arable land was owned by the peasants. The rest was divided between the church (40%) and the king and the aristocracy (35%) (Holmsen 1961). Toward 1661 there was a gradual change in the distribution, favouring farmers and large private land owners and reducing the land holdings of the church. In 1661, according to the land tax registers, peasants owned about 40% of the land, but only half of this was in the hands of independent peasants. The other 20% was rented from landed aristocracy. The king had around 30% of the arable land in the territory in 1661.

This ownership structure made peasants dependent upon absentee landlords. But how dependent? That question concerns the type and nature of land ownership and the relationship between landlords and peasants. The evolution of land distribution and the changing dynamics of agricultural production in the nineteenth century have been extensively analyzed in the work of historians like Øyvind Østerud (1975) and Kjell Haarstad (1983). Østerud argued that the transformation in agriculture, characterized by a shift towards maximizing the farm household's fund of consumption goods, was a radical change that took place in the latter part of the nineteenth century. He emphasized the importance of market transactions in Norwegian agriculture, noting that these transactions became more significant in the latter part of the century. However, he also pointed out that agriculture did not become a capital-accumulating sector, but rather a sector characterized by a dualism between the accumulation of money capital and the maximization of consumption within the household.

Haarstad, on the other hand, disagreed with Østerud's characterization of agriculture in Norway as a special mode of production. He argued that the dualism between capital accumulation and consumption within the household went right through the agricultural community itself. Both the interests of subsistence and market transactions motivated the farmers. The demand for industrial and tertiary sector labour contributed to the modernization of agriculture, forcing farmers to adopt new production techniques.
the extent of economic exploitation of the dependent tillers. The
topography made coordination of production and exploitation
difficult. The aristocracy and the church in Norway was relatively
weak compared with Denmark. There seems to be agreement that
small landholders had a marked economic autonomy, and that the
tendency in the whole period was dissolution of estates and in-
creasing independence of small landholders.

There were regional differences in 1661. As we move from the
far north of the country, southwestward and then east, the land is
increasingly in the hands of independent peasants. Taking data on
the two extremes, Nordland in the north and Bratsberg/Tønsberg in
the southeast, we find the distribution of land in 1661 shown in
Table 7.1.
Table 7.1 Land ownership, 1661. Regional differences

<table>
<thead>
<tr>
<th>Type of ownership</th>
<th>Nordland</th>
<th>Tønsberg*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Independent farms</td>
<td>4</td>
<td>25</td>
</tr>
<tr>
<td>Peasants on rented land**</td>
<td>10</td>
<td>36</td>
</tr>
<tr>
<td>Land under peasant control</td>
<td>14</td>
<td>61</td>
</tr>
<tr>
<td>Land owned by aristocracy</td>
<td>15</td>
<td>9</td>
</tr>
<tr>
<td>Land owned by the Danish king</td>
<td>38</td>
<td>15</td>
</tr>
<tr>
<td>Church land</td>
<td>33</td>
<td>15</td>
</tr>
<tr>
<td>Land under non-producer control</td>
<td>86</td>
<td>39</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

* = Bratsberg, Brunla and Tønsberg  
** = Land rented to peasants by urban bourgeois owners.

Source: Holmsen and Bjørvik (1955:88 and 444).

Through the eighteenth century, lands owned by the aristocracy, the king and the church were gradually sold to urban capitalists. At the same time, an increasing number of renters of farm land achieved independent status on that land. But, as Holmsen and Bjørvik show, ownership of land by urban capitalists was still, in 1820, a major social element in the Norwegian countryside.\(^{71}\)

\(^{71}\) On the basis of Koht's materials (Koht 1975), Almås describes this development as follows: "The number of independent small landholders increased fourfold in one century. The increase developed in two waves: from 1660 the state most often sold whole estates to urban capitalists and rural/urban nobility. ... some of this land was gradually transferred to independent landholders. After about 1720 it was farms within royal estates that were sold to farmers. Through these transfers, the peasant farmers strengthened their position as a social class. But as some peasants became farmers, other peasants became crofters [tenant farmers with life tenure]" (Almås in Koht 1975:ix). According to data presented by Koht, there were 10 000 crofters in 1660 and 49 000 in 1825. There were 40 000 dependent peasants in 1660 and 31 000 in 1825,
while the number of peasant farmers was 14 000 and 59 000 respectively. Thus, as Almås also points out there was differentiation: on the one hand more peasant farmers, on the other, more crofters. Agriculture became class differentiated. The peasant farmers became a petty bourgeoisie, located between the urban rural bourgeoisie on the one hand and crofters/land- and household labourers on the other.
Table 7.2 Urban landowners, 1820. Regional distribution of urban capitalists' ownership of land

<table>
<thead>
<tr>
<th>Northern Norway</th>
<th>Western Norway</th>
<th>Southeastern Norway</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sunnmøre</td>
<td>Hordaland</td>
<td>Center</td>
</tr>
<tr>
<td>90%</td>
<td>60%</td>
<td>30%</td>
</tr>
<tr>
<td></td>
<td>40%</td>
<td>Periphery</td>
</tr>
<tr>
<td></td>
<td></td>
<td>10%</td>
</tr>
</tbody>
</table>

Source: Holmsen and Bjørvik (1955:88 and 444).

These regional differences indicate that urban and aristocratic control of agriculture varied between the north, the west coast and the southern part of the country. Urban control over land was stronger in the northern part of the country. In the southern regions the differentiation between farmers and peasants, and the power of the market-oriented (and larger) farmers was stronger. Thus capital accumulation has had a function in agriculture in all parts of the country but through different social structures. In the north and west, capital accumulation was administered from the towns, while in the southeast urban capital cooperated directly with large independent farmers.

Holmsen and Bjørvik point to the main tendency towards independent peasant ownership:

"That is an old trait [that 10% of the land was private and public estates]: The valleys in the south and all of Agder were dominated by independent small peasants all through the middle ages. There was no nobility. The old state and church did not manage to establish estates."
Otherwise the statistics demonstrate the relative movement from tenant to independent farming in different parts of the country. That was the main change in the history of land ownership in Norway through both the eighteenth and nineteenth centuries, apart from the development of crofting.” (Holmsen and Bjørvik 1955:83)

Generally the rural conditions for creating a liberal democratic movement in the Senghaasian sense seem to have developed positively from 1661 onwards.
MANUFACTURE AND INDUSTRY

In 1801 Norway had a population of about 880,000 people. Approximately 9% or 80,000 lived in towns. From 1661 to 1800 the relative number of townspeople was constant (7% in 1661, 9% in 1801, Bergsgård 1964:240). Looking at the occupational structure in 1801, Bergsgård found 80% in agriculture, 6% in industrial activity (mining and handicraft/manufacture), 5% in sea transport and fishing, 2% in trade and commerce and 3% in private service work. Thus in 1801 there was some manufacture and industry in the country, but more in the form of isolated firms in an agricultural landscape, rather than any kind of network. Information about

An interesting indication that this early form of the modern class structure (capitalists, working class and a petty bourgeoisie) was on the rise is given in the historical studies of the barony in Larvik (on the east coast of Norway, about 200 km south of Oslo) (Vestfold Historielag 1980). Although the area is atypical in the sense that it probably already at that time ranked among the richest farm land in the country, the studies describe industrial-type activities in the barony in sawmilling, mining and metal working. The companies were formally in public ownership, but administered by the baron (the Danish baron Gyldenløve) who was responsible for the Norwegian colony (stattholder) between 1664 and 1699, and later by members of the family Daneskiold. They employed wage labour (how many workers is not specified) and organized the work of most of the farmers in the district. The farmers delivered timber to the sawmill as part of the rent they had to pay for using the land.

The barony also controlled trade in Larvik town. This infuriated the bourgeoisie there, who wanted to free trade from Danish state regulation. Its battle was unsuccessful up to about 1750. But then the bourgeoisie increasingly managed to cooperate with the barony administration, which became sympathetic to the bourgeois cause (the bureaucrats were themselves traders). Gradually, towards 1800, the bourgeoisie in the towns increased their economic power. Within the feudal mode of production of the barony (estate owner controlling and exploiting dependent land and workshop labour) there developed a semi-public industrial structure that the bourgeoisie gradually, from their independent position in the towns, took over.

The barony developed a meticulous and strong administration for the economic activities, a semi-public administration, closely monitoring economic activity, from delivery of timber from the farmers, via the production process itself, to the sale of products in Norway and in other countries. It seems that, at least in the Larvik district, a modern administration was developed in the barony, an administration for production proper, for exploitation/taxation and for public control of the population. The bourgeoisie in Larvik did not have to start from scratch when they entered into larger-scale industrial activities and public administration.

One reason why the barony gradually had to give in to the bourgeois takeover was that the
Industry manufacture and industry in 1829 has been drawn from the province managers' (amtmann) reports (Lieberman 1970). Table 7.3 shows the distribution of types and numbers of companies in the country, with the sawmill as the dominant form of activity, mills that as often were owned by farmers as by urban capitalists.

Table 7.3 Industry in Norway, 1829

<table>
<thead>
<tr>
<th>Type of company</th>
<th>No.</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brickyards</td>
<td>163</td>
<td>4</td>
</tr>
<tr>
<td>Breweries</td>
<td>172</td>
<td>4</td>
</tr>
<tr>
<td>Limestone companies</td>
<td>42</td>
<td>1</td>
</tr>
<tr>
<td>Ropemakers</td>
<td>37</td>
<td>1</td>
</tr>
<tr>
<td>Sawmills</td>
<td>3405</td>
<td>86</td>
</tr>
<tr>
<td>Metalworks</td>
<td>81</td>
<td>2</td>
</tr>
<tr>
<td>Tobacco companies</td>
<td>80</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>3980</td>
<td>100</td>
</tr>
</tbody>
</table>


Thus it seems that, at the turn of the century, the occupational structure contained several modes of production, household, use value focused modes in small-scale agriculture, semi-feudal aristocratic modes and capitalist production. The semi-feudal mode was probably dominant, with peasants renting land, delivering taxes in kind and in money, with many independent peasants and with the new urban capitalism on the rise. A new bourgeois class was taking form, a class engaged in trade and farming, but with some few in industry. It was an internationally composed bourgeoisie already

barony administration did not manage to keep public and private interests apart. With the baron himself in Denmark, the inspectors at the barony increasingly worked for their own private interests. Inefficiency and public discontent increased. In 1805 the barony was heavily in the red and it was sold to the Danish king.
then, with Danish and German members (Kleven 176-1977 and Koht 1975).

Per Maurseth (1981), among others, has argued that the Danish/Norwegian bureaucracy, with some allies, was the ruling class in Norway after independence from Denmark in 1814 (see Gran and Hjellum 1982, and Fure 1984b for a discussion of that thesis). There is little doubt that the bureaucrats dominated the state, that they as a corporate group had control of the state. However, that alone does not make them an independent class. The powerholders' relations to society are important. To be a political class the powerholders should have their own economic base and it should put them in an exploitative relation to other classes. The problem with the bureaucrats at this time was that they had very little or at best very indirect control of means of production (land, trading houses, industrial firms, boats, sawmills, etc.). As Hjellum and Gran argued, the bureaucracy was not a separate class in the economy. However, it could be termed a political class, a category of people in state positions, with an economic base in select industry and trade, with contradictory interest to other classes in the economy. An elite is a group that has special traits that others do not have (high education, high position, high income etc.) and that is based in an institution. An indication of the bureaucrats' lack of 'economic class status' was their split into (at least) two ideological camps, one peddling liberalization and the development of a market economy (modernization), the other identified with the traditional paternalistic values of the agricultural society (large-scale, self-sufficient farming, family, church and patriarchy).

FARMING, INDUSTRIALIZATION AND CLASS FORMATION IN THE NINETEENTH CENTURY
The peasantry in Norway had a large degree of economic independence. We can call that form of agriculture a petty bourgeois mode of production: the producer owns the land and the means of production, produces a large part of the family's food, but also some amount for exchange (exchange in money or in kind), but does not employ foreign wage labour. If others work on the farm they are most often family members. Capital accumulation is difficult because of the limited size of the production unit. Therefore maximizing household necessities is a dominant motive.

This mode expanded in several ways from the 1830's. Independent, relatively small, self-owned plots of land became more common. If 57% of all tillers were owners of land in 1801 then 81% were owners of land in 1855 (Bergh 1983b:36). Most important, the size of the absolute surplus in agriculture started to increase faster than the growth of the population. The ability of the countryside to feed itself and a growing town population increased. At the same time the relative number of farmers declined from 83% in 1801 to 43% in 1900. Over the length of the century there was a general downward trend (Table 7.4), a trend, however, that is uneven if we look at the changes per year. The mean data reveal sharp reductions in 1865-75 and in the last decade of the century (Table 7.5).

Table 7.4 Agricultural population, 1801-1900

<table>
<thead>
<tr>
<th>Year</th>
<th>Agricultural population</th>
<th>Total population</th>
<th>% of population</th>
</tr>
</thead>
<tbody>
<tr>
<td>1801</td>
<td>733 000</td>
<td>883 000</td>
<td>83</td>
</tr>
<tr>
<td>1865</td>
<td>1 115 000</td>
<td>1 701 000</td>
<td>66</td>
</tr>
<tr>
<td>1875</td>
<td>1 052 600</td>
<td>1 818 900</td>
<td>58</td>
</tr>
<tr>
<td>1890</td>
<td>975 000</td>
<td>2 004 100</td>
<td>49</td>
</tr>
<tr>
<td>1900</td>
<td>972 000</td>
<td>2 239 000</td>
<td>43</td>
</tr>
</tbody>
</table>

Source: Jacobsen (1964:139) and CBS (1978), Table 6.
Table 7.5 Decline of agriculture, 1801-1900. Mean reduction of peasants/farmers in the occupational structure

<table>
<thead>
<tr>
<th></th>
<th>1801-1850</th>
<th>1850-1865</th>
<th>1865-1875</th>
<th>1875-1890</th>
<th>1890-1900</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean</td>
<td>0.2%</td>
<td>0.3%</td>
<td>1.3%</td>
<td>0.2%</td>
<td>0.8%</td>
</tr>
</tbody>
</table>


The flight from agriculture was especially strong in the crisis period of the 1870's and during the economic expansion and rapid industrialization in the 1890's: Both crisis and expansion in the economy seemed to hurt the small farmers and peasants.

In the middle of the century there was a spurt of modernization. New textile mills were established on the east and west coast, developed by entrepreneurs (e.g. Peter Jebsen in Arne Fabrikker) with knowledge of the new English technology, with capital support from the outside (Jebsen from bankers in Schleswig Holstein) and with access to nearly free energy from the rivers. Metal workshops (Aker and Myren) were started in the Christiania (Oslo) area. The first private and public national banks were created around mid-century.

The table on the occupational structure in the Appendix allows us to identify some of the details of the class formation process in the nineteenth century. In addition to data on the main occupations, the table includes data on the "active" and "inactive" in the economy and on the number of women in paid work.

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73 The farmers along the Blindheim river in Bergen sold access to the river for an amount of money equal to the pay of one school teacher for one year (Grieg 1946).

74 Creditbanken with French capital in 1856 (see Seip 1968), Bergen Privatbank in 1855 and Christiania Bank og Kreditkasse in 1856. The first national public bank, Norges Bank, was created in 1816. The second one, catering for a specific sector of the economy, was Hypotekbanken, established in 1851, to lend to farmers against security in land holdings (see Keilhau 1938, vol. 9).
The decline in agriculture was large both in absolute numbers and relatively. Both 'push' and 'pull' factors were at work. Better productivity caused by new production methods and technology forced people off the land; emigration to the United States was a consequence of that push, but also itself a pull factor, stimulating entrepreneurial farmers to search for better conditions. Increased market demand for food in the cities stimulated the modernization process in agriculture, as did better access to loans.

Industry increased its relative position, having 11.2% of all employed in 1875 and 16.4% in 1900. As defined in the Appendix, industry includes work in industry proper and in infrastructural works (roads, telecommunications, railway, etc.). Industry was the central investment area of the new bourgeoisie, the sector which gave the new class leverage over agriculture and over the old bureaucratic elite. Industry was the driving force of the modernization process. It was characterized by the new machinery, making establishment in energy-rich places relatively easy. The plants could be expanded (and reduced) as markets for labour and products changed. The new technology made it possible for the owners to structure the industrial plants so that they maximized the extraction of surplus value from labour. It made a new form of social control of the labour force possible - by specializing the workers, by interspersing machinery between workers, through variations in pay and through social isolation (manipulating a machine rather than cooperating with other workers). Foremen were introduced, making detailed on-the-floor management and control possible. That the new society was on the rise can be seen, for example, in shipping. The number of ships was constant at around 8000 between 1876 and 1908, but the number of larger ships increased (1000-2000 tons from 43 to 369, 2000-4000 tons, from 0 to 82 ships in the same period). In agriculture new knowledge and new techniques increased productivity somewhat in the late
nineteenth century: milk per cow per year in 1865, 1000 kg., in 1905, 1500 kg.

In the period 1850 - 1900 a state management for infrastructure took form. Slowly the conditions for the new industrial society were built. By 1905 Norway had 2500 km. of railways (1500 km. in 1885, 270 km. in 1865, HS 1978:427). But the number of pupils in public schools did, for example, not increase relative to the population before around the turn of the century (13% in 1840, 13% in 1885, 16% in 1905).

ECONOMIC CHANGE AND INDUSTRIALIZATION IN TØNSBERG

How did the economic structure in a select city change in the nineteenth century? From a presentation of firms located in Tønsberg (Syrrist 1913) I have registered type of firm and year of establishment (Figure 7.1)
The industrialization process started slowly in the 1850's, with a marked boost around the turn of the century. However, industrial undertakings can be identified also before the 1850's. Ropemakers had been in Tønsberg since 1796 and a producer of ship and church clocks had been in business since the early 1840's. In the 1850's two private banks were established (Tønsberg Sparebank, 1846, and Sem Sparebank, 1855), a brewery, two metal workshops and some new stores (a grocery, a bakery and a photo shop). Then the modernization process subsided with relatively few new establishments up to 1880, a bank, a newspaper, Tønsbergs Blad, and a steam ship company. Then there was a literal explosion of new establishments at the turn of the century: oil refinery, gas company, machine works, paper mill, margarine and textile companies and a ship yard. A number of whaling companies and several more specialized shops were established. The population in Tønsberg in
1814 was 1800 persons. It increased to 5300 in 1880 and to 10 000 in 1910. That is an increase between 1880 and 1910 of 88.7%. The total population in Norway in the period 1875-1910 increased from 1.8 million to 2.4 million or 32.4% (CBS 1978:33). Between 1840 and 1880 Svend Foyn's Company was active off the coast in northern Norway, shooting seals. In the 1880's Wilhelm Wilhelmsen brought a new fleet of steamships to the city. The public budget in Tønsberg in 1910 amounted to about NOK 450 000: About 30% of it went to schools (there was an elementary school, a high-school and schools for seamanship, technical training and trade); 16% was used for poor relief; about the same percentage was used for sanitation, fire prevention and the like; and 16% used to pay interest on the public debt.

The new firms increased the power of the industrial bourgeoisie relative to the local bureaucratic elite. It created more differentiation in the bourgeoisie, separating groups connected with specific sectors - the large farmers, the new metal and textile industrialists, the shipowners, and the bankers.

The names of board members of the banks in Tønsberg indicate that each bank represented a section of the bourgeoisie in the town, but that each bank also brought together capitalists from different types of firms. The banks were, in other words, both coordinators between individual capitals and institutions representing sections of the bourgeois class in the struggle over clients, capital and the best investments.

THE CLASS STRUCTURE 1850

How large was the working class around 1850 and what internal structure did it have? Bergh (1983b) says the industrial working class in 1850 numbered 12 000, growing to 17 000 by 1860, 5000
of them working in the (mainly rural) sawmills. By 1870 the number of workers had risen to 48,000. The number of seamen had in about the same period risen from 19,000 to 60,000 (Lieberman 1970:119). *Arbeidernes Leksikon* (AL) calculated the working class in the towns in 1850 to be about 35,000 and the semi-proletariat in the countryside to be 250,000 (*Arbeidernes Leksikon* 1932-1936:1087).75

The historian Sverre Steen (1957) helps us construct a picture of the class structure around 1850. He figured that 17% of the population belonged to what he called "the money society". In a population of 1.4 million, that makes, 240,000 in the money society. If we estimate family size as 5, that means about 50,000 income earners. The bureaucratic elite was in all about 2000. Steen says that in 1850 "there were probably more bureaucrats than major private capitalists". Let me assume that the number of private capitalists was 1500. Now, if the working class in the towns was 35,000,76 and we add Steen's data on the petty bourgeoisie, this gives us a "still picture" of the class structure around 1850 (Table 7.6).

**Table 7.6 The class structure in mid-century**

<table>
<thead>
<tr>
<th>The bourgeoisie</th>
<th>5700</th>
</tr>
</thead>
<tbody>
<tr>
<td>The bureaucratic elite</td>
<td>2000</td>
</tr>
<tr>
<td>Major private capitalists</td>
<td>1500</td>
</tr>
<tr>
<td>Owners of large farms</td>
<td>200</td>
</tr>
<tr>
<td>Large middle farmers</td>
<td>2000</td>
</tr>
<tr>
<td>The petty bourgeoisie</td>
<td>116400</td>
</tr>
<tr>
<td>a) in the countryside</td>
<td></td>
</tr>
<tr>
<td>Small-scale farmers</td>
<td>100000</td>
</tr>
<tr>
<td>b) in towns</td>
<td></td>
</tr>
<tr>
<td>Public employees</td>
<td>4500</td>
</tr>
<tr>
<td>Traders</td>
<td>2000</td>
</tr>
<tr>
<td>Small-scale industrialists</td>
<td>2000</td>
</tr>
<tr>
<td>Handicraftsmen</td>
<td>6500</td>
</tr>
<tr>
<td>Small ship-owners</td>
<td>1400</td>
</tr>
<tr>
<td>The working class</td>
<td>35000</td>
</tr>
</tbody>
</table>

75 Around textile mills like Arne in Bergen, the working class grew rapidly. The mill started production in 1846; by 1855 there were 400 workers in it.

76 Steen (1957:259) seems to agree with that.
SLOW INDUSTRIALIZATION

The industrialization process was slow up to the turn of the century. Bergh (1983b) suggests that it was the wood and pulp industry that came to be the leading sector in the industrialization process towards the end of the century. That sector was affected directly by international demand for its products and felt the competition from the Swedish wood industry, eliciting an interest in technological development. The metal workshops learned gradually to repair imported technology and were slowly able to begin responding to the industry's demand for better machines and tools. Bergh's point is that the initial modernization impact (capital and market expansion) came from abroad, from the inflow of foreign capital, foreign technology and personnel. His second point was that the Norwegian bourgeoisie, the owners and managers of the Norwegian firms, were slow in acquiring independence in company management, in industrial development planning, in establishing technical education, research and development work.

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77 Even the workers who built the first railway in Norway came from England.
CONCLUSION

Industrialization took a first step in the 1850's, with a concurrent strengthening of private institutions for capital administration. But up to the turn of the century industrialization and agricultural modernization developed slowly, and it seems that the bourgeoisie in the country was weak and passive relative to finance capital from abroad. The industrialization process created the working class, a class that entered the political arena briefly in the Thrane movement, but that only in the 1870's and 1880's acted class-consciously at the national level. After the turn of the century, the working class increased rapidly. But, as we shall see in more detail later, it encountered an aggressive and strong bourgeois class and a state that, as the economic crisis after the First World War set in, attempted to suppress many of its economic and political demands in the interwar period.

Politically the nineteenth century was dominated by the bureaucracy, a corporate group and a political class with contradictory interests to the bourgeoisie and the farmers/peasants on the organization of the state. Parts of the bureaucracy was from the 1840's engaged in the early innovative project of clearing the way for capitalism in Norway (liberalism, creation of markets and infrastructures; see Seip 1974 and Sørensen 1989). It does not seem reasonable to consider the bureaucracy a class in the economy in this early phase of Norwegian modernization. The bureaucracy was split between traditional and modernizing ideologies. As far as I can see, it did not consider itself an independent agent of stability or change, but saw itself in relation to classes and ideologies in society.
The development of the modes of production and the class structures that emerged within and between those modes indicate that Senghaas's thesis gains support in the Norwegian case. The feudal and ecclesiastic estates were just about eliminated by 1840. The urban capitalists had some power in the rural areas through ownership of land, sawmills and boats, but independent peasants, with their own land, were a social class, a petty bourgeoisie. Peasants in different forms of dependency relations were members of what we might call a rural semi-proletariat. That the peasants would play an autonomous role both in relation to the reorganization/democratization of the state and in relation to the working class and its organizations seems, on this basis, quite likely.
Class pressures on the political power of the bureaucracy

There are several factors that can explain the political dominance of the bureaucracy in Norway in the nineteenth century. Danish administrators had several hundred years to entrench themselves in the country. From November 1814 Norway was formally ruled by the Swedish king, adding Swedish bureaucratic traditions to the Danish. A small and weak bourgeoisie, combined with a mass of small farmers spread out in more or less isolated plots of land along the coast, gave the ruling bureaucracy a great deal of power and autonomy.

How was the state organized after formal political independence was achieved from Denmark and the new union with Sweden was established in 1814, and how did the organization change and

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78 *Arbeidernes Leksikon* (The Workers' Encyclopedia) points to how the economic crises and the isolation from both Denmark and England in the first decades after 1814, and the fact that these crises "nearly eliminated the old commercial aristocracy" (AL no date:867), put the bureaucracy in a leading ideological and political/administrative role. However, AL puts the strategic leadership of the national liberation movement from about the turn of the century to 1815 clearly in the hands of the bourgeoisie in the private sector.

79 Prince Carl Johan (Bernadotte) of Sweden became king of Norway/Sweden in 1818.
influence the conflict between the bureaucracy and the modernization alliance?
THE PARLIAMENTARY FORM
OF STATE - A PRODUCT OF PEASANT DEMANDS?

The Norwegian bourgeois/bureaucratic liberation movement established the parliamentary democratic form of state in 1814, that is, a state apparatus with a parliament, (the Storting) as the apex of the law-making and budgetary process, and with elections as the recruitment mechanism to the Storting. The executive branch was the prerogative of the king, implying a recruitment process to government administration characterized by appointment on merits. The government had a section in Christiania with the king's representative, a stattholder, as its head and a prime minister as head of the Norwegian section of government in Stockholm.80 Nearly all owners of real capital, however small their plot of land or house in the towns, received the vote.81 The dual structure with the parliament separate from the public administration is typical of the modern parliamentary state: on the one hand common elections to parliamentary organs; on the other, administrative appointment to positions in the executive branch.

To what degree can the radical democratic and parliamentary form of the new Norwegian state be attributed to the wishes and influence of independent peasants and farmers, working mainly on their own small plots of land? This is a central question in Norwegian historiography. It is clear that the radical democratic character of the 1814 Constitution was influenced by parallel

80 The nobleman Essen was appointed the first stattholder. The rich Norwegian capitalist Peder Anker was chosen as prime minister in Stockholm (Bergsgård 1964:46).
81 There were suggestions in 1814 that everybody except workers, both industrial and agricultural labour and servants of all kinds, should have the vote. But on 4 May, when the Constitutional Assembly started discussing the constitution, the right to vote was limited to the bureaucracy (people in official state/government positions), peasants and farmers who had either owned or rented land for at least five years and everybody who had official citizen rights in towns or owned a house of a value of at least 300 riksdaler (Jensen 1963:21).
developments in other countries, in France, in the United States and in England. It was the Norwegian bourgeoisie that organized and fought out the liberation process in 1814 and had the initiative and the ideas for organizing a new state. But the bourgeoisie was split. One part of it wanted to develop relations with Sweden, and was not at all against a union with that country. Other sections of the bourgeoisie, and especially the bureaucracy, had an inclination to continue cooperation with Denmark.

Intellectuals played a role in the formation of the new state. They represented different tendencies, formulating the interests of different movements in the process. Nicolai Wergeland (Henrik Wergeland's father), Christian Falsen and J.G. Adler played important roles in the making of the Constitution. Were the interests of the peasantry important in the political/ideological struggle over constitutional arrangements in 1814? The constitutional suggestions can be related to the political struggle. A parliament was a way of mobilizing national participation in the state formation process. It was an instrument that could defend national interests against foreign royal power. A strong executive could be a way of preparing for a resumption of Danish power after the Swedish threat was over, because the bureaucracy was previously overwhelmingly Danish. A weak executive could be a method of limiting the power of the Swedish king, giving more leeway to Norwegian political

82 AL puts it this way: "From the end of 1807, it is possible to see how developments in most parts of Norwegian society demanded the formation of a separate, Norwegian state. Both in the preparation and in the final decision-making, it was the new bourgeoisie that decided on strategies, even if it had to tolerate defeat occasionally." (AL, no date:863; my translation from Norwegian). Jens Arup Seip points to the urban base of the national, independent state movement. "In contrast to the bourgeoisie and petty bourgeoisie (småfolk) in the towns, the peasants were unenthusiastic." Many of them said they were not worried by subordination to the Swedish king. Seip also points to the unorganized character of the Norwegian national movement. The movement was based on a liberal ideology (private entrepreneurial freedom in the economy). The movement was unorganized except for the organs of state that could support it in some way (Seip 1974:54).
elites in parliament. But the parliamentary form of state could also be seen as a form of political organization adjusted to, or adequate to, the interests of the independent peasantry, making it possible for them to organize and voice their interests relative to other classes and movements.

Yngvar Nielsen, in his work on 1814 (Nielsen 1904), points to how the interests of the peasantry were highlighted by intellectuals in the constitutional process. Christian Falsen's motivation, Nielsen suggests, was that the interests of the independent peasants should permeate all aspects of the new Constitution: "Falsen came to Eidsvold with the idea that *Odelsretten* [the first right of oldest son to take over the family farm] should permeate the whole Constitution." (Nielsen 1904:189). The parliamentary state was seen as a key institution for the modernization project, for liberating the power of accumulation of the new bourgeoisie. In the politically active Norwegian elites at the time, most were in agreement that independence meant the formation of some kind of parliamentary government. There was conflict over how representative and democratic it should be. Some argued for aristocratic prerogatives in an 'upper chamber'. Many felt that ownership of some kind of capital was a necessary condition for having the right to vote. On the first question a unicameral system was chosen, however, with the *Storting* divided in two (*Odelsting* and *Lagting*) for specific

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83 Nielsen suggests that the idea of individual freedom from state intervention or state intrusion into 'private affairs' had its basis in the life conditions of the independent peasantry at the time. That emanated in suggestions of a sharp distinction between parliament and government/monarch, with parliament as a buffer against bureaucratic authority. The independent peasantry was seen as the "base of the Norwegian society": "Grundloven var ogsaa et Barn av sin Tid, naar den optrak et skarpt Dele mellom den udøvende og den lovgivende Magt. Fra en almindelig forekommende Teori om, at Borgerrettighederne nærmest eller udelukkende tilkom Samfundets jordeiende Klasser, tog Grundlovens Forfattere nogle af sine vigtigste Bestemmelser... Odelsbonden var bleven forherliget af Lærde og af Digtere, og der herskede en almindelig Tro paa, at han skulde være Bæreren af det nye norske Samfund." (Nielsen 1904:188-189).
purposes. But all representatives were elected on the same basis. On
the question of capital and voting rights, the solution was to require
exactly such a combination, but with relatively low requirements of
capital ownership. For the bourgeoisie the parliamentary form of
government would serve to weaken and limit the power of the
monarchs and the aristocratic/feudal and economically static
interests that rallied behind them, in both Denmark and Sweden.
The voting rules excluded 'the enemy', the 'mob', the wage labourers
and poor peasants, and mobilized the established peasants and
farmers, the intellectuals, the state employees, technicians, officers,
etc., i.e. the economically active groups within a capital accumula-
tion nexus.

If this is correct, then Senghaas's theory of a foreign impetus to
modernization is weakened. The small Norwegian bourgeoisie was
an important autonomous organizer. However, the new bourgeoisie
was in need of allies against the old monarchies and their aristo-
cratic and bureaucratic supporters. In Norway those allies were
present, precisely in the large group of relatively independent
peasants and farmers.

Gradually the voting rules were made more inclusive. The
*Storting* held its meetings more often and its power in relation to the
bureaucracy, but also in society as a whole, increased. Once the new
bourgeoisie realised that its activity also meant the development of a
working class, increasingly demanding citizen rights, the
bourgeoisie became more restrictive about the democratization of
parliaments. Thus the independent peasant/farmer population and
the ever broader farm movement gradually increased their roles in
the democratization process. Here Senghaas points to a central
variable: the land reforms and ownership structures in agriculture
created the economic basis for an active and politically independent
farm movement, supporting parliamentary democracy because they
wanted to and needed to defend their specific petty bourgeois economic interests politically.

As long as the working class was unorganized, as long as it had not begun to penetrate into the parliamentary system, and as long as the market-oriented farmers were dominant in the farm movement, the parliamentary form of government was quite acceptable to the bourgeoisie. The bourgeoisie was dependent upon the development of free markets, that is, regulated economic systems where everyone with money was free to buy what was offered for sale. The parliamentary form of government was, in a sense, a parallel structure to the market in the political arena: everyone could participate; it was the ability to accumulate votes (in the political market) that gave power in parliament. The parliamentary form of government could 'prove' or at least testify to the idea that the bourgeoisie was serious about both economic and political freedom, not just for itself. But would a growing labour movement make the bourgeoisie reconsider its support to parliamentary democracy? How would the governments and leaders of state institutions react to demands for working class participation?

THE ORGANIZATION OF
THE EXECUTIVE BRANCH OF GOVERNMENT, 1814 -1860

_Hierarchy, classical administrative divisions and royal appointment_

In 1814, after the new Constitution was approved, the Danish prince, Christian Fredrik, was appointed head of state. By March 1814 the prince had appointed a governing council (regjeringsråd) with seven members. The executive was organized into five ministries: Finance, Interior, Justice, Trade, and Industry. The last ministry was to deal with "Publicly owned manufacture and industry, publicly owned forests and mines" (Steffens 1914:8). The
educational and ecclesiastical system was administered by a royal commission that reported directly to the prince. The coastal seaways were administered by a separate marine administration. There was also a separate commission (Overprovideringskommissjonen) for the management of imports of grain to districts suffering from insufficient food production. Each ministry was headed by one of the members of the governing council and had an internal structure of offices with a bureau chief (byråsjef) and subordinates (betjente).\footnote{By July 1814 there were 83 persons in the executive branch of government. As Maurseth (1979) has described it, the largest ministry was “the first” ministry, responsible for taxation and public finances (16 members). There were 5 ministries and 5 commissions in all. There were 4 main levels in the administrative hierarchy (top administrators, bureau chiefs, secretaries and under-secretaries (kopister)). Of the 83, 16 were members of commissions without administrative positions. The rest were distributed in the following way: 8 at the top level, 15 bureau chiefs, 12 secretaries and 30 kopister (Maurseth 1979:54).}

After the union with Sweden in 1814, the system was somewhat changed. Educational and church matters were organized in a separate ministry. A new Ministry of Police was established with responsibility for law and order, but also responsible for the postal system, the administration of roads and the medical system (Steffens ibid.:22). The administration of the armed forces was transferred to a ministry (the sixth), which also took over administration of the seaways.

The early state organization was small and hierarchical, with a limited administrative division of labour (divided into relatively few ministries). The administrative division of labour in the ministries in 1819, 1831 and 1844 is shown in Table 8.1.
Table 8.1 The Norwegian Government, 1819, 1831 and 1844.

The bureaucracy

<table>
<thead>
<tr>
<th></th>
<th>1819</th>
<th>1831</th>
<th>1844</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government in</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stockholm/Christiania</td>
<td>8</td>
<td>12</td>
<td>12</td>
</tr>
<tr>
<td>Ministries:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Church/education</td>
<td>6</td>
<td>16</td>
<td>18</td>
</tr>
<tr>
<td>Justice/police</td>
<td>7</td>
<td>12</td>
<td>13</td>
</tr>
<tr>
<td>Finance</td>
<td>42</td>
<td>27</td>
<td>37</td>
</tr>
<tr>
<td>Administration</td>
<td>11</td>
<td>7</td>
<td>8</td>
</tr>
<tr>
<td>Defence</td>
<td>9</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Audit*</td>
<td>-</td>
<td>47</td>
<td>58</td>
</tr>
<tr>
<td>Totals</td>
<td>83</td>
<td>125</td>
<td>151</td>
</tr>
</tbody>
</table>

* created 23 March 1822 (Steffens 1914:163)


We observe the dominant position of the Finance and after 1822, the Audit ministries engaged in the acquisition, use and control of public finances. We see how Justice and Education/Church were strengthened. This could indicate that the state increasingly moved into areas requiring professional knowledge and that the state increased its control capacity: Justice dealt with the police; Church and Education dealt with ideology and knowledge. From the early 1840's the liberal farm movement gained momentum, threatening the political power of the bureaucracy. From this time on the demands for state involvement in development of infrastructure increased.

In the 1850's the state moved more actively into infrastructure. This can be read from the reorganizations of the ministries in 1845. The changes focused on a new Ministry of the Interior. A large number of infrastructural activities were put into it: responsibility for public support to private industry and trade, for fisheries, forestry and mining, for marine transport, for control of the
distribution of medicine, for the postal system, for roads, canals and public buildings, for fire protection and standards for weights and measures. This long list, combined with the limited number of employees, 19 in 1845 including 13 in lower office positions, tells us two things. First, with such limited manpower the government's actual responsibility and range of activity in these infrastructural areas was limited. Secondly, although ideas of liberalism were strong at the time, the list demonstrates that this did not mean that government was to be kept out of the economy.

The military apparatus, "the last instance" of state authority, was a matter of conflict at the Constitutional Assembly at Eidsvold in 1814. The principle of compulsory conscription of all men above a certain age had widespread support, a principle with roots in the French revolution. Compulsory service was demanded as a democratic principle of equal burdens and as a guarantee against counter-revolution (NOU 1979:51). Opposition to the principle was voiced. Some felt that the bureaucrats and the bourgeoisie should be exempted from service because their function in the economy had "public value". The principle of compulsory service was approved unanimously in 1814, probably because there was agreement that the specific rules for conscription should be worked out later. The laws of 1815 and 1816 put the main burden on the farmers and peasants and both contained rules making it possible to have deputies serve in return for substantial payments (stillingsrett). Around mid-century the stillingsrett was modified. In 1854 only conscription to the 'line' could be avoided by paying for a deputy. The new law included urban dwellers under the general

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85 Paragraph 109 in the Constitution says (a) that service is compulsory and (b) that specific regulations are given in the form of law.

86 A "usual price" at that time was 80 to 100 speciedaler. 100 speciedaler was in the range of a wage for a teacher for one year.

87 The 15 youngest age groups, serving in the front lines.
principle of compulsory conscription. Stillingsrett was abolished in 1876. From then on participation was related to physical and psychological requirements and to the number of conscientious objectors. Around 1900 it was decided that people in the latter category were to serve in non-combative units.

The Constitution established the radical principle of compulsory conscription. A sociological study of the soldier population over time might show that it was skewed to the advantage of the rich and the owners of means of production. We have reason to believe that compulsory service developed ideas among the soldiers that Norway was a socially homogeneous society and that the state was a democratic state. In Norway the bourgeoisie rose in the economy without serious competition or opposition from a landed aristocracy. Thus, there was no power centre in the economy that could take advantage of a broad recruitment of soldiers to develop a separate force against bourgeois political interests. Compulsory conscription legitimated the new and rising bourgeois society as a democratic society.

ADMINISTRATIVE SPECIALIZATION, EMANATING FROM THE MINISTRY OF THE INTERIOR

Up to 1845 central government bureaucrats had mainly a legal or military background. In 1845 two priests and a teacher were employed in the Ministry of Church and Education; one doctor was employed in the Ministry of the Interior and one technician entered the Highway Office in the same Ministry. This was a small beginning of professional diversification in the state. In the 1850's there was an expansion of technically specialized units. The railway and the telegraph administrations were organized separately. A separate postal administration was set up in 1857, with its own
managing director. In 1855 the telegraph got its managing director, as did the railways in 1865.

In the 1850's a number of public studies of the living conditions of the "lower classes" were carried out. Public money was invested into "peoples libraries", and into "working-class choirs". There were plans for starting a public school of agriculture (agerdyrkningsseminar) (Steffens 1914:66).

Educational policy changed in the 1850's, from a policy assuming that schooling was a private matter to the idea that school finances and school organization were a public responsibility (Høigård and Ruge 1963). Education was increasingly seen as part of the strategy for economic modernization. The liberal democratic movement was on the rise. It was assumed that education would strengthen that movement: knowledge develops understanding of the interdependencies between individuals and groups, and through that a positive view of cooperation and organization. For the bureaucracy and its allies, public education could be supported because it could generate an understanding of how the individual's well-being was dependent upon a well-functioning state. Education could in that way be an antidote to the radicalism of the Thrane movement and the anti-bureaucratic tendencies in the liberal democratic farm movement. There was agreement that education should be a public responsibility. Already in the 1850's there were ideas on the social responsibilities of the state, ideas that went beyond the control of poor and destitute - a state with responsibility for the well-being of its citizens, and especially for their ability to fill specific roles in the economy.

The professionalization of the public administration continued in the 1870's. An Office of Forestry was established in 1874, for the medical services in 1875. In 1875 a public archives administration was created. In 1876 the beginnings of the Central Bureau of
The executive 133

Statistics (CBS, Statistisk Sentralbyrå) was organized in the Ministry of the Interior.

The 1880's was a period of fewer reorganizations. With the major political conflict at that time, (the fall of the bureaucratic regime in 1884) the Storting decided that it wanted control over the appointment of the government. The Conservative and the Liberal political parties (Høyre and Venstre) were created and quickly entered the political front stage. Ideas on administrative reorganization receded into the background of the political process. In 1885 a Ministry of Public Works was separated off from the Ministry of the Interior. In 1900, five years before secession from Sweden, several special sector ministries were established. A Ministry of Agriculture was created and the old Directorate for Agriculture was integrated into the ministry (see Jacobsen 1964 and Chapter 9 in the present work). In 1902 the Ministry of the Interior had two departments, one for foreign affairs, trade and shipping (an expansion of the Office for Consulates) and one for industry and social welfare. In 1905 these two departments became the core of two new ministries, a Ministry of Foreign Affairs and a Ministry of Social Welfare, Industry, Trade and Fisheries. This last ministry was renamed the Ministry of Social Affairs in 1913. What we see behind the changing names and organizational structures of ministries is a continuity of functions and a change in the relative importance of different functions. The pattern is fairly clear. In the first period of semi-independence the state was engaged in bringing in taxes and safeguarding law and order (instrumental autonomy). The economic activities of the state were related to specific public 'industries' and

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88 The changes made in the formal organization seem primarily to be a consequence of increasing workload within the administration and only secondly a real change of priority. However, the differentiation and specialization process was real, creating administrative units directed at ever more specific (economic) functions and creating an ever larger number of offices and institutions at each hierarchical level of the administration.
shipping activities, but several infrastructural activities were present in early form,\(^{89}\) however, without separate organizations at the directorate or ministerial level.

\(^{89}\) In the Interior Office and in small infrastructural offices within other ministries. The highways administration was for example located in the Ministry of Justice, probably because the main problem was to get the farmers/peasants to do their required road work. The state was a controlling, not a producing state, with instrumental autonomy.
The state into infrastructure
The second period, focused on the organizing of the Ministry of the Interior, is characterized by upkeep of the old, classic functions of state (extraction of taxes, administering justice, ideology, physical force, and relations with other states) and an expansion of state administration into infrastructural activities. The Ministry of the Interior was in the 1840's a source for the proliferation of such infrastructural administration, which gradually created new administrative units for specific functions. With the Ministry of the Interior, professionalization of the executive branch of government accelerated, a process that was influenced by the demands for more specialized personnel in government. The Ministry of the Interior developed an administrative structure for the future management of foreign affairs. Thus the executive branch of the new state in 1814 had many of the later functions present in its structure, but the main function in the first period was law and order combined with an ability to administer crises (the grain crises and the state financial crisis). Then the infrastructural administration was separated out, with a concurrent professionalization and internal specialization without, however, the old law and order function being in any way superseded.

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90 Focused specially in Edgeir Benum's contribution to the history of the Norwegian central government administration (Benum 1979).

91 Even if it is true that the professional groups, as they develop in size within the state apparatus, generate state autonomy, in the sense that the state increasingly has the ability, independently of interest groups or social classes in society, to develop public programmes and organizations to implement them, it is also important to keep in mind that the state, through its responsibility for financing and organizing scientific activities, had influence on the formation of the professions. Professions may be as much a response to politically (and socially) defined demands for specific 'policies' as autonomous actors within the state generating 'new' policies and organizations for their implementation.
In the nineteenth century the state was a small organization. Table 8.1 depicted the size in the first period. In the 40 years from 1842 to 1882 the total administrative staff doubled to 355. The number was 575 in 1914, an increase of 220 in 32 years. But if we had data on the number of employees in the technical administrations (workers on the public roads, in the lighthouses along the coast, in the harbours and canals, on the railways, etc.) the number would be substantially larger. But a small state organization does not necessarily mean a weak state. The strength of the state is dependent upon the number of people and the amount of resources it can mobilize in the face of interests that conflict with it. It might seem that the nineteenth century state was strong in that sense. Its mobilization potential was large because the state was engaged in the struggle for national independence from Sweden, a struggle powered by the farm movement, and by sections of the rising bourgeoisie; the state had direct control over and support from the church, an institution with strong ideological influence in most parts of Norway, an institution that played a central role in the development of the educational programmes both in public and private schools; and lastly the state needed scientific knowledge and (gradually) new forms of professional competence. In that way the state mobilized the support of the intellectual community.

If this is a reasonable description of the power of the state in this period, it indicates that a new labour movement, and especially one that expressed an interest in transcending the capitalist mode of production and the bourgeois democratic form of state, would have to start from an isolated and marginal position in the Norwegian political, scientific and ideological communities. The organization of the central administration in the nineteenth century was a closed process, mainly a result of interactions between the bureaucracy, the
Swedish government and political elites representing capital ownership and the church.\textsuperscript{92}

\textit{Management principles}
These materials indicate that the state had some functions in the economy even in 1814, and that they expanded from the 1850's, especially in the area of technical and economic infrastructure. Was the state, in its management of these economic activities, subordinated to the profit principle in the same manner as firms and entrepreneurs in the private sector? Let me argue that the state has a freedom that private sector lacks.

(1) While the profit motive is mandatory in private market-related activity, it is not so in public economic management. There the profit motive is a political decision. The railways, the roads (with tollstations), the canals, the harbours, the mines, etc. can be run with a profit. But it is equally plausible to make them non-profit, or even tax supported. The state has an economic freedom, an autonomy, that private entrepreneurs do not have.

(2) Remuneration to employees and workers is for the same reason under different kinds of restraints in the state and in the private sector. The pay to public employees comes from the public fund of tax money. The employer in a state office is thus, at least potentially, more of a politician than a capitalist in his relation to public employees. When considering remuneration, the state

\textsuperscript{92} Seip discusses the reorganizations of the state around mid-century and points to how the ruling bureaucratic elite manoeuvred to increase its independence both from the Swedish monarch and from the Storting. The Storting wanted information and influence on the appointment of government members. Seip says that the government wanted it otherwise: "Regjeringen selv kom imidlertid til å foretrekke en annen løsning. Det var en løsning med front både mot en selvrådig konge og mot et kontrollerende storting. Den ble utformet og begrunnet i en betenkning fra 1843. Dette dokument ble grunnleggende for senere praksis og statsrettsteori. Her ble det hevdet at det konstitusjonelt riktige var at kongen rådførte seg konfidensielt med regjeringen. Siden det hele foregikk konfidensielt, ville ingen protokoll bli oppsatt, intet skriftlig råd foreligge som stortinget kunne kreve å få seg forelagt" (Seip, 1974:81).
management must consider tax burdens, comparable pay levels in the private sector, etc. But if the state wanted to increase wages substantially, to improve the attraction of public employment or increase demand for consumption products, then the state has the possibility of increasing wages in a way that individual capitalists in the private sector do not have.

The strength of a functional explanation
State administration of infrastructural activity can be seen in a capital-functional perspective. Capitalist expansion in banking, in industry and in market-oriented farming demanded a technical infrastructure that the state could organize efficiently without basically supporting any special section of the bourgeoisie against others. Rather, by having the state take responsibility, public money would be available for infrastructural investments. Capitalist industry demanded large national (and international) markets, regulated by common laws that could be applied and defended in all parts of the country. The state was a potentially efficient creator and regulator of such laws. Finance capital needed access to international money markets. The state could increase the prestige and weight of Norwegian capital in such negotiations. In this perspective the state was not a foreign/alienated institution for the bourgeoisie. Rather it was an institution actively organizing the common conditions of bourgeois expansion.

Urban industrial capitalism demanded an agricultural sector with the ability to 'liberate' labour power for employment in the towns and to deliver a surplus of food. The transformation of peasants to farmers and increasing agricultural productivity can thus be seen as an integral part of the expansion of urban capitalism. But, the "functions of capital" have to be translated or transformed into public administration, into public programmes and organization able to implement the programmes.
THE BUREAUCRACY

What was the project of the bureaucracy, what power did it have and why was it ousted from the top positions of state?

Contradictions within the bureaucracy
Seip has demonstrated that the bureaucratic elite was divided. One section - the smallest part around the middle of the century - identified with the norms of the old, rural society, with the authority of the large land owners and the church. Their regulating idea was to conserve existing authority structures, patriarchy and submission to the church. The other section was oriented towards modernization, wanting to eliminate economic privileges and create conditions for 'free' competition. But the bureaucracy did not just mirror ideas prevalent in society. As Seip says, the bureaucrats were dependent upon social and ideological movements in society. Even if it was obvious up to 1884, that the bureaucracy fought for its own specific interests - defending its positions, its power and revenues - Seip's description indicates that the bureaucrats were representatives of class interests other than their own. To speak of them as a dominant economic class would be wrong, primarily because they did not have a separate base in the economy. They were for that reason an elite influenced by sections of other classes, of the landed aristocracy and the rising bourgeoisie. But the bureaucracy may be designated a political class when it was in control of the state, furthering its own interests and where it exploits other classes through the state (Gran and Hjellum 1982).

Seip defines the bureaucrats as one of three social formations in Norway at the time, the other two being the bourgeoisie (mainly in the towns) and the farmers (without, as far as I can see,
distinguishing between classes in agriculture). As Fure points out (Fure 1984b), Seip defines the bureaucrats differently in different contexts. But in my opinion, Seip's description of the bureaucrats demonstrates that they were dependent upon support from other classes, from other parts of the population, for their existence as a politically dominant group or class. "In the long run the bureaucrats' position as a political elite depended upon trust in other social groups, that is, support in public opinion and in elections" (Seip 1974:68). The position of the bourgeoisie, and the working class for that matter, is not dependent on such support.

The power of the bureaucratic elite was partly built on the clamour for national independence, since the bureaucracy could conveniently represent the national interest as a whole. But it was also dependent upon specific economic classes, and that state policies served those class interests. The bureaucrats had a choice, according to Seip: to build coalitions either with the rich farmers or with the bourgeoisie in the towns. The first partner was a poor choice, a weak partner. The future was with the bourgeoisie. And that, in hindsight, proved to be the case. The section of the bureaucratic elite that aligned itself with the interests of the bourgeoisie was successful in politics up to the 1870's. But then the liberal democratic movement and the bourgeoisie ousted the bureaucracy and reorganized the state.

*The strategy of the modernization-oriented part of the bureaucratic elite*

What did the modernization-oriented part of the bureaucratic elite struggle for and how did it struggle? It attempted to implement a free market, eliminating privileges to persons and townships. This was a project closely related to the advancement of capitalist industrialization. But then, would not the elimination of privileges
and a reduction of the scope of public rules and regulations at the same time weaken the basis for bureaucrat power? (Seip 1974:129).

Seip shows how eliminating privileges and other restrictions on market activity was paralleled by the active production of new regulations - rules that positively, in terms of the capitalist economy, regulated market transactions, creating and securing equal conditions for competition. "An economic system in expansion needs the intervention of the state" (Seip 1974:136). We can add: even if that system is capitalism packed in an ideology of laissez-faire. Markets are artifacts. They are created.

Seip demonstrates that under bureaucratic leadership the state concentrated real capital through its infrastructural policies. State taxation and the use of taxes to build roads and railway, and the creation of state banks (Hypotekbanken) increased state capital.\footnote{He demonstrates elegantly how the municipality of Bergenhus paid 126 000 riksdaler to the state road budget and got 22 000 back to build roads.}

In 1884 the bureaucratic elite was ousted from its dominant political position. It was left with a role in the public administration. The bourgeois political parties overwhelmed the state with their authority. Again I think Seip gives the correct definition of the new state. The representative, parliamentary state, where the Storting controls the appointment of the government, and where the political parties are contenders for political power, was the state of the bourgeoisie (his concept in Norwegian: det næringsdrivende borgerskapets stat).

Who were the members of the bourgeoisie? It was at least the industrial/ trade/finance owners of capital in the towns and the large farmers (especially on the east coast) who could employ foreign labour power and accumulate capital. As the preceding analysis has shown, the base for this bourgeoisie expanded from the 1850's and especially from the 1880's.
CLASSES IN RURAL NORWAY?

There was a large semi-proletariat of wage/subsistence workers or peasants, often seasonally employed, employed in farming proper and in all kinds of housework. Secondly there were many independent small-scale peasant farmers, attached in part to the market economy (see Jacobsen 1964, Haarstad 1983 and Østerud 1975 and 1976). There was a bourgeoisie within the farm community, with different problems and opportunities from the urban bourgeoisie, but basically with the same class interest in developing the capitalist market system and in accumulating capital.

What was the relative position of peasant and farmer interests in the liberal democratic movement? The movement had a basic anti-bureaucratic stance and struggled for local democracy (partly fulfilled in 1837 when parliamentary organs were created at the municipal level), positions supported by the whole movement.

The movement's demand for more local democracy was ambiguous. It could increase local power, but it could also serve to strengthen state control over the municipalities. The strong nationalist element in the movement could be seen as conservatively anti-capitalist, as one of its motives was to conserve the petty, subsistence form of Norwegian farming and handicrafts (the household economy) and keep other states and international capital at a distance. But, in the last part of the nineteenth century, national independence was also favoured by sections of the urban bourgeoisie, who saw independence strengthening its position as an independent (autocentric) capitalist class, both nationally and internationally.

The political party Venstre was a political leadership of the liberal democratic movement. The policies of that party have been
interpreted as a pro-modernization strategy. Capitalists, both large capitalists and those of smaller, petty bourgeois calibre, were active members of the party. It was the radicals from the urban areas, arguing for liberalization and individual freedom in the economy, who were to play the decisive role in Venstre. Nerbøvik puts it this way: "With the knowledge we have today we have to conclude that it was the modernization element, rather than the defense of the old order, and thus the alliance with the old "farmer associations" (bondevennforeninger), that is, characteristic of the Liberal party in the 1880's" Nerbøvik (1973:70).

THE STATE AND THE EARLY FORMATION OF THE WORKING CLASS

The role of the cyclical movement in the economy
An important condition for the class struggle is the cyclical movement of the economy. In the capitalist mode of production this movement is driven by the negative pressure on the rate of profit, a pressure driven by the capitalists' strategies for maximizing profits, a pressure caused by the need for ever larger investments in the means of production that at the same time reduce the amount of "living labour" in the production process. Therefore the amount of surplus value relative to the amount of investment falls. This in turn spurs all kinds of additional activity by the capitalists to keep the rate of profit up, again increasing the downward pressure on the rate of profit in the system as a whole - a spiral that, law-like, in contradiction to the intentions of the individual capitalists and the state, emanates in economic crisis and depression, with large quantities of goods in the warehouses without buyers and large numbers of workers/wage labourers in the labour markets without work.
In the depression phase of the cycle, the means of production are destroyed and/or their value is reduced, so that a new balance of surplus value and investment in the means of production is created. In that way a positive rate of profit is created. And so on - indefinitely - as long as the asymmetrical and contradictory class relation between the working class and bourgeoisie in the economy exists.

If we first look at data on the Norwegian economy as a whole, the cyclical movement can be recorded in the movement of the absolute size of the GDP (in NOK), and on the percent growth of GDP per capita (scale to right in Figure 8.1).

![Figure 8.1 Gross Domestic Product, 1865-1960](source: CBS (1966), Tables 11 and 12)
Given that GDP per person is an expression of the general movement in the economy, these data indicate periods of economic growth in the late 1860's and early 1870's, in the first part of the 1890's, in the period up to and during the First World War, in the late 1920's and then again before the start of the Second World War. The first period after the war was also a growth period. Downturns were experienced in the 1880's, in the first years after the turn of the century, in the 1920's, the first half of the 1930's and during the Second World War.

The cyclical movement can be registered on many levels. At the firm level we can observe it when we take a long time perspective. Figure 8.2 shows the volume of wool production over time at the Arne textile mill outside Bergen (Gran and Jensen 1978). There was a marked downward turn in the 1880's and the 1910's. Then, through the 1920's and 1930's production at Arne reached a high point just before the Second World War. There is reason to doubt that this cycle represented changes in the real social needs for the products from the textile mill. The cycle expressed the effects of changes in demand, as they were expressed in money terms. If this is correct, we would expect the movement in production at Arne to be related to the general cyclical movement in the economy as a whole, with downturns at Arne when the economy is in the crisis
phase of the cycle, reducing employment and wages, reducing the demand for textiles.
Comparing figures 8.2 and 8.1 we see, as might be expected when we compare national data with one specific firm, that the fit is not quite perfect. But the relationship is there. In 1887 the economy and Arne had a downturn. Between 1900 and 1905 Arne was expanding with a downturn in per capita GDP in the economy. The 1921 crisis hit both the economy and Arne. But then in the 1920's and 1930's the economy had a recession that Arne avoided.

The cyclical movement affects the class struggle. In the upturn the bourgeoisie will demand labour power and increase wages to attract workers; in the downturn there will be layoffs, cuts in wages, etc. The working class will be more aggressive in the downturn, when the employers will have the least incentive to meet their demands (they are laying off workers and reducing production anyway). Thus we might expect the state to be more actively repressive against the working classes in the downturn, because those periods create a general scepticism about the dominant mode of production. However, when the employers win the battles in the economic sector, we might, according to the same logic, expect the state to be more lenient because of the concomitant spread of defeatism in the working class.
Whether English workers tend to strike in the upturn or downturn phase of the cycle is discussed in Seth (1984). She presents the theories about cycles and strike propensity developed by Smelser (1962) and Tilly (1978b). Even if downturns hit the working class hard, and make it more aggressive, whether that aggressiveness will result in political action or in political defeatism is unclear. The economic downturn in the 1920's definitely led to a mobilization of the labour movement. However, when the strikes were defeated by the employers, the tendency was for workers to leave the unions. Deterioration of economic conditions spurred mobilization and radicalization, at least among the mass of workers. Defeat in the political arena, however, did not spur more radical and more active organization.

The organization of the working class
What pattern can we see in the development of working-class organizations? How did class identity develop? Under what conditions did the class become aware of itself, that is, see itself as an independent group both in relation to the paternalism of the state and relative to the individualist, liberal conceptions of society peddled by Venstre?

As I have shown, the working class was in an early phase of its formation in the 19th century. Its struggles can be divided into three phases. The first phase was in the 1840's when some workers joined the Thrane movement and threw their lot in with handicraftsmen in the towns, with farmers and intellectuals in that movement. Seip suggests that the three main groups or "formations" in Norway in the nineteenth century had more the character of corporations than of classes, because they represented separate cultures and had few interactions (Seip 1974:63). His description of the Thrane movement indicates that (a) the working-class movement emanated from handicraftsmen and intellectuals in the towns and (b) its
members were mainly rural wage labourers and tenant farmers. He suggests that it was a complex of several movements, "It was at the same time a movement of peasants, of handicraftsmen, of tenant farmers (husmenn) and a labour movement" (Seip 1974:192, Bull 1985). Marcus Thrane articulated a utopian anarchic concept of a new socialist society inspired by Saint Simon and Fourier. On a more practical level the movement petitioned the government and the king for democratic rights and economic assistance. The working-class element in the movement was largely recruited from the countryside, where the living conditions were poor but on the upturn in the 1840's. There were more rural wage/subsistence workers than urban workers. The working class was becoming a category of people with some degree of internal networking but with little coherent conception of its own existence. The Thrane movement was a first form, a first possibility of formal organization (cf. Figure 2.1).

It disturbed the bourgeoisie and the authorities. The movement was violently attacked by the police when it held a national congress in Christiania. The leaders of the movement were sentenced to years in jail. The second phase of the working-class struggle started early in the 1870's, again inspired by developments in France. There were nation-wide strikes in 1872.

Some details of the early organization of workers can be discerned at the Arne textile mill. It was located in a rural area, by the Blindheim river. It had a large number of female workers. In 1872 the workers asked for a reduction in their work hours. At that time they were obliged to work a total of 13 hours with a 2 hour break in the middle of the day. They asked the owner, Peter Jebsen, for a reduction to 11 hours. The workers met in a house near the church, but were thrown out as both house and church were company property. Jebsen turned down the request. Then, as the workers continued their strike, Jebsen changed tactics and accepted
a reduction - given it was implemented after existing orders were delivered. Months passed. The workers heard nothing and went on strike again. At their second attempt their work hours were reduced to 11. The struggle did not lead to a permanent trade union. The First World War passed before a union was established, organized in the national Textile Workers' Federation. A number of actions to improve working conditions were taken in the 1920's, but defeat was the order of the day.

The owner, Peter Jebsen, had close to total power in the mill community. He owned most of the buildings (houses, shops, church and school). Jebsen and the clergyman were on the school board and on the board of the cooperative store. The system can perhaps be termed a feudal paternalism, perhaps not uncommon in isolated, rural areas in Norway with new industrial establishments.

The evidence from Arne tells of workers' organizations built from above. The initiative came from the outside, from organizers who travelled from one workplace to the next. Workers joined the unions at Arne, it seems, mainly for economic reasons. Few joined for ideological reasons. In 1909 a union leader was sacked after having organized a strike. The sources do not tell of any mobilization against the ousting of the union leader. When the union lost a wage struggle, many members left the organization.94

Locally the "union federations" (samorganisasjoner) played a role. They organized all the trade unions in a town or region. They integrated worker demands and politics between unions in different branches of production, but they were inefficient when it came to specific struggles between a capital owner and workers in one sector or in one branch (Bull 1985). The local federations often had difficulty in taking the lead in specific struggles because they

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94 Edvard Bull has data on membership in Kristiania Arbeidersamfunn. They show that conflict leads to a mobilization of new members, but defeat meant a return to lower, "more normal" membership levels (Bull 1985:361).
The working class represented very different and often conflicting interests between workers from different companies. Therefore national organizations within industries were on the rise. The first one in Norway was the National Federation of Typographers (1885). By 1898 there were 11 such federations (Bull 1985:443), all of them small in the beginning and concentrated in Christiania and other big cities. Thus, by 1900 we can say that leading sections of the working class were conscious of their common economic interests and had the capacity to organize on a national level - a process that was dependent upon and conditioned by the uneven advancement of capitalist industrialization.

The third phase was the organization of a separate, class-based political party. In the 1880's many politically aware workers were members of Venstref. However, the need for a separate, class-specific political organization was being voiced by activists all over the country. The Labour Party was created in 1887 at a congress in Arendal.

All these data taken together show that the working class was gradually organized without any support from the state apparatus, but surely inspired by the representative character of the Storting and, as we shall see, with the state most often on the alert, ready to suppress any such organization at the first opportunity. The working class gradually developed an understanding of itself as a separate movement, one that had different interests from the liberal, farm/petty bourgeois movement and certain interests in the broader movement for national independence (better chances for the liberation of labour from aristocracy and patriarchy in a bourgeois national state). First in 1903 did the labour movement achieve representation in the Storting, when two socialists were elected from northern Norway.

The working class struggled first in the individual firms against capitalist owners, defending worker interests and taking the first
steps towards building class organizations there. That struggle matured gradually and led to the formation of samorganisasjoner, and later to national industry-specific federations. It was in the 1880's and 1890's that these industry-specific federations managed to achieve a national level of organization. In this sense the working class was the essential labour power of the modernization process, but at the same time continuously attempting to build organizations that could defend workers' interests against pressures for more loyalty to and attacks on pay, worktime etc. from the owners of capital and their organizations. The workers' organizations expressed more or less clearly, more or less forcefully, a dual perspective: defence of interests within capitalist labour relations and attempts at defining and giving form to a society beyond capitalism, where exploitation of one class by another was eliminated.

THE POLITICAL PARTY VENSTRE AND STATE REFORMS AFTER 1884

After getting into power in 1884, Venstre, with Johan Sverdrup as leader and prime minister (from 1884 to 1889. See Nerbøvik (1973) and Seip (1981)), introduced a number of reforms in the government system: (a) the parliamentary system for the selection of government members; (b) a new and more democratic jury system; (c) a new education law, making access to schools easier for members of the lower classes; and (d) formal equalization of the two Norwegian languages. The reforms had a profile oriented towards the interests of lower classes, but can also be seen in an integrative perspective: (i) making parliament responsible for the political composition of government at the same time made the opposition in parliament responsible for the chosen government; (ii)
allowing for popular representation in the judicial system could also increase the legitimacy of the bureaucracy; (iii) unifying the school system and broadening recruitment could weaken conceptions of a class society and make workers' adaptation to the industrialization process easier; and (iv) giving public legitimacy to New Norwegian, that is, to a norm for writing developed on the basis of the oral traditions particularly in the rural areas of the country, could in the same way strengthen a less class- and culture-specific understanding of the state among common people. Not that these policies were implemented with consciousness of such effects, but that they to some extent could function that way.

The Liberal Party split in two just after 1884, the two parts taking the names the Moderates and the Pure Left. The Moderates merged with the Conservative Party. The Pure Left cooperated increasingly with the labour movement. But not all elements of the labour movement were happy with that involvement. In 1892 the conflict sharpened in Christiania. Two suggestions were put forward in samorganisasjonen for the arrangements for Independence Day (17 May). One was to support the demonstration organized by Venstre. The other was to organize a separate workers' demonstration. The unions which supported an arrangement with Venstre created a federation, Norsk Fagforbund in 1893. As the organizational process advanced, inspired by the new Labour Party, Norsk Fagforbund became increasingly isolated in the working class, and as Bull says: "It disappeared without leaving any trace at all" (Bull 1985:442). The older workers' societies gradually joined with the Labour Party.

These data suggest that the main political thrust of both Venstre and the farmers' movement as a whole was the demand for demo-

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95 A detailed description of this process is given in Nerbøvik 1973:107-. He mentions a third faction in Venstre, 'the nomads', attempting to keep Venstre united. He also mentions the discussion among the historians about the Moderates' amalgamation into the Right Party.
cratization of the state (parliamentarism and local democracy) and modernization of the economy, i.e. advancing the capitalist market economy.

Venstre was supportive of the development of capitalism, but was also part of the opposition against the ruling bureaucratic elite. The party absorbed most of the early underdog, lower-class, working-class opposition to both bureaucracy and expanding capitalism. It represented the liberal intellectuals and the broad demands for Norwegian national independence. But the party was at the same time a bourgeois party, one that saw the future in capitalist terms, that is, a production system with private owners of the means of production, employing wage labour and 'freely' accumulating capital through a market economy. It was pitted against the radical ideas of a socialist economy and a state in the explicit service of the working class, as propagated by the radical sections of the newly formed Labour Party.

The reorganization of the state in 1884 created a stronger state with a more unified command (the Storting got control over the composition of government) and with an administrative structure at the local, municipal level acquiescent to central government policy. It was a state with increasing autonomy relative to the bourgeoisie, with the beginnings of a professional administration oriented towards building infrastructures and the creation of 'free' markets. But it was a state that, more systematically than the bureaucratic state earlier, was organized to develop capitalism. In this sense the new, more autonomous state increased the state power of the bourgeoisie (the state acted independently as an essential agent of modernization). With the creation of specific working-class organizations, and thus the clarification of Venstre as a bourgeois

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96 As the Workers Encyclopedia (AL:1115) puts it: "Venstre expressed the interests of all the different democratic forces in the country, the interests of most of the working population at the time."
party, the state could also respond much more directly to labour movement actions and initiatives.
STATE SUPPRESSION OF WORKING-CLASS MILITANCY

The democratization of the state and its involvement in infrastructural activities through public investments and professional management, did not rule out the suppression of illegal political activity by the state. Seip (1974) mentions in some detail the secret security and spy system that the Swedish king organized inside the Norwegian government in the first years after 1814, in order to be able to follow the real movements of opposition and supportive elements in Norway and safeguard his position and Swedish interests. The liberal state was not unfamiliar with the use of direct bureaucratic and violent force against political opposition movements. Some examples:

(1) It is well documented (Ousland and Skar 1949, Bull 1985) that the suppression of the Thrane movement by the police was initiated on a false rumour. The police in Kongsberg got the idea that the activists in the movement were planning to take weapons from the munitions warehouse at Kongsberg Munitions Company, and go clandestinely to Christiania and there physically harass the meetings of the Storting. Thrane's project was to "tear down the central jail in Christiania and free the inmates" (Ousland and Skar 1949:29). A police report on this "plan" was sent to the Ministry of Justice and triggered police action against the leaders of the movement. The police transferred weapons from the munitions store at Kongsberg to a secret hiding place. Some weapons were destroyed by pouring cement into them. On the basis of the rumour, the police arrested the Thrane leadership. Marcus Thrane and other leaders were jailed. An order went out to register all members of Thrane's local organizations (arbeiderforeninger) throughout the country (probably around 20 000 members at the peak of the movement in 1850). About 200 leaders were jailed. It took the judiciary four years to work through the indictments against them.
The families of the arrested leaders were mostly in dire economic straits because their breadwinners were in jail. Some of the families petitioned the Storting for support from the public poor relief funds. The Storting turned the petitions down.

Thrane and his next-in-command got four years. The rest were jailed for shorter periods. All the Thrane movement petitions, mainly concerned with citizen rights, were defeated in the Storting. With the leadership eliminated, the movement disintegrated. What kind of political conclusions the many members drew from the movement's activity and the state's reaction to it, we do not know. Nor do we know to what degree the movement existed as a social movement, without formal organization, in the years up to the emergence of the independent labour movement in the 1870's.

(2) In 1872/73, as mentioned earlier, there was nationwide worker militancy. In Christiania, a Danish socialist, Marius Jantzen attempted to reorganize the 'Workers Society' (the arbeidersamfunn), independently of Venstre. He mobilized a few workers, but met with harsh reactions. The conservative newspaper Vikingen asked him to leave the country and, if he did not, suggested that the police should "give him a helping hand" (Ousland 1974:42). Suddenly he lost his job. But he continued to call meetings. The police were always on his heels, intervening so that no one was willing to let him rent meeting halls when he

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97 "The final verdict in the Supreme Court fell on 25. June 1855. Of the 123 persons indicted, 6 were set free. Thrane and the editor of the paper Arbeiderforeningens Blad, Abildgaard, were sentenced to four years. Thrane was in jail for seven years in all, as the three years in jail before the verdict fell were not deducted. Most of those convicted had participated in "Hattemakerkrigen", a struggle waged at Hønefoss to liberate the indicted Halsten Knudsen. He was sentenced to nine years in jail. A number of leaders were convicted in provincial towns, in Romedal and Levanger, making the total number convicted 200 (Bull 1985:234).

98 Seip's thesis on this point is 'total dissolution': "Those workers who had listened to his [Thrane's] rebellious agitation and his admonitions about solidarity and autonomy, about the right to work and to vote had [after the movement had been crushed] slipped into the "grand consensus" between the social classes, isolated and subdued." (Seip 1974:206).
The working class

attempted to arrange political gatherings. There was, as far as we can see now, nothing unlawful in his activity.

(3) As was typical internationally, the printers were in the forefront of creating workers' organizations. In Christiania in 1889 the printers went on strike for higher wages. Mobilizing strikebreakers was used as a counter-strategy by the owners of the publishing houses. One owner, Mr Steen, contacted the presidency in the Storting and requested that it move the printing of public documents (Stortingstidende) to a printer in Denmark. This suggestion was adopted by the presidency of the Storting, and later accepted by a majority in the Storting. A meeting of workers in Oslo, meeting in Oslo Arbeidersamfund 29 March 1889, protested against this support of the employers by the national assembly. "We have never felt the lack of working-class representatives so strongly as when the Storting accepted the decisions of the Presidents, decisions explicitly taken to support the [media] owners against the workers" (Ousland, 1974:160). The printing was started in Copenhagen - but not for long. The Danish printers were soon informed about the nature of their work for the Norwegian national assembly. Their demand: either the printing of the Stortingstidende was stopped or they would go on strike - in support of their Norwegian colleagues. The Labour Party called for a meeting on 31 March at the open area at Tulinløkka in Christiania. When more than 1000 people showed up the police tried to disperse the demonstration. Then one of the workers' spokesmen, Carl Jeppesen mounted a staircase and proclaimed:

"Workers, the police have today harassed us and blocked our access to a public space where we want to discuss important matters. Let us continue as we started and go peacefully home. Let the police stand for brute force in our society" (Ousland 1949:162).

Ousland has found traces of a larger police and military system that was on stand-by, ready to act in this conflict in Christiania. The
King's Guard and the military training school for the cavalry had been mobilized and ammunition distributed to the soldiers. Ousland suggests that the preparations in 1889 were forebodings and a 'practice' for the more massive military and police interventions against the working class and the labour movement in the 1920's.

What we see in these materials is a state apparatus directed at the control of political activities. It is an administration at best working at the limit between indirect democracy and more direct authoritarian forms of the state, itself in danger of acting illegally because it can act on assumptions of unlawful actions that have not been committed. This type of clandestine, oppressive administration indicates the existence of what I will call the two faces of parliamentary-based indirect democracy: one face is formally open to the public, engaged in implementing positively defined laws, programmes, etc. decided upon in parliaments; the other face is clandestine and secretive, engaged in identifying potentially 'dangerous' or 'illegal' political activity.

Seip (1974) indicates that espionage among Norwegian citizens was already common in the 1830's and 1840's. In 1851, when the Thrane movement was at its height, he suggests that the bureaucratic elite "prepared to defend itself with physical force... Students were trained in using weapons against "internal enemies". On 24 February 1851 ... the Norwegian government had 1000 soldiers ready for action in Christiania... The Thrane movement was right from its inception under state control through an organized espionage system" (Seip 1974:174-175).

The secret services seek autonomy within the state, and in addition attempt to hide or cover up their own activity. Thus the secret services may not only have autonomy relative to the Storting, but may also be autonomous relative to the government and to other parts of the administration. The secret services may be viewed as a second-level administration within the public administration, both
formally and in practice autonomous of the regular decision-making routines in the administration. If such autonomy exists, who is in political control of the second-level system?

**CONCLUSION: THE BOURGEOIS REVOLUTION**

The state was substantially reorganized between 1814 and 1905. In 1814, in the "political space" created by the settlements of the Napoleonic wars, a Norwegian/Danish liberation movement established a nationally independent parliamentary type of state. But independence was brief. By the end of 1814 the Swedish monarch and ruling class had control of government formation in Norway. The government was divided between a Norwegian and a Swedish section. This system did not, it seems, seriously reduce the internal political power of the bureaucratic elite and the Storting in Norway. In the 1880's the new bourgeoisie and an active liberal farmer's and urban intellectual movement removed the bureaucratic elite from its leadership position in the Norwegian state. With *Venstre* in the forefront, a parliamentary form of government was created. After this change of regime *Venstre*, and later *Høyre*, had control over the public administration, implementing a technical/administrative and legal infrastructure in support of capitalist market expansion and industrialization. In 1905 the Swedish authority was eliminated from the Norwegian state. Both the military and the foreign service were subordinated Norwegian state authority. The Norwegian state could move autonomously into international relations.

This development which took approximately 100 years, can be defined a bourgeois revolution in Norway, a process that at the same time meant the formation of a working class, a class that in the nineteenth century gradually developed an identity and class organizations. The newness of the working class and the fervour of
its leaders gave state actions against that class a rather jittery character. Reaction to working-class organizations and political activity was violent at times. The state developed secret services for continuous surveillance of radical political activity.

The state in this period was explicitly self-assertive on its own bourgeois character. There was no doubt in ruling circles around mid-century that the task of the state was to eliminate economic privileges, open for markets and market competition and the development of capitalist activity within those markets, supported by international capital when possible. In the latter half of the century the infrastructural development programme was added to the project and meant exploiting scientific knowledge in the public sector.

This did not mean, however, that the state was without autonomy relative to the bourgeois class. The law-making process in parliament had a logic of its own, where external interests and demands were registered and processed, with an outcome in the form of laws, regulations and budgets valid in the whole territory, laws that therefore contained (a) a general national policy and (b) compromises between and exclusion of some specific interest and demands. The public administration developed its autonomy more on a professional/scientific basis, suggesting means for implementing (often unclear) goals defined by parliament and the government.

This autonomy was a product of several factors. One was the weakness of the bourgeoisie. Another was its newness; it was a class that was being formed only gradually in the nineteenth century. For this reason the bourgeoisie lacked class organizations before the 1880's that could take part in the struggle between the political parties and over positions and influence in the state administration. Thirdly the bureaucrats had built an administration well adjusted to wielding bureaucratic power. That administration
(as organization) did not disappear with the removal of the bureaucratic regime. Lastly, the infrastructural projects were new and were developed within a basically agricultural economy, so that the professionals who did get involved in the state, had plenty of scope to define more exactly what the projects should be. The professionals enabled the gradual development of programme autonomy in the state, which gave the state the capacity for independent policy-making.

Typical of state activity was its interventions in the "space" between the classes, between the economic systems, or the modes of production struggling for expansion or against oblivion. In 1814 the state intervened between the Norwegian bourgeoisie and the competing monarchic regimes struggling to subdue the country. In the 1850's the state intervened in the conflicts between the peasants, the bourgeoisie and the Thrane movement, always on behalf of "society", not as an explicit instrument of any special interest in society. In the 1880's and 1890's the state intervened in the struggle between the rising bourgeoisie and the bureaucratic elite, and it intervened increasingly in the economy, between the capitalist firms and the consumers, creating an infrastructure for capitalist production and distribution. Precisely in these ambiguous, problematic spaces between different, contradictory modes of production, between contradictory social classes and their organizations, the state has room for autonomous action.
State autonomy in agriculture: 
The role of the new professionals

“if the social sciences teach us anything, it is that the development of theory of various kinds is not simply the product of acts of will, but it is the slow outcome of many efforts to describe, explain, and account for specific social phenomena.”

Martin Trow (cited in Jacobsen 1964:i)

What role do the professions and professionals in top positions in the bureaucracy have in the state apparatus? What autonomy do they have, to what degree do they enhance the autonomy of the state in the political process and how can we go about analyzing the role of professions and professional leaders in the state?

Knut Dahl Jacobsen (1964) gathered detailed materials on the political role of an increasingly professionalized agricultural administration in the modernization of Norwegian agriculture. He was interested in how the administration participated in formulating and implementing agricultural policy in Norway in the last part of the nineteenth century.

Jacobsen introduced a novel, specifically organizational approach to the study of administration. He combined analytical elements from political science and administrative law, from Norwegian historiography, from sociology and organization theory. The study
inspired a debate across disciplinary boundaries on the interpretation of the role of the agricultural administration and the state more generally in changing the mode of production and the living conditions of the rural population in Norway in the late nineteenth century.\(^9\)

\(^9\) Two 'opponents' commented on Jacobsen's doctoral thesis. They were the sociologist Vilhelm Aubert (1965) and the historian Jens Arup Seip (1965).
FROM DISSEMINATION OF
KNOWLEDGE TO THE GENERATION OF PROFITS

The administration as a political actor
Knut Dahl Jacobsen was among the pioneers of postwar social science in Norway (Bleiklie et al. 1985). His focus is on the political role of the state administration and the processes that changed that role over time. His thesis is that the government bureaucracy, intended (by some) to be a neutral, efficient and state-loyal implementer of democratically defined goals and public programmes, is actually a central and autonomous political actor. He sees this autonomy as a function of two mechanisms. The first is the mechanism of constitutionality, where the specific roles of the state and each main part of it are defined in a constitution. The definition of the macro-structure of society and the organization of the state in the constitution cannot easily be infringed. The second mechanism is professionalization of the bureaucracy. The professions develop specific action models on the basis of, among other things, investigations within the scientific disciplines. The professional action models affect the content of public policy and the choice of means for implementing it. Before the legal and technical professions entered government, the state relied on common, popular concepts of change. Lacking the modern, scientifically based professions, the state was limited to extracting taxes, paying its own employees and ensuring, more or less violently, that law and order was respected. A state with the ability to intervene constructively in the economy and participate in redistributing public resources between groups was dependent on an ability to formulate policies, find economic and organizational means to implement the policies, and ability, legitimacy and power to change social relations. The professions and the sciences on
which they were based brought that kind of knowledge into the state.

But professional autonomy in the state implies dependency. The professions needed support. If no one considered the knowledge useful, the influence of the professions would dwindle or never develop. Professionals in the state are dependent upon having means/end knowledge, but also on someone in society considering the ends interesting and the means a good way of reaching them.

As professions develop and establish themselves in (public) positions, a change of relations between professions and clients can develop. If the professions were originally dependent upon popular support in attaining power positions, once they have become established, earlier autonomous supporters may become dependent clients. In that situation the internal dynamics of the profession may change. From being engaged in changing reality in the service of some value, the professions may well become primarily engaged in prolonging their position of influence, especially as society is transformed and new groups or social classes make new demands on the state. 100 Perhaps the most surprising thesis Jacobsen puts forward is that the professions hold the key to client group access to state resources and support.

"Quite decisive for the welfare of a client group is the outlook of "its" profession, whether it explicitly is interested in the welfare of the group or whether it is more oriented to the survival of its own administrative unit and "public welfare in general". If a client group is not related to a profession, or if that profession is not client oriented, then policies based in other sectors, other group interests will be forced on the group and its interests will have difficulty permeating into public politics. In one sentence: the rule of experts is only a danger for a client group that is not represented by experts." (Jacobsen 1965:160)

100 See Terrence Johnston and Rueschemeyer in Dingwall and Lewis (1983) for developments of aspects of this theme.
This is a radical thesis. On the one hand it questions the theory of parliamentary democracy, that interests are primarily dependent on being represented in parliament. On the other hand it highlights the elitist character of the state: the state is an arena for professionally based activity. Lay persons will have difficulties, will meet knowledge and especially language barriers in attempting to influence state policy. Groups without elites (read: professionals in the bureaucracy) taking care of, representing and formulating their interests will not advance very far in the hierarchy of programme priorities established in the state, even if they are well represented in parliament. But can this radical theory of the autonomy and the power of the professions stand critical testing? How does Jacobsen analytically and empirically argue his theory of professional autonomy?

The analytical strategy:

*bridging the gap between psychological and political variables*

The analytical strategy is primarily informed by the sociological concept of roles. Jacobsen suggests that we look at organizations as relatively stable distributions of roles in which individuals and groups go about making (and receiving) decisions. Sociological role theory suggests that positions in organizations contain expectations as to what the incumbent should do. Role theory suggests that individuals have action models that define the situation, the problems contained in that situation, participants in problem solving, and standards for reasonable solutions to the problems. In organizations, expectations, embedded in decision-rules and organization structures (hierarchies and offices), meet action models. Some kind of adjustment takes place, but the contradictions between the structures and the action models can also generate innovation and change.
Organization structure is seen as the distribution of various attributes of power and dependencies between roles in the organization, initiative, information, influence, obligations, acceptance, legitimacy, who decisions affect, and responsibility (Jacobsen 1964:5). Jacobsen assumes that these distributions are influenced by the professionals and that the professions have distinctly different action models. March, Simon and Guetzkow (1958:174) suggested that understanding routine decision-making and innovation required two quite different theories. The theory of the relative value of known alternatives can help us understand routine decision-making. Innovation in organizations, on the other hand, requires an understanding of how people and groups focus their attention and how and under what conditions that focus changes from the existing programmes to searching for new ones: "a theory of choice without a theory of search is inadequate". March and Simon developed a number of social psychological hypotheses about when dissatisfaction with existing programmes would generate a search for new ones and where such a search would take place. Dahl Jacobsen moved the focus of that research from the psychological mechanisms of individuals and their interplay with organizational factors to the power and influence of professions. He not only developed the idea of action models to pinpoint the strategic thinking of professionals; he also introduced an "ecological" perspective to the study of group action, that is, investigating how professions came to identify with social groups and movements in society and how they related differently to political authorities.

Jacobsen's study is concerned with the modernization of agriculture in the last part of the century. He studied the autonomy of the agricultural administration in policy-making, from the early period when the Ministry of the Interior had its agricultural consultant (from 1854), through the expansion of the consultant's
role, to the creation of a Director of Agriculture in 1877 and to the final incorporation of the Agricultural Directorate into the new Ministry of Agriculture in 1900. What role did the professionalized administration have relative to small and large farmers and relative to the rising bourgeoisie in the urban areas?

Jacobsen's thesis is that the professional bureaucrats had an autonomous role in the political process, in specifying the programme for agricultural modernization and the means for implementing it. The administration was not a machine, implementing a well-defined parliamentary programme. Rather, the administration was a politically independent actor, developing its role through knowledge-based action models. There were disagreements and conflicting views within the agricultural profession over models of development within agriculture and how development should be implemented. The professions had complex and dynamic relations with the Storting, with social class interests and with specific client groups.
The role of the agricultural profession and Jonas Smitt in the modernization process

The process Jacobsen describes is one of administrative change. From an early policy of modernization, developed in the 1860's and 1870's, which focused on developing scientific methods of agricultural production, the policy changed to a more complex programme, including financial assistance to farmers and an extension service actively disseminating information about better production techniques.

The old programme focused on scientific experimentation and accumulation of technical knowledge. Jonas Smitt, the director of the Directorate of Agriculture, the perpetrator of this programme, left it to the farmers to acquire the knowledge in practice. The responsibility of the agricultural administration was to organize scientific experiments in agricultural production techniques, and to make the results available for farmers who were interested in it. The active dissemination of knowledge would contradict the principles of a neutral administration. The obligation of the administration, in Smitt's view, was to be equally available for all. Neutrality meant providing information to whoever asked for it. Thus Smitt's model of the administration was that it should be passive in relation to the farm community, but active in developing theory and knowledge. This administrative action model Jacobsen named the "insight model". The outcome of that policy was an agricultural extension service that mainly served the large farms that had capital and time to implement the new production techniques.

A new action model gradually emerged within the agricultural administration, developed by a new generation of agronomists. Their education had a more practical slant and their understanding of modernization and the role of the state was more interventionist than Smitt's. Their knowledge of the practical problems in the different regions of the country was wider, their identification with
the farm communities stronger. At first they represented an opposition within the administration, activists or agitators as Jacobsen calls them. Gradually their influence increased as their more down-to-earth programme of agricultural development gained support in the political arena. They believed in an active state, that approached the farm communities with suggestions, ideas and resources for developmental activities. Jacobsen called this model the "profit model" because it focused on creating conditions for profitable production in the different regions of the country. The profit model engaged the state in modernization of all sections of Norwegian agriculture.

The change from the insight model to the profit model was manifest in the agricultural administration by the end of the century. How was the change implemented? Can the change be explained solely in terms of the support for the models within the administration? Jacobsen develops an intriguing description of the change process, a description that puts the relations between the state and society in focus. He demonstrates that the change was not a result of open discussion and policy decisions within the public administration. The struggle within the administration called to mind more a war of positions than a rational dialogue among colleagues. The politics of administrative change had parallels to the politics of government composition in the larger political arena. Regime changes, it can be said, are dependent upon power, not arguments. According to Jacobsen, while the insight model mainly served the interests of the large capitalist farmers in the rich Eastern/Southern regions of the country, the profit model served all and particularly the subsistence farmers/peasants along the coast, especially in the West and North.

The internal conflict over action models mirrored changes in the political strengths of different classes and groups in society. In Jacobsen's interpretation it was the democratization process, driven
forward by the broad liberal alliance, that was the basis for the strength of the profit model within the agricultural administration. That process influenced and changed the structure of the agricultural school system, away from an abstract, scientific education towards a more practically oriented study, engaged in improving farming techniques and socioeconomic conditions from one region to the next.

However, the change of action model was also related to a set of organizational variables. The change was dependent on a reorganization of the formal structure of the state. That reorganization had several dimensions. One was the change of governmental form, the change from the king’s control of government to the parliamentary system, where parliament controlled the composition of government. The bureaucratic elite gave way to the rule of the bourgeois/liberal/farm coalition. This change was a decisive condition for the elimination of the insight model from the agricultural administration.

The change was implemented through a reorganization of the administration. The Venstre government initiated what Jacobsen (inspired by Eisenstadt) calls a concentration process. Political power, from being located in the bureaucracy, was moved into the Storting. From 1884 the Storting increasingly controlled the appointment of government. But Venstre also concentrated power in the top levels of the administration. Through the creation of a new Ministry of Agriculture the autonomy of the Directorate was limited. By setting up a new Ministry and incorporating the Directorate in the Ministry, the government had a powerful instrument to implement the new policy. Through this concentration process the old insight model was scrapped and the new, progressive profit model and the professionals subscribing to it were given access to administrative power.\footnote{Dag Solumsmoen (1980) argues that taking political control of the Director of Agriculture...}
THE INTERPRETATION OF THE PROFIT MODEL AND THE INTERVENTIONIST STATE

Jacobsen's interpretation of the change from insight to profit as the guiding principle, and the parallel change from the parliamentary state with a separate and independent government controlled by the monarch to the same form of state with a government appointed by the Storting, is definitely one of democratization. Through the application of the profit model, more farmers got the benefit of government activity. Through the Storting-controlled parliamentary state, broader sections of the population, including the small farmers, were drawn into the political system. His thesis is that Norwegian politics moved from a focus on elitist, centrally located interests to a broader representation of the social classes in society.

"On several points the [political] system became open to influence from without - the courts through the jury institution, the government through the duty of the government members to meet and assume responsibility in the Storting, the Storting by a broadened obligation between voters and representatives. The broadening of this obligation can be considered a link in the change from local representation to class representation ... The class element also laid the foundation for more permanent group formations in the Storting ... the new measures [in the profit model] ... were intended to take care both of the farmers in contrast to other social groups and of the lower strata of the farming community, the hired workers who were on the point of being enfranchised." (Jacobsen, 1965:86-87)

The message is clear: from local to class representation, and representation of all major classes in the new Storting; from by incorporating him into the new Ministry was an untypical organizational innovation around the turn of the century. Most directors kept their independent positions and some directors were even moved out of their ministry (e.g. the Director of medical supplies). However, the incorporation strategy became common in the interwar period, when a number of infrastructural directorates were incorporated into ministries (Rail, Telegraph, Navigation, Sea Transport, Post and Roads). The argument then, according to Solumsmoen, was to reduce redundant decision-making (Solumsmoen 1980:67).
selective support for large farmers to support for all farmers, and
even support for hired workers in agriculture. Is this a reasonable
interpretation of the profit model in practice?

The answer to that question is important for the interpretation of
the autonomy of the state in this period of Norwegian history. A
more powerful and interventionist state is not in question.; but
intervention organized on what class basis and in the interest of
what classes and groups?

Several scholars have taken part in that debate. Professor Jens
Arup Seip is one of them. He disagrees with Jacobsen on two
points. First, Seip is sceptical of the democracy thesis. The profit
model was not a model in favour of the small farmers. Rather, it
was a concept of an active, interventionist state within the ruling
class itself, that is, within the aforementioned alliance of class
forces that ejected the bureaucratic elite from government. As Seip
puts it, Jacobsen's two models were two action models competing
for hegemony within the conservative class, "two models within
Norwegian conservative politics at the time". They represented the
thinking of two sections of the ruling class, one laissez-faire, the
other interventionist, interested in engaging the state in the ex-
pansion of the infrastructural conditions for capitalism. It had little
to do with the influx of working-class and small subsistence farmer
interests into the state.

Seip is also critical of the "from local community to class
representation" thesis. Seip argues that the bureaucratic elite had for
a long time itself represented class interests in Norwegian politics.
The bureaucratic elite was dependent upon support, as mentioned
earlier. While the main section of it had been modernization
oriented from the early part of the century, another section had its
loyalties in traditional patriarchy and large-scale aristocratic
farming. The new element in the politics of the 1880's was,
according to Seip, precisely the mobilization of local interests into
the national political system, their organization into the state (parliamentary forms at the municipal level, legally introduced through formannskapslovene).

The bureaucratic elite, in addition to its split over identities, also presented itself as a defender of society as a whole. In Seip's formulation: "The bureaucratic elite comprised the attitude both of state authority and of the individual citizen" (Seip 1965:215). In that way it attempted to please all parties. That was a viable strategy as long as all other parties could not enter the political arena. It became an ambiguous strategy when each party wanted a voice. The strategy was gradually identified as a cover up for the specific interests of the bureaucratic elite itself.

The profit model was "an element in the conservative [bourgeois] movement". There was a widening of popular participation in the state in the 1880's, but it was a participation controlled and organized within a capitalist/industrial modernization model. The profit model functioned to integrate agriculture into the market economy and thus into the circuit of capital accumulation. Through more efficient production techniques, prices of agricultural products would be reduced, reducing the working class pressure on wages in

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102 I think Rokkan rightly saw that popular participation was quite easily incorporated into the state system, once the state (bureaucratic) structure and the basic power relations between the state and the social classes was determined. Earlier demands for participation were met with state opposition and even state violence when those demands were based on cultural and economic interests that had not been (a) either organized away or (b) incorporated administratively. As Rokkan puts it: "The Protestant centres of the far North [in Europe] could pass quickly from state-building (Phase I) to nation-building (Phase II) and could develop unified cultures well before the era of mass politics (Phase III and IV) ... The essential message ... seems to be this: you can expect a smooth transition to the mass politics of Phases III and IV - either when the territory is sufficiently remote from the exit promptings of the trade belt to have allowed the early growth of distinctive legal, religious, and linguistic standards (the English, Swedish, Norwegian, and Icelandic cases) or within the central belt [of independent city trade centres], whenever the cities have been able to establish strong enough consociational ties to thwart the development of a centralizing state apparatus (the Dutch and Swiss cases)" (Rokkan 1975a:581 and 591).
the urban areas. The need for labour per unit of land or per unit of produce would decrease, "liberating" farm labour for employment in industry and trade.

Several empirical factors in agriculture support this interpretation. The market economy expanded around the turn of the century. Many small tenant farms and small self-owned farms were lost as independent units; the number of people in farming was reduced, as depicted earlier, and a large number of people from rural areas emigrated to the USA because of better opportunities there or lack of sufficient employment in the expanding industry in Norway. Bergh is of the same opinion:

"The special focus given to agriculture in this period of Norwegian history can give the impression that public policy had the intention of helping peasants on their own premises, in essence defending their mode of production. But that was not the case. It is beyond doubt that the primary purpose of state engagement in agriculture was to integrate the whole sector into the market system." (Bergh 1983:52)

Thus it seems reasonable to conclude that (a) popular participation in the state increased; (b) local interests, through the enhanced role of the Storting and the local parliamentary organs, got a larger say in the political decision-making process; (c) contrary to Jacobsen, the struggle over action models within the agricultural administration was a struggle between the bureaucratic elite's static/conservative view of the state and the rising bourgeoisie's more dynamic interest in expanding industrial capitalism and engaging the state actively in the creation of the necessary conditions for that expansion; (d) the struggle between action models also expressed a conflict within the bourgeois movement over how active the state should be; but (e) the agricultural administration,

103 Between 1865 and 1900 the farm population fell by 24%. Between 1875 and 1890 227 000 Norwegians emigrated to the USA, of these 160 000 came directly from the rural areas (CBS 1978 and Lieberman 1970).
whether under the insight model or the profit model, was oriented towards the expansion and modernization of capitalism - the models represented different strategies towards that goal.

**IS STATE AUTONOMY DEPENDENT UPON PROFESSIONAL PERSONNEL?**

Ulf Torgersen (1961) has investigated the relations between the university, the professions educated there and the state in nineteenth-century Norway. His study results in a theory that somewhat modifies Jacobsen's thesis that the influx of professionals increased state autonomy. Torgersen's thesis is that before breakdown of the bureaucratic regime in 1884, the university and the state were increasingly held apart. The professors who had become bureaucrats were forced back into the university, while the "pure" political organizations, the political parties, were being organized. The state should be a specifically political organization. Science in the state created ambiguity.

At the same time a process of specialization and bureaucratization was going on inside the university. The academic disciplines were split into more specialized subjects, each organized in separate departments. The scientific role was gradually changed from one of "overview and understanding" to "specialized (technical) knowledge and research".

The crisis of 1884 transformed the state. New power relations between classes filtered into the state. Through a concentration of power in the Storting, the elimination of the bureaucratic elite from government power and the reorganization of the administration, the new liberal/democratic coalition had done its job. Power could then be disseminated again, to the administration and to municipal organs. With the change of regime and the reorganization of the
state apparatus, the academics could be drawn back into state activity, but now in a new role, not as autonomous administrative leaders but as specialized counsellors to the politicians. This set of changes in the state, in the universities and in the relations between the two institutions can be internally related. As long as the bureaucrats had political command and the state mainly gathered taxes and kept the peace, the state did not need specialized professional knowledge. That need arose with the burgeoning capitalist economy. To meet that need the Storting was strengthened to be able to oust the bureaucrats from political leadership and develop policies for the building of new infrastructure. Implementing that kind of intervention into the economy required more state at the local level and local mobilization. That project required a more professional political role, politicians who not only directly represented their constituencies, but who had a vision about the future (capitalist) society and the ability to specify that vision in concrete development programmes. The specialization in the university system in the form of more natural and technical sciences and a proliferation of faculties and departments can be seen as an adjustment to this new task: the education of professionals for positions in a more specialized state administration.

The bureaucratic elite had to concentrate political power in the state as a defence against the attacks of the industrial bourgeoisie/farm coalition. In that process the publicly employed professors were not efficient. They were loyal first to the scientific enterprise, and only secondly to politics. Therefore they had to go. The rising bourgeoisie was interested in a new type of academic, a more practical, technical type of academic - in addition to the humanists, the military officers and the legal and religious generalists. The state-conscious bourgeoisie wanted politicians in government with knowledge of infrastructural conditions for modernization, politicians who could run the state on its behalf.
In this sense science appears in both these stages of Norwegian political history (before and after 1884) as subordinated to politics. Seen this way, the theory that class politics was in command in both periods is strengthened. Before 1884 bourgeois interests were promoted in politics by parts of the bureaucratic elite. After 1884 bourgeois interests were more directly taken care of by the new political parties through the Storting, which was in command of the political composition of government. After 1884 professionals were drawn into the administration, after a specialization and socialization process had been inaugurated in the universities. The professionals certainly had their autonomy, but autonomy within organizational structures that were adjusted to the new economic demands on the state.

Torgersen demonstrates how the bureaucratic elite gradually lost its value-neutral image as it was increasingly forced to defend its power, and how the new social movement, focused on capitalism, industry and independence, was related to the specialization of science and its renewed mobilization in politics after 1884. That development of the scientific enterprise supports the hypothesis that the bourgeoisie and not the broad coalition of farmers, peasants and intellectuals was in the forefront of the political process.

The small peasants in the farm movement were quite uninterested in or even hostile to "science". Their interest lay in increasing the value of practical farm work - in practice, in state policy, in education and science. In that sense the "profit model" may well have had appeal, as Jacobsen indicates. That model meant at least an administration interested in the specific problems experienced by agriculture in the different parts of the country. But my argument concerns the profit orientation of the agricultural administration. Was that orientation in the interests of the peasants and small

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104 See Benum (1979) on the integration of professionals into the state in the nineteenth century.
farmers in the rural areas of Western and Northern Norway? I doubt it. I have more sympathy with Østerud when he suggests that these farmers (perhaps all farmers in Norway?) were primarily interested in raising the consumption standard in their own households. Democracy for them was mainly a way of limiting the power of the bureaucracy.
THE VALUE OF AN ORGANIZATIONAL APPROACH TO THE STUDY OF STATE AUTONOMY

Jacobsen's theory of the political role and autonomy of the administration combined elements from organization theory, sociology and historiography and contained a concept of levels of analysis that made it possible to identify processes both generating and limiting subjective choices and decisions in the administration. When distinctions between the economic structure of society, the organizational systems and subjectively determined actions are not made, or when the specific movements and processes within each level are overlooked, studies easily degenerate into factor analysis, or the quantitative relations between an unending number of variables without an eye to the processes (systems) connecting variables within and between the different levels of analysis.

Jacobsen noted that Jonas Smitt, as a professional within the ruling bureaucratic elite in the 1870's and 1880's, typically identified with society as a whole and a politically neutral administration. The state should not favour any specific group. The professionals in opposition to Smitt identified with specific class interests, and felt that the administration should actively and

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105 See also Stein Rokkan's (1975a) distinctions between levels of analysis in his grand design for comparative studies of nationbuilding. Rokkan and Dahl Jacobsen cooperated and pioneered at about the same time the establishment of the political sciences in Bergen in the late 1960's.

106 The NPS can be criticized for not distinguishing between levels of analysis. Quite typically, as a consequence of the lack of this intellectual tool, the Power Study describes a state structure, a complex state organization, without investigating empirically what it does and how its more concrete actions and policies are generated. The state has innumerable organs, units, commissions, levels, professions and complex relations with organizations, firms, communities, markets, etc. outside the state. But why those structures exist, which classes in society gain power through them and how and to what degree the structures determine policies, we are hardly told (see Hernes 1975, Lægreid and Olsen 1978, Olsen 1978, Østerberg 1979 and Andenas 1981).
concretely serve those interests. A neutral administration was a cover-up for the defence of established interests.

The oppositional professionals integrated science and politics: science should be motivated by a specific liberation or development model. The opposition wanted an active administration, a battling administration, one that sought contact with its clients and fought for their interests. The rulers wanted a passive and neutral administration. In this way the professionals were seen as political actors mediating between interests in society and government policies and integrating political-scientific programmes and forms of administrative organization.

Jacobsen studied the changing role of the agricultural administration in the Norwegian state in the nineteenth century, developing a theory of the processes behind the change of attention focus and action models in the agricultural administration. The professions emerge as change agents. He described how they carried new action models into the administrative system and how they organized it to implement the new values. When new social movements arose in society, those movements that managed to educate professionals had an instrument for entering the public arena and mobilizing state resources for their cause.

Jacobsen described how a change of political regime opened the administration to the new professionals. The new regime and its concentration of political power in the Storting, through the mechanism of parliamentarism and by forcing autonomous administrative units (like the Agricultural Directorate) into the politically controlled ministries, seem to have been a necessary condition for the change of action models and agricultural policy in the administration.

\[107\] See Tilly's description (1978b:384) of the two-tier and four-tier action models, called 'the moral economy' and 'possessive individualism' respectively, confronting each other in the politics of eighteenth-century England.
As I see it, Jacobsen places his theory of professions as independent actors and agents for administrative change in a dialectic base-superstructure paradigm. His theory can be depicted in the form of a model (see Figure 9.1).
A new role for the state

THE UNDERLYING PARADIGM: CAPITALISM AND DEMOCRACY

What in this potent analytical scheme led Jacobsen to what I have argued to be a somewhat exaggerated evaluation of the democratic character of the political-administrative changes towards the end of the century? That may be an effect of Jacobsen's own paradigm, the basic concepts he employs in studying Norwegian politics.

First Jacobsen (like Rokkan) did not develop a concept of the process of capital accumulation. Capitalism was expanding and penetrating into agriculture, but in Jacobsen's scheme that meant basically pressure for new technology, increased productivity and a market/money orientation of production. What social relations capitalism established between worker and capitalist, between urban capital, farmer and farm workers, between the social classes in capitalist society, was not conceptualized.

Secondly, politics was defined abstractly as attempts at changing the world in a direction normatively defined by a change agent. As Jacobsen says: "Politics ... can be regarded as an activity aimed at defining problems, getting the problems accepted as definite, and possibly creating an administrative organization in order to get the problems solved" (Jacobsen 1965:63). Politics is defined (1) as a subjective process, where conceptions of a preferred future guide present actions, and (2) as a struggle for representation in the state. This definition sidesteps the question of actors in politics. Are they only individuals or can groups and classes be seen as actors?

Within a marxist paradigm, politics generally in capitalist society might be defined as the struggle between social classes over state power. With that definition, subjective interpretations of interests should be sought for in decision-making within economic positions and relative to established cultural codes, world views, etc. Subjectively defined interests could then be related to more
structurally defined expectations and language structures. The political aspect of the struggle could be defined as the struggle (a) over the organization of the state, and (b) over the content of state policy. With these definitions the result of the investigation might well be, as suggested earlier, that the democratization of the state in the 1880's and 1890's, which is undeniable, was a democratization within the structures and limitations set by the rising capitalist mode of production and the dominant class interests within it. When the class theory of politics is missing, and when politics is defined more abstractly as a relation between will and organization, a specification of the limitations of the democratic reorganization of the state at that time can hardly be conceptualized.
FROM INSTRUMENTAL TO PROGRAMME AUTONOMY

Jacobsen's studies show that the state and state bureaucrats had a large degree of instrumental autonomy in the first two-thirds of the century. But it was a limited autonomy, an autonomy that developed within a capitalist modernization paradigm, a paradigm that the bureaucrats acquired through their contact with European economic and political ideology and through their alliance with the rising industrial bourgeoisie in the towns. The old regime, after eliminating the privilege system in the markets, focused on bureaucratic values (safe positions, good pay, stable relations with clients, with the political authorities and with other administrative units). With the industrial bourgeoisie on the rise, the state took on programme autonomy. The new professionals developed, quite independently, detailed programmes for profitable agriculture in the different regions of the country.

At the same time, however, the government and the public administration were subordinated to the Storting and the dominant political party there. The formation of the political parties can be seen as expressions of the increased importance of social classes in society. Venstre organized the broad coalition of liberal intellectuals, the petty bourgeoisie and the farm movement. The bourgeoisie proper and parts of the bureaucratic elite organized in the Right Party (Høyre) and the working class in the Labour Party some years later. In Venstre there was a political leadership capable of uniting a broad bourgeois class coalition, fighting for national liberation, the dethronement of the (Swedish and Norwegian) bureaucracy, and the gradual development of conditions for expanded capital accumulation in the economy. It was a political coalition that, through the state apparatus, could both mobilize and control the publicly employed professionals. It was a coalition that could not hold together as the Right Party confronted more directly
the labour movement's party and trade federations. *Venstre* then became increasingly a political party between the Right and the Labour Party.

**INCREASING STATE AUTONOMY: THE RELATIONSHIP BETWEEN DEMOCRACY AND CAPITALIZATION OF AGRICULTURE**

Jacobsen's research demonstrated how, through which mechanisms and relations bureaucrats participated in politics, in institution building and class formation and highlighted the role of the professions in state decision-making and in the development of state autonomy. He introduced the ecological approach (organization/environment relationship) and demonstrated the scientific value of interdisciplinary analysis. But his lack of a theory of the social relations in the emerging capitalism makes his analysis ambiguous, in my opinion, with respect to the class content of the modernization programme in agriculture and to the class character of the democratization process.

With the political turmoil of the Napoleonic wars and the radical political ideas of the revolution, the bourgeoisie and the nationally conscious bureaucratic elite in Norway was offered an important opportunity for organizing an independent state in the country. The bourgeoisie lacked the capacity to dislodge the bureaucratic elite from the heights of the state organization in the first decades after 1814.

From the materials I have investigated, I suggest that the capitalist mode of production was the most dynamic economic force in the country already in 1814, even if farming, in a combination of market and subsistence modes, was the most common form of production. My thesis is that, up to 1884, the bourgeoisie delivered
the decisive value premises to state policy-making, premises that
were processed independently by the bureaucracy, with a
breakdown of the bureaucratic/bourgeois alliance in the years
before 1884 but with a renewal of it on the basis of a new definition
of the role and place of the professional bureaucracy after 1884.

With the economic and technological innovations around mid-
century, the relations between bureaucracy and bourgeoisie
gradually changed. The bureaucracy hardened and put all the more
energy into defending its own limited power interests, while the
economic power of the urban bourgeoisie and the political and
ideological power of the liberal farm movement increased. The
power of the state was at the same time restricted. It was wielded by
the bureaucratic elite up to the 1880s, when the political coalition of
bourgeoisie, liberal intellectuals and petty bourgeoisie in both towns
and rural areas became strong enough to dislodge the bureaucrats
from the ruling positions in the state, establish the Storting as the
leading organ and reduce the bureaucratic elite to a place in the
administrative apparatus (Seip 1945).

The state organization up to 1850 was small and sharply hier-
archical, with limited political division of labour (divided into only
a few ministries). The state was mainly an instrument for control
and taxation. But even in 1818 the infrastructural administration
was present, in its earliest forms, interspersed as separate, small
offices in the classic ministries. Then in the 1840’s, with new
economic expansion, these infrastructural functions became more
important, and they were separated out from their old locations and
organized into the Ministry of the Interior. This change indicated
new demands on the state: (1) that it eliminate barriers (like trade
and production privileges to specific persons, families or towns) and
introduce the principle of laissez-faire into the legal code, and, (2)
that it initiate an active management of infrastructural activities -
canal building, regulating sea traffic in difficult waters, building a
railways, land telegraphs, and furthering more efficient forms of production in agriculture. These two functions were in part contradictory, one requiring that the state stay out of production and distribution and the other that the state be involved in the production of infrastructure. The solution was a stronger state because both policy areas required positive state activity.

The new *laissez-faire* infrastructural policies brought the state into contact with larger groups and sections of the Norwegian population. This expansion of state activity could be misunderstood in two directions.

(1) It could be seen as a general democratization resulting from anti-bureaucratic and pro-democratic demands. The expansion of the state in the municipalities, which was a democratization, could be seen as only that. But it also made possible a more detailed intervention by the centre in the widely different localities in the country, a closer surveillance of wants and sentiments there and a state-guided mobilization of economic activity in the service of a foreign agent, the rising, urban, industrial bourgeoisie.

(2) The reorganization of the state could be misunderstood as a change from a bureaucratically self-interested state to a class state. It is at least possible that no such change occurred in mid-century Norway. What happened was rather that the leading class, the bourgeoisie, developed from being a class based in trade and farming, subordinate to the rule of the bureaucracy, to a class where the industrial and export-oriented section gradually gained enough strength to enter the political arena. With the bureaucrats in power, the new class's arena was the *Storting*. The class then became strong enough - in alliance with other oppositional elements - to oust the bureaucratic elite from top positions, and put a new leadership, educated in the bourgeois political parties, at the head of the state.

Parliamentarism was a state form which put the bureaucratic elite more clearly under the control of the government and the political
parties. Modern infrastructure boosted both the development and the power of the professions. The profit model in agriculture, administered by a directorate controlled by the Department of Agriculture, exemplifies, I suggest, exactly this new political system. The profit model was directed at integrating most farms into the market and making production more efficient in money terms. The state took on the problems of agriculture, but in an alienated form - focusing on profit maximization, when most small farmers and peasants were worrying about how to keep the household economy from collapsing. The consequences of state success in agriculture were therefore: (1) many small farmers had to give up; (2) more and cheaper food from the farms was delivered to the urban areas; and (3) farm labour was "liberated" for work in urban industry.

The model required a new type of bureaucrat, a professional with substantive knowledge of agriculture, with the ability to understand and specify problems as they existed in the different districts of the country and the ability to define public interventions that could solve or alleviate the problems. But the new professionals (agronomists) functioned within an action model influenced by the idea/demand for a market economy in agriculture. This thesis suggests a more limited professional autonomy than Jacobsen describes (see Jacobsen 1964:196) and an autonomy used to advance the capitalization of agriculture, with a very limited loyalty to small, household-oriented farming in Norway (Otnes 1973, Chapter 12).

The development of capitalism gradually formed the industrially based working class, a class recruited largely from the countryside through the gradual elimination of tenant farming, through the introduction of better technology which reduced the need for manpower in agriculture, but also through urban changes, development of handicrafts with apprentices who were prevented from
becoming masters. Parts of the working class, together with small farmers and handicraftsmen, had, under Thrane's charismatic leadership, already in the 1850's shown a capacity for an underclass mobilization.

Let me now turn to state-class relations in the twentieth century, the era of the working class and social democracy. Given the increasing political strength and influence of the labour movement, did the state retain its class character untainted or did the labour movement influence the state and gradually reorganize it in such a way that interpreting the state apparatus as an autonomous organization oriented towards realizing and defending the bourgeois project of an autocratic capitalism became imprecise or even false?
How and to what degree did state policies in the interwar period affect the class structure? In particular, how did the state and its policies affect the formation of a reformist labour movement, one that accepted to struggle for working class interests with the bourgeoisie in command of capital and within the existing state structure?

In Part C we have seen how the bureaucratic elite was ousted from political leadership. The administration was reorganized and expanded to develop infrastructure favourable to privately organized industrial production. There was a shift in the internal power structure of the state. The bureaucratic political class, dominant in the administration, the government and the (newly formed) parliament, was historically set to administer feudal/aristocratic interests. The state had its role in tax collection, in education and religious services and in some infrastructure and military affairs. The aristocratic concept of society was static. But through the pressure of international developments, toward enlightenment, liberalism and capitalism, parts of the bureaucratic elite, together with the rising Norwegian and Danish bourgeoisie, demanded change.
The change process that ensued was complex. On the one hand the progressive part of the bureaucracy supported liberal ideology and capitalist organization of the economy. On the other hand the bureaucratic elite was not willing to let go of its political power positions. It was this contradiction that reached breaking point in the 1880's, and a common interpretation is that the bourgeoisie won that battle.\footnote{The multi-party state was organized constitutionally much like other West-European states; it was also in Norway dominated by “bourgeois” elements; agrarian interests were secondary; both interests were pressured from the left by an organized working class” (Seip 1974:11; my translation).} But not in the sense that a bourgeois elite moved into the state and took over the role of the bureaucratic elite. Rather, the state was reorganized into its modern parliamentary form, and two political parties that represented different social coalitions started struggling for majority in the Storting and for government control.

The distribution of power in the state changed. After 1884 it was the Storting that both formally and in practice was the power centre. Parliament (i.e. the Høyre and Venstre parties within it) demanded a new and direct loyalty from the government. The government in its turn demanded a new and more direct loyalty from the administration, at least in periods of tense ideological and political struggle. This loyalty was enforced in different ways. One way was to eliminate the autonomy of the professional directorates, as happened with the Agricultural Directorate under Jonas Smitt. Another was to specialize the more technical administrations. The division of labour between parliament and administration became clearer. Specialization increased attention to sub-goals in the state programmes. Thus policy-making was left to higher levels of the state organization.

A central role of the state in the nineteenth century was to develop the wide-ranging legal and technical infrastructure necessary for capitalism to expand. But when we look back at that process it was the politicians and bureaucrats and not the private
owners of capital who were the organizers. The capitalists proper in Norway played a subordinate role in the political and administrative arena. In the political coalition that managed to eliminate the bureaucracy from government there were people with a basis in capitalist trade and industry, but the state played an autonomous role in developing and implementing the infrastructural programmes. The bourgeoisie as a class of private capitalists was rather weak and on the defensive in this period of Norwegian history.

With the turn of the century, modern industry took form in Norway, especially in connection with the hydroelectric power plants. How did the industrialization process affect the class structure? How did changes in that structure affect the organization of the state? Were the industrial entrepreneurs active in state policy making?

Having investigated those questions, I turn to the relationship between the state and the labour movement. What role did the state play in the interwar years in the formation of the working class and its organizations? How was the state organization affected by the new and dynamic industrial bourgeoisie, struggling against a large and quite homogenous working class, and what power and autonomy did the state have in that relationship? A study of the Trade Bank affair in the early 1920's makes a more detailed, transverse, study of that question possible.

An exception may be Peder Jebsen, who was active in organizing the construction of the railway from Bergen to Voss, the 'forerunner' of the rail connection between Bergen and Oslo. That Peder Jebsen needed more efficient transport to get materials and products to and from his textile companies on the west coast just emphasizes that the private sector needs state intervention and support. That a private capitalist was especially active on the west coast may also say something about the reach of the classical bureaucratic state which was concentrated in the south-eastern region of the country. Øystein Sørensen (1988) demonstrates how the state, through the elite bureaucrat Schweigaard, was active in organizing the first railway line in the south-eastern part of the country.
CHANGES IN THE OCCUPATIONAL STRUCTURE

There is something enticing about data on the distribution of people, of workers, administrators, and capital owners in society. They are, at least formally, very accurate. How many are getting paid for work in banks, in industry, in farming, etc.? Antonio Gramsci (1967) suggests that at this level of description we can go about our work with the exactness of the natural sciences. The structures disclosed are stable, at least over the short term. However, even these classifications are problematical: how many actually gain their living from farm work in Norway's small-scale, peasant farming; where is the dividing line between agriculture, industry, transport and trade? Still, let me turn to the data on the development of the economic structures in Norway between 1900 and 1950, the distribution of both people and capital. I will use them to indicate changes in the class structure and in the power relations between classes and the state.

The data in the Appendix do not distinguish between owners of capital and wage labourers, or between different kinds of owners
(for example whether they employ foreign labour or not) or between wage labourers according to size of wage. Neither do they distinguish clearly between the public and the private economy. The table does distinguish crudely between material production and services. The table has a separate category called "economically inactive". The Bureau of Statistics (CBS) has put housewives, children working at home and recipients of public and private support in that category. The concept "inactive" is used to indicate that these people do not receive regular wages and/or they get remuneration without working. People in all these categories may work, may produce material goods or services that have use value. But that is, for the CBS, beside the point. Most of these people do not contribute to the fund of surplus value; they drain surpluses from it.

I have included data on women in paid work ("active" women), so that we can see their position in the economy and in the class structure. Since women generally are subordinates in socioeconomic systems, from the family, through the labour markets and into the capitalist firms and public institutions, there is reason to assume that their voice in political and ideological organizations will be different from that of men from the same socioeconomic positions.

I will in the following also scrutinize some data on international capital in the Norwegian economy and data on the distribution of real capital between the state and the private sector.
The primary sector: downward trend. Expansion in periods of unemployment

The numbers show that agriculture was on the decline, relatively, from 1900 to 1950. However, the speed of the decline varied. From 1910 to 1930 the reduction was about 3%. That is a small reduction compared with the downward trend in the last part of the nineteenth century. In absolute numbers, the exodus from the primary sector halted in the first part of the twentieth century and was reversed. The number of farmers in Norway increased between 1910 and 1930, which it did not do in any other decade between 1870 and 1970 (CBS 1968, Table 17). The number of farms rose from 259 000 in 1917 to 327 000 in 1939, an increase of 26%. This increased the social base and the political importance of the farm movement, a fact the Labour Party was well aware of in the 1930's. But statistics on farm size also suggest support for a theory of class distinctions in rural Norway in this period (Table 10.1).

Table 10.1  Farm structure, 1917-1939

<table>
<thead>
<tr>
<th>Farm size</th>
<th>1917</th>
<th>1939</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very large farms over 1000 mål*</td>
<td>31</td>
<td>41</td>
</tr>
<tr>
<td>Large farms 200-1000 mål</td>
<td>6200</td>
<td>5800</td>
</tr>
<tr>
<td>Middle sized farms 20-200 mål</td>
<td>120000</td>
<td>141000</td>
</tr>
<tr>
<td>Small farms under 20 mål</td>
<td>133000</td>
<td>180000</td>
</tr>
<tr>
<td>TOTAL</td>
<td>259000</td>
<td>327000</td>
</tr>
</tbody>
</table>

* 1 mål = 0.247 acres

Source: CBS (1968), Table 74.

The number of small farms increased most, increasing the size of the peasantry as a class of rural workers, producing mainly for
subsistence but with market transactions as a means of rationalizing work and increasing the consumption fund\textsuperscript{110}. Large parts of this peasantry were economically no better off than the urban industrial workers. They toiled as much or more and at no time had subordinates (except, as suggested, women; but that was a common trait with males in the industrial working class). The difference was that the peasants did not experience the large workplaces where tens and hundreds of workers cooperated under some kind of capital command and the relatively direct capital-labour relationship in industry. The peasants' confrontation with capital was more in the form of banks requiring interest and instalments on loans. The industrial workers had the representatives of capital present all the time. The numbers also indicate that the petty bourgeoisie in the rural areas increased in this period, as did the rural bourgeoisie proper on the large farms.

But then, from 1930, through the war and to 1950 the speed of the relative decline increased, reducing the number employed in agriculture from 15\% to 10\% of all aged 15 years and over. We notice that forestry and fishing managed to uphold their relative position in employment up to 1930. By 1950, however, the relative decline in fisheries had set in. One reason why forestry and fisheries did not follow the rate of decline in agriculture may be that both these sectors were more integrated into industry than small-scale agriculture, so that when industry expands that affects forestry and fisheries positively.

\textit{Modest industrialization}

\textsuperscript{110} Whether the increase in the number of small farms in the interwar period was a consequence of explicit policies and state interventions or a consequence of the economic crisis that hit wage-earners in industry, making employment in agriculture a tempting alternative, is, hard to say. But more on that later.
The figures for industrial employment are somewhat surprising. They demonstrate that industry in Norway right up to 1930 did not in any marked way increase its relative position. From 1900 to 1910 there is a decline in the percentage. It increased through the First World War and reached 17.2% in 1920. Then there was the decline in the 1920's, bringing the percentage back to the level of 1910. But the Second World War changed the picture. By 1950 20.4% of all employed were in industry. Considering the difficulties encountered in securing food supplies during the war and the tendency to return to agriculture, this rise in industry is significant. The data indicate that industry became the major sector of employment in Norway as a consequence of the preparations for war, the entry of the social democrats into government and German-supported industrialization during the war. Industrialization developed rapidly during the First and Second World Wars, with a certain, but actually not very large, decline in the 1920's (CBS, SØS No.3:40).

On the basis of historical statistics, I have constructed a diagram of the changes over time in the numbers of workers in industry (bottom curve in Figure 10.1; the top curve shows people receiving some kind of support as their main source of livelihood).
The diagram demonstrates that industrialization, as measured by employment in that sector, increased evenly from 1875 to 1900. At
the turn of the century the increase flattened out, only to move upwards again in the decade of the First World War. Then came the crisis of the 1920's with a new flattening of the numbers employed, followed by active industrialization from 1930 up to the outbreak of the Second World War. The diagram gives us a glimpse into the postwar period. There was, as could be expected, an increase in industrial employment after the war. But by 1950 industrialization had reached its peak. There was a moderate increase in the 1960's.

Around the turn of the century industry was established in places with waterfalls and hydroelectric power. Failing farmers and semi-proletarians from the countryside moved to these places in large numbers. On the one hand, as we shall see, industrialization was pushed by the influx of international capital and organizational know-how in the early part of the century, with a slow and halting nationalization of control of the new enterprises (slow development of autocentricity). On the other hand the industrialization process around 1900 rapidly formed an urban working class in Norway, a class that soon produced a conglomeration of movements, both

However, as Ramsøy shows, the increase in the industrial working class was probably already at this time largely recruited from within the working class itself. Persons "freed" from work in the countryside, especially from work/ownership of middle-sized or larger farms, often went directly into service work in the urban/industrial areas. It was the sons of peasants and rural workers who moved to urban industry when work possibilities disappeared in the countryside. "Most of the new recruits to urban industry came from the industrial working class itself" (Ramsøy 1977:159).

How rapidly was it formed? To what degree were rural workers working class members before (the late Norwegian) industrialization? Was a working class to some degree already formed and ready to move in to the new industries, formed through the development of manufacture and petty industrialization in the countryside? Work on this general question of class formation has been done by Tilly (1983) and Kriedte, Medick and Schlumbohm (1981), who speak of proto-industrialization, industrial developments and the formation of a proletariat in the countryside. William Lafferty (1971) has looked at the early formation of the working class in Norway.
economic and political organizations, some with a radical ideological profile.\textsuperscript{113}

\textit{Transport and communications}

The relative size of employment in the transport sector follows the modernization profile identified earlier. Water transport experienced a relative decline compared with land transport. However, there is an indication that water transport held its position during the war period (1930 to 1950 in the Appendix). The transport sector as a whole had a small but continuous increase from 1910 to 1950. Work in trade is comparable to work in transport. Both are concerned with bringing the produced goods to their physical point of consumption. Employment in trade increased more than in transport up to 1930.

The increase in services is one indication of a more economically integrated society. More work goes into moving goods and money between people, moving people between different locations and caring directly for individuals. However, more material exchanges and movements within a society do not necessarily say anything about the extent of subjectively meaningful communication between people. An economically more integrated society can have widely varying degrees of meaningful communication. This distinction is important in state analysis, because the possibilities for democracy are influenced by both dimensions, both the technical possibility of communication (material integration) and the amount and character of meaningful, expressive communication (social integration). We shall later (Chapter 15) see that, while technical integration increased in the period from 1945, one expression of the degree of meaningful communication in the working class, namely

\textsuperscript{113} There is a wide debate in Norway on the extent of radicalization and the reasons for it. See Bull Sr (1922), Lafferty (1971), Bjørgum 1977 and Bjørnhaug (1979).
the prevalence labour movement organizations, experienced a decline.
The tertiary service sector

In 1950, not unexpectedly, the relative position of trade and banking was about the same as in 1930. Government services held stable position (at 0.8% of all persons over 15 years) between 1900 and 1930. With Labour Party takeover in 1935, with preparations for the war and the war itself, government services doubled their relative position between 1930 and 1950 (from 0.8% to 1.6%).

Personal services had a downward trend in the period, but just after the wars that category fell sharply (6.4% in 1920 and 3.6% in 1950). Community services (public services) experienced a steady increase throughout the whole period. The tendency, in other words, was for service labour to move from the private to the public labour market.

All together the tertiary sector increased from 14.1% in 1900 to 16.8% in 1930. The war years had the same effect: reduction of services. The Bureau of Statistics calls all categories "economically active" (1-15). I have suggested that within this group a substantial number of persons are unproductive in terms of capital. The rest, the productively employed, decreased. The trend is sharply downwards - from 47% in 1900 to 44% in 1910 and from 44% again in 1920 to 41% in 1930. If my assumptions are correct, this development saps the power base of the bourgeoisie. The unproductive have to be provided with money for consumption. Money has to be transferred to them, not because they add anything to the capital fund through their labour, but because the upkeep of the social system of capitalism needs service labour (banking, trade, government) and not furnishing unproductive categories with consumption funds can kindle social and political unrest. So, even with progressive industrialization, the reduction of productive labour in the primary sector and the increase of unproductive service labour, led to a change in the balance between capital productive and capital unproductive work. (Here I believe there is an intake to the understanding of the structural unemployment in capitalist econo-
Economic change

Capital productive labourers become a smaller part of the population. However, such a deterioration of surplus-producing capacity will also affect the power of the state. The state is dependent upon the size of the surplus produced in the economy (Offe 1975). Government taxes are dependent upon the size of the surplus: with the surplus fund increasing, it is easier to increase taxes; with the surplus fund diminishing (whether GDP is decreasing or increasing), there will be pressure on the state to reduce public expenditure. If the amount of capital productive labour is decreasing relative to unproductive labour and the number of 'inactive' in need of public support is increasing, that generates a structural crisis for state financing. In such a situation the state will be under constant pressure to reduce expenditure, a pressure that will exist over and above whether the cycle of capitalism is falling or rising.\(^{114}\)

*The economically inactive*

The percentage of housewives among the adult population was quite constant in the period up to 1930, at 23%. Again, not surprisingly, it rose through the war: in 1950 it was 27%. The relative number of children working at home increased from the turn of the century, with a slight reduction in 1920 and a major reduction after the Second World War. As we would expect with expanding capitalism, more people joined the ranks of those living directly off gains from finance capital. Recipients of assistance, however, did not show any clear tendency in this long period, vacillating up and down around the 5% mark.

\(^{114}\) The fact that from the end of the 1970's the size of the working class in industrial production went into an absolute (not just a relative) decline, may have precipitated such a structural crisis in the Norwegian economy (a crisis that may have started in the international economy earlier, cf. Mandel 1972).
The data in the Appendix demonstrate, surprisingly, that women became a continuously smaller part of those in paid employment, from 30.5% in 1900 to 27% in 1930 and 24% just after the war in 1950. This can again indicate a crisis tendency, that is, when employment possibilities in surplus-producing work become increasingly difficult, the first to be ejected from wage labour are women. Another possibility is that the reduction of wage labour in agriculture hits women harder than men.\textsuperscript{115}

Lastly the data demonstrate how those in paid work became a continuously smaller part of the adult population. In 1900 the "gainfully" employed were 61% of all adults; in 1950 they were 56%. Again this indicates a crisis tendency, in the sense that the number of people in surplus-generating work decreased in the economy as a whole (more youth in education, more old people receiving pensions), thus limiting the source of surplus value for the bourgeoisie while the demand for consumption funds increased.

Thus the number of persons over 15 years of age who were supported increased more or less constantly from 1875. There was a decline in the expansive 1890's. In the crisis years of the 1920's it increased more rapidly than earlier. In the years of stagnation in the 1950's it increased dramatically. But the expansion of higher education absorbed a large part of these "unemployed" young people.

\textsuperscript{115} If we look at the absolute numbers this is confirmed. Between 1890 and 1950 there was an absolute reduction in men in paid work in agriculture of about 6 000 (from 230 000 to 224 000). The reduction of positions for women in paid work in agriculture was during the same period 59 000 (from 85 000 to 26 000).
THE PENETRATION OF IMPERIALIST CAPITAL INTO THE NORWEGIAN ECONOMY

Imperialist capital is finance capital in search of profitable investments outside its country of origin. We have already identified such capital in Norway in the 1840's and 1850's, when Peder Jebsen was assisted by German capital (and English technology) in establishing a textile mill (Arne Fabrikker) and when Norwegian bankers in Christiania were assisted by French capital in establishing Den Norske Creditbank. The penetration of imperialist capital intensified around the turn of the century and was probably a dominant element behind the rapid industrialization at that time. That capital integrated the Norwegian economy into an expansionary global process. England accelerated imperialist expansion as the industrial revolution gave it a leading role in the national and global development of capitalism, a process that, through colonialism, meant a relation of dependency for a host of third world countries. In the post Second World War period the process of imperialist expansion was driven forward with new energy by the United States and by the statist/militaristic imperialism of the Soviet Union. The integration of the Norwegian economy into that global system, the stages in the development of that integration and how it has limited the independence of the Norwegian state, have not been very well clarified. The penetration of imperialist capital meant that a wide range of organizations and institutions in Norway were, in different ways, connected to international systems.\textsuperscript{116} Capital needs representation. Invested capital needs representatives on company and bank boards. Imperial capital needs - to some degree - state approval and state support.

\textsuperscript{116} The penetration was especially rapid and dynamic around the turn of the century and after the Second World War, when, among other things, the Marshall Aid program boosted the modern economy.
Imperial capital attracts technology from the world market, makes it necessary and possible for national firms to enter actively into international markets and (gradually in Norway) makes it necessary to educate nationals in the language of the new technology.

In 1909, 85% of the shares in the newly established chemical industry were in foreign hands, 80% in mining. In state-run energy production, 47% of the capital invested was in the form of international loans. In the forestry industry 44% of the invested capital was foreign investments. As Figure 10.2 demonstrates, this position of international capital was reduced somewhat during both the First and Second World Wars, but with new and increased penetration in the interwar years and from 1962 onwards.
Figure 10.2 Foreign-owned shares in Norwegian industry, 1909-1968
Percent of all shares on foreign hands

Source: Solenstad (1968:103), Table 3.12
After the First World War foreign investment was on the increase. After the Second World War it was at the level of 12-14% up to 1962 and then increased again, reaching 22% in 1968. It is likely that foreign capital increases the economic power of those parts of the Norwegian bourgeoisie that are directly connected to the investing parties. It is also likely that, other things being equal, foreign investments in Norway reduce the political freedom of the Norwegian state, at least in the sense that private capital becomes a more powerful element in the economy, an element which is increasingly difficult to regulate.

How did foreign capital function in the accumulation process? Did it just draw surplus from indigenous labour and export it without developmental "spillover" for national capital in Norway? One hypothesis put forward by Dieter Senghaas (1985), says that foreign capital in Norway was an impetus or at least an opportunity for a national capital formation process, an assimilation of resources in Norway (financial, material and technological resources) that made the development of a more autonomous bourgeoisie in Norway possible. Senghaas's view is that the Norwegian bourgeoisie managed to take advantage of the influx of international capital.


118 That such investments may increase state autonomy through a general strengthening of the economy, by increasing the basis for higher tax incomes to the state, etc. should also be considered in a thorough analysis of the role of imperialist capital.

119 What he calls from dependent/peripheral status to "autocentric development". Bergh (1983:162) follows Senghaas's lead: "German, French and Swiss turbine companies, Voith, Escher Wyss, Piccard Pictet, cooperated with Norwegian metal companies, which as a consequence created their own construction departments. Swedish, German, and Swiss producers of electrical materials, ASEA, Brown Bowery, AEG Siemens and Telefunken, put capital into Norwegian companies like Per Kure and NEBB ... English, French and Canadian electric metallurgical companies went into steel, nickel and aluminium production in Norway, introducing new technology into the Norwegian economy."
capital, generating a nationally controlled industry and an educational and scientific system that gradually could stand on its own feet.

As I have demonstrated earlier, one of the conditions for this autocentric development was the development of a parliamentary political system that liberated and strengthened the bourgeoisie, making it possible for that class gradually to gain control of the spillover from imperialist capital in Norway. Development of that political system was dependent on the existence of an ownership structure in agriculture that could sustain a social movement with democratic/representative demands against the old, conservative bureaucracy. The farm movement was in this sense a spearhead for the political development of the industrial bourgeoisie.

\[120\] Senghaas develops this hypothesis through a comparison with the effects English capital had in the Iberian peninsula. There a national, independent bourgeoisie did not develop. English imperial capital did not disturb the power of the feudal, aristocratic classes.
FIRMS GAIN MARKET POWER

This development created firms in Norway large enough to gain what one public commission defined as power over the market (Formuesfordelingskomiteen 1968). Some firms reached a size in the relevant markets through capital accumulation in each firm which made it possible for them to control prices. Another effect was that the total number of firms in a sector decreased - what we might call centralization of capital (merging of independent firms). The first of these processes, market power, is hard to pin down in facts or statistics. The other is somewhat easier. The development in the banking sector can illustrate the centralization process (see Figure 10.3)
We notice the culmination in 1918. The processes of concentration and centralization reached a new stage at that time. From an expanding banking sector, in the sense of increasing numbers of autonomous units, the number of banks decreased. However, even if
the centralization process slows down, the concentration of capital may well continue. That is demonstrated by the fact that by 1938 the three largest banks had NOK 873 mill. of bank capital or 48% of all bank capital in the private sector (Formuesfordelingskomiteen 1968:217).

Centralization takes many organizational forms.
(1) Firms can *agree on prices*. This is a weak and often quite unstable form, price agreements are abandoned when it is to the advantage of one of the parties.
(2) *Cartels* are created. That is, firms agree to divide the market between them (for example geographically, as the breweries in Norway did in the 1960's and 1970's.
(3) Companies may cooperate in purchasing raw materials, machines, etc., and/or organize marketing of products; this is called *syndication*.
(4) They may enter into *trusts*, that is, one company owns others, but profits are generated and used within the individual firms.121
(5) Companies may lastly create *corporations*. This is the most advanced form of centralization, where companies are integrated into one administrative economic system, with division of labour horizontally (between different markets and/or different functions) and vertically (between different steps in the production process).

Furre (1971) presents data indicating that already in 1923 there were 517 trust agreements (in a population of 9900 firms), 93 cartels and 92 price agreements. The material gathered by Furre demonstrates an important tendency: in the capitalist economy firms tend to organize within markets, put more popularly, to "gang up" against consumer, working-class and state interests.122

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121 In Norway in the 1970's both Akergruppen (shipbuilding) and Joh. Johanson (food production and distribution) had the character of trusts.
122 The NPS demonstrates how this tendency continued in the 1970's. I will return to these data when discussing postwar state-class relations.
THE CAPITAL RELATIONS BETWEEN THE STATE AND THE PRIVATE SECTOR

Capitalism is a social system of production and distribution oriented systematically towards capital accumulation. How successful was the accumulation in different sectors of the economy in the interwar years? One indication is real capital in private and public sectors registered in the national accounts.

**Sectoral expansion**

These data describe changes in the economic structure in Norway and indicate the economic strength of the public and private sectors. In Figure 10.4 we can see the value of real capital over sectors and over three points in time: 1899, 1939 and 1969. The values are registered in current prices.

![Figure 10.4: Real capital in main sectors of the economy, 1899, 1939 and 1969](image)

Current prices, % distribution. Forefront 1899

Source: CBS (1978), Table 62
We see that in the private sector real capital is concentrated in agriculture, industry and transport. The dramatic change has been the decline of agricultural capital and the increase of industrial capital. In the public sector, public consumption capital dominates. The relative size of that sector increased after 1939. The data demonstrate the history of electrical energy, which hardly registered in 1899, but was in second place in 1939 and 1969, increasing as rapidly as consumption capital from 1939 to 1969. Otherwise there were modest changes in the relative distribution of real capital in the public sector.

Relative strength of the private and public sectors
What was the relative strength - in terms of capital - of the private and the public sectors? Table 10.2 shows the changing distribution ("miscellaneous" contains both private and public capital).

Table 10.2 Real capital in private and public sectors, 1899-1969
(%, current prices)
<table>
<thead>
<tr>
<th>Sector</th>
<th>1899</th>
<th>1939</th>
<th>1969</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private</td>
<td>74.7</td>
<td>69.3</td>
<td>61.0</td>
</tr>
<tr>
<td>Public</td>
<td>19.3</td>
<td>26.1</td>
<td>33.3</td>
</tr>
<tr>
<td>Total</td>
<td>94.0</td>
<td>95.4</td>
<td>94.3</td>
</tr>
</tbody>
</table>

Source: CBS (1978), Table 62.

The change was as we might have expected. Although the state strengthened its position, the private sector controlled nearly 70% of all real capital in 1939 and 61% in 1969. Public capital is mainly capital invested in infrastructure, long-term technical investments with a limited function as installations absorbing labour after they have been constructed, and to a small degree capital that produces products sold piecemeal in the market. Figure 10.5 demonstrates the preponderance of private capital accumulation.
Figure 10.5 indicates some striking changes:
(1) From a low position in 1905 the private sector accumulated large values (mainly finance capital) through the war period, with an increase from NOK 100 mill. to NOK 350 mill. The state improved its position up to the war, but the increase was reduced through the war years. This difference in capital strength in 1915 was stable between the two sectors up to 1946.

(2) Even if the state had relatively moderate increases in its capital, the increases were of the same magnitude from year to year. This can be related to the infrastructural character of state investments. But it also indicates that the state had a more stable economic basis. The infighting among the bourgeoisie in the private sector and the vagaries of the market mechanism are, perhaps, not so marked in the public sector economy.

(3) The diagram demonstrates that even in the crisis years of 1920-1935 the value of private capital increases held steady at the NOK 300 mill. level, with some variation up and down.123

(4) From 1935 capital increases accelerated for both sectors. But again the private sector led the way, moving up to NOK 750 mill. in the ten-year period, while the public sector moved up to the NOK 300 mill. mark.

123 This point is also made by Berge Furre (1971) in his overview of Norwegian history in this period.
Figure 10.6 Changes in foreign debt, 1865-1966

Source: CBS (1968), Table 69
Figure 10.6 presents data on the changes in foreign debt over the same period. They demonstrate how foreign capital was brought to the country in the first expansionary years of industrialization, how the First World War put Norway in a creditor position - however briefly with a huge debt accumulating in the early 1920's. The diagram shows how the expansionary postwar period was connected to loans abroad, with 1950 as an exception because of the Marshall Aid.
**The distribution of capital over sectors**

How did the relative positions of the subsectors change between 1899, 1939 and 1969 in percentages (based in current prices)? If we compare the relative size of all the subsectors, the results are presented at the three points in time in Table 10.3.

**Table 10.3** Real capital, sectoral distribution and comparison, 1899, 1939 and 1969. Percentages and ranking.

<table>
<thead>
<tr>
<th>Subsector</th>
<th>Percentages</th>
<th></th>
<th></th>
<th>Ranking</th>
<th></th>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td></td>
<td>1899</td>
<td>1939</td>
<td>1969</td>
<td>1899</td>
<td>1939</td>
<td>1969</td>
<td></td>
</tr>
<tr>
<td>PUBLIC</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consumption</td>
<td>13.0</td>
<td>13.5</td>
<td>18.8</td>
<td>3</td>
<td>2</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Railways</td>
<td>5.2</td>
<td>5.6</td>
<td>4.2</td>
<td>7</td>
<td>8</td>
<td>8</td>
<td></td>
</tr>
<tr>
<td>Telecommunications</td>
<td>0.6</td>
<td>1.2</td>
<td>1.6</td>
<td>10</td>
<td>9</td>
<td>9</td>
<td></td>
</tr>
<tr>
<td>Energy</td>
<td>0.5</td>
<td>5.8</td>
<td>8.7</td>
<td>11</td>
<td>7</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>PRIVATE</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dwellings</td>
<td>39.5</td>
<td>32.4</td>
<td>25.7</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Agriculture</td>
<td>15.1</td>
<td>10.9</td>
<td>6.2</td>
<td>2</td>
<td>4</td>
<td>7</td>
<td></td>
</tr>
<tr>
<td>Fisheries</td>
<td>2.3</td>
<td>1.9</td>
<td>0.9</td>
<td>8</td>
<td>9</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Industry</td>
<td>8.7</td>
<td>13.4</td>
<td>17.5</td>
<td>4</td>
<td>3</td>
<td>3</td>
<td></td>
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<tr>
<td>Water transport</td>
<td>7.4</td>
<td>7.8</td>
<td>8.3</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>Trade</td>
<td>6.9</td>
<td>6.0</td>
<td>6.6</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>Services (other)</td>
<td>0.7</td>
<td>0.8</td>
<td>0.7</td>
<td>9</td>
<td>11</td>
<td>11</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>99.9</td>
<td>99.3</td>
<td>99.2</td>
<td>9</td>
<td>11</td>
<td>11</td>
<td></td>
</tr>
<tr>
<td>N=billion NOK</td>
<td>3.2</td>
<td>19.6</td>
<td>269</td>
<td>9</td>
<td>11</td>
<td>11</td>
<td></td>
</tr>
</tbody>
</table>

Most of the real capital was invested in dwellings. Agricultural capital was reduced from second to seventh position. Industrial capital increased to third position in 1939 and was at that position also in 1969. The public consumption capital moved up to second place in 1939 and stayed there. Capital in railways decreased to eighth position in 1939. Capital in electric energy increased substantially from eleventh to fourth position. The same five sectors were in the top five in 1899 and 1939. Among those five there was
only one state sector (public consumption capital). By 1969 public supply of electrical energy had entered the top five and agriculture had fallen out.

*Growth rates for real capital in the economy as a whole*

Taking yearly means, the Central Bureau of Statistics computed data on the rate of change in real capital between 1865 and 1960. Taking the total amount of real fixed capital and real capital per person employed in wage labour in some selected years (highs and lows) and drawing a line diagram gives us a picture of how growth of real capital varied.

Figure 10.7 depicts a surprising stability of growth. Not at any point do the curves touch the zero growth axis. We note how the prewar periods are periods of growth, and 1935-1939 more so than 1905-1916. The rates had a downturn in the 1920's, but was not below the 1% mark in the period (as the data are registered here. More detail may change that). It seems that the most serious downturn was not in the early 1920's but in the early 1930's. Capital accumulation, rather than any absolute capital reduction, has been the tendency in the Norwegian economy in the whole period, including the periods of most intensive political conflicts.
Uneven growth

Figure 10.7 Uneven growth of capital, 1865-1960
Growth rates for real fixed capital, in total and per. employee

Source: CBS (1966), Table 7.
STATE ADMINISTRATION AND DEFENCE

As has been said, it was the German occupants who taught both the bourgeoisie and the leading social democrats in Norway how to use the state (Aukrust and Bjerve 1945). The data in Figure 10.8 demonstrate how public employment rose actively in periods before and through world wars.

Figure 10.8 Public employment, 1900-1950
Government and municipal employment in percent of total work force

Source: CBS, SS nr.3, 1955, Table 56
Figure 10.8 depicts the systematic movement from stagnation to increase in the two periods, 1900-1920 and 1930-1946. The same is brought out in the data on government personnel in Norway between 1875 and 1970 in Flora et.al. (1983:228). He distinguishes between personnel in general administration and total government personnel. Taking general government personnel as a percentage of the total reveals an interesting pattern: 1875:32, 1890:26, 1900:22, 1910:19, 1920:22, 1930:22, 1946:33, 1950:28, 1960:31, 1970:28. Up to 1910 the expansion of the state was heavily biased to specialized personnel, the percentage of general personnel sinking from 32% to 19%. In the interwar years the percentage of general personnel was stable, at 22% at the two points of measurement. In the postwar period the percentage was also stable, but at 30%. General administration had become a heavier task. This can support the thesis proposed earlier, that the state had increasingly to intervene in the economic and social system in an attempt to keep them running smoothly. I will return to more data on public employment in the post second world war period. In the diagram we notice the relative stagnation up to 1950.
Figure 10.9 Public employment. Type of state activity, 1900-1950

Source: CBS, S8 nr.3, 1955, Table 56
Figure 10.9 demonstrates the development of the employment in the three main state sectors: administration and defence; services; and public commodity production. Personnel in service work and in administrative employment have a stable increase over time, but it is a moderate increase compared with commodity production. Public commodity production seems more volatile, perhaps more dependent upon market forces, moving dramatically upward before the wars and also more markedly downward in the 1920's. Administration and defence move together like services.  

Lastly in Table 10.4 the relative size of the sectoral employment in the state 1900-1950 is depicted. The stable relations between the main sectors is striking. Commodity production accounted for some 50% of employment in the state throughout the period.

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124 Around 1900 defence had as many public employees as the administration proper - around 6500 people. Then the number of defence personnel was reduced. In 1930 the number was at its lowest point, with 3250 persons employed. Administration proper expanded, with 17 000 employed in 1930. We can imagine how much more important the military officers were around 1900 within the public sector than in 1930, when non-military administrative personnel in the state outstripped the military employment by five times.
Table 10.4 Public employees, 1900-1950

<table>
<thead>
<tr>
<th></th>
<th>1900</th>
<th>1910</th>
<th>1920</th>
<th>1930</th>
<th>1946</th>
<th>1950</th>
</tr>
</thead>
<tbody>
<tr>
<td>I Administration and defense</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administration</td>
<td>26.1</td>
<td>26.1</td>
<td>20.9</td>
<td>21.5</td>
<td>24.3</td>
<td>23.9</td>
</tr>
<tr>
<td>Defense</td>
<td>13.8</td>
<td>15.9</td>
<td>17.2</td>
<td>18.1</td>
<td>17.7</td>
<td>17.7</td>
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<tr>
<td></td>
<td>12.3</td>
<td>10.2</td>
<td>3.7</td>
<td>3.5</td>
<td>6.6</td>
<td>6.2</td>
</tr>
<tr>
<td>II Public services</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td></td>
<td>27.0</td>
<td>29.7</td>
<td>23.5</td>
<td>29.1</td>
<td>24.5</td>
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<td>III Public commodity production</td>
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<td></td>
<td>46.9</td>
<td>44.2</td>
<td>55.6</td>
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<td>Total</td>
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<td>N (1000)=</td>
<td>49</td>
<td>52</td>
<td>92</td>
<td>94</td>
<td>183</td>
<td>195</td>
</tr>
</tbody>
</table>

Source: CBS, SØS no. 3, Table 56, Oslo 1955.

**CHANGING CLASS POSITIONS AND POWER**

Let me suggest how the aforementioned changes in the occupational structure, the influx of imperialist capital into the Norwegian economy and the distribution of fixed real capital between the public and private sectors affected the class structure and the strength of the state.

The industrialization process in the interwar years was not one of decline, but one of relative stagnation and especially reorganization. The size of the industrial working class declined relative to the whole working population between 1920 and 1930, but its relative position increased again from 1930 up to the Second World War. In the 1930's a new economic growth occurred, but this time a growth in production managed by a national bourgeoisie and stimulated by the influx of international capital and know-how. It was a production that also catered to demands in the home market. New industries were established outside the big, export-oriented industrial centres (Bergh 1983:167).

The bourgeoisie expanded its own power. It was increasingly integrated into the imperialist economy, both reducing and
increasing its autonomy in Norway, increasing in terms of access to more economic, financial and organizational resources; reducing in that international market relations increasingly determined what the Norwegian bourgeoisie could do. The division of labour between the state and the private sector held the state to its infrastructural activities, engaged in developing the material systems necessary for private, market-oriented business, systems that require large, unitary investments that give small profits in the short run (Cogoy 1974). The accumulation of capital developed more rapidly in the private sector. The state was clearly the smaller partner in terms of control over capital.

However, the capitalist mode of production was under pressure from increasing service demands and a shrinking source of surplus value in the working population. Stagnation of industrial employment, the increase in service work (both privately and publicly) and an increase in the numbers of adults outside wage employment all together affected the power of the bourgeoisie.

The growing group of non-industrially employed (service workers) and supported persons, I suggest, increased the pressure on the profit fund of the bourgeoisie. A larger proportion of that fund had to be employed 'unproductively' for education, for different kinds of welfare allocations and for unproductive service work in finance, trade and public administration. The economic power of the bourgeoisie, its ability to absorb wage labour into the surplus-producing circuit, was reduced. The unemployed and unproductively employed parts of the population were therefore less influenced by the power of economic institutions and could be more easily influenced by radical ideas in the labour movement or ultraright ideas for that matter.

Overall, industrialization increased the power base of the industrial bourgeoisie. Industrial capital rapidly became more important as an arena for the employment of wage labour. At the
same time, the industrial working class increased its power base through the increasing numbers of industrial workers. That power base could be mobilized through working-class organizations - unions, political parties - and the state. To what degree the working class actually mobilized on its (increasing) power base in the interwar years, is a theme for chapter 12. Let me now turn to a closer investigation of the role of the state in these years.
The state into markets

We have identified some of the changes in the economic structure up to the Second World War and suggested how those changes affected class formation and relations between the social classes: continued capitalization of agriculture, modest industrialization and an increase in service work within the economy. We noted an increasing integration of the Norwegian economy into the international capitalist/imperialist system and how capital concentration and centralization created firms with market power. We saw how the state controlled less real capital and different forms of capital than the bourgeoisie. These changes, I suggested, put the industrial and financial bourgeoisie firmly in control of the economy, but at the same time meant the continued formation of a working class. The stable, static agricultural society was dissolving. All peasants and farmers had to relate to capital and capitalization. The relatively harmonious and expanding market capitalism disappeared. The capitalist economy became

125 Market capitalism is where no firm is large enough to affect prices, where the market mechanism effectively distributes all that is produced and where the number of small firms in
the economy as a whole is increasing, more or less in line with the increase in the population of working age.

126 Jens Arup Seip has defined a process of statist implementation of privately organized initiatives as "The Norwegian system" (Seip 1968:22-). He describes a system that worked in the 30-year period from 1855 to 1885, a system organized by the bureaucracy and removed by the new Liberal (Venstre) regime. The system had four principles: (1) private initiative, (2) state support, (3) state leadership and administration, and (4) private forms. The system was advantageous for the bureaucracy at that time because it made it possible to bypass a hostile parliament. On the basis of local initiatives and needs the system gave bureaucracy close to direct control over especially infrastructural projects. Exactly for that reason, Venstre removed the system. Venstre, in its struggle for state control, gave priority to transferring power to parliament.
list in Norway around the turn of the century. His goal was to mobilize government support for investment in large industrial enterprises in Norway. He had noticed that in Sweden the parliament had passed laws approving public loans to private investors, if the money was to be used for infrastructural investment and the objects invested in became public ownership after an agreed-on (long) period. Eyde thought that this might also work in Norway. By offering state ownership after, say, 60 years, the state might be willing to lend money for substantial private investment in hydroelectric generators. Eyde presented the idea to the Michelsen government in 1906 and got a positive response.

But the opposition within the Liberal Party, with Gunnar Knudsen as leader, was sceptical. Gunnar Knudsen headed the parliamentary commission that looked into the suggestion from Michelsen and Eyde. The project was changed. Sam Eyde wanted to mobilize public finance for private industry and his strategy was to accept nationalization of investments after 60-80 years as a concession. The Liberal government turned Eyde's project on its head: it wanted government control over the use of natural resources and the means to that end was a licence law. Without promising any public money, the opposition demanded that private investments in waterfalls and lakes should still become public property after a certain time.

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127 Eyde argued that the state in this way got a gift from the private sector. The opposition newspaper Dagbladet however voiced scepticism and cited Virgil: "Timeo Danaos, et dona ferentes" (I fear the Greeks, even though they offer gifts).

128 Several motives converged in the idea of a law regulating the use of natural resources. Christian Michelsen, head of the first independent Norwegian government in 1905, supported a license law that would defend petty bourgeois interests in agriculture and forestry against large capital. The Venstre opposition under Gunnar Knudsen, as mentioned, was motivated by public control of the private use of natural resources, whether national or foreign private interests were involved. A third motive was represented by the Bredal commission. It wanted a law against foreign investment in the country. Here a specific project, a licence law, can be seen as a garbage can where "various problems and solutions are dumped by participants" (March and
With the new government of Knudsen in 1908\(^{129}\) the finalization of the licence law was postponed, so that the government could produce its own proposal. That job was taken on by the new Minister of Justice, Johan Castberg. Two laws were approved in September 1909, one for "waterfalls, mines and other property", the other for "forests". The first law gave equal, but limited rights to nationals and foreigners. All investments of an infrastructural character were to become public property within 60-80 years. Investors were to make direct payments to the municipality where the acquired resources were located and control of waterfalls was in no way to be used "to artificially increase the price of energy" (Keilhau 1938:131). The law on acquisition of forests was more restrictive. It was prepared by a commission organized by the new Ministry of Agriculture. First it banned foreigners from buying Norwegian forests. Secondly it required a licence if a person was to buy forests in another municipality than his place of residence. The law on forests had no rules on nationalization.

How did the laws function? Did they, as is commonly assumed, limit the influx of international capital (which was the motive behind the suggestions of the Bredal commission)? That is a difficult question to answer, because it is difficult to know what would have happened had the laws not been approved. However, Bergh and his colleagues suggest that the laws promoted the influx of international capital and industrialization. The laws established an administrative system for such investments, a system whose very existence invited foreign capital into the country, and offered capital an organized method of entry into the country (Bergh 1983:160).

\(^{129}\) After a split in Venstre and after the Løvland government got a so-called negative majority against itself - that is several votes of no confidence where the sum of votes in all represented a majority against the government.
If we consider the whole process, from Eyde's initiative to the final result, we see that a private initiative oriented towards acquiring public money for privately controlled industrial investment is transformed to a strengthening of state control of economic activities, an increased state control of private investments that monopolize certain natural resources. Given the validity of this interpretation, the transformation, carried through by the intervention of the Liberal Party government, is an example of state autonomy relative to specific capitalist interests. The state takes on a management role over and above the interests of specific groups of private capitalists.\(^{130}\)

In the interwar period the state intervened against the development of market monopolies. In 1926 the Trust Law was approved, creating a Control Council with Wilhelm Thagaard as manager. The explicit purpose of that intervention was to limit or even thwart companies acquiring market power. However, Thagaard, a member of Venstre, felt that the state should go further and introduce public planning, a system whereby companies cooperated and the state planned economic production. Generally Venstre in government was in favour of individual liberty in a state-controlled economy. That pitted the party against the labour movement when it fought for its organizational freedom in relation to the employers and the state. Venstre was positive to state-controlled decisions on wages. The free market and the free struggle between labour and capital was not highly regarded in Venstre. Venstre under Gunnar Knudsen had a paternalistic, statist bent. But it was a statist orientation built on the assumption that state control

\(^{130}\) It would be of interest to investigate the role of the bureaucracy in the development of the licence laws. A licence law would seem to serve bureaucratic interests in the same way that the "Norwegian system" in the 1860-1880's was a way of strengthening the bureaucracy through administrative links with private (local) interests. Therefore we might predict that the Liberal Party in its opposition to the Michelsen government and in its opposition to state financing of privately controlled industry would have had support in the bureaucracy.
would secure a more civilized and organized capitalism, leaving more, not less, room for individual economic freedom. A well-known member of Venstre, Bjørnstriene Bjørnson, became involved in support for the famous match workers’ strike,\textsuperscript{131} but with the explicit intention of criticizing the capitalist system's degradation of the individual, not the system itself. "I believe", Bjørnson said, "strikes are a good thing. They make the employers do the right things. They are alternatives to that which is brutal, they are alternatives to revolution" (Ousland and Skar 1949.vol.2:180).

\textsuperscript{131} A strike among 372 female match workers at Bryn and Grønvold's Match Company in Christiania in October 1889 when wages were reduced. The strike did not improve the situation for the female workers, but it attracted public attention, was an early manifestation of female worker activism and was important for the organizational development of the labour movement.
STATE INTERVENTION IN AGRICULTURE IN THE INTERWAR YEARS.
AN EARLY EXAMPLE OF KEYNESIAN INTERVENTION?

In relation to agriculture, the state engaged in technological development and education as far back as the 1850's. However, according to Jacobsen (1964), the expansion really first occurred in the 1890's. It took on financial responsibilities through the Hypotekbank. In the interwar period the state introduced a system of economic support to workplaces in the countryside, not least because of the large-scale layoffs in urban industry. Already at this time the interest organizations were given public responsibilities through public marketing commissions.

As demonstrated earlier (Chapter 10), the movement from agriculture to urban industry halted in the interwar years. The assumption has been that this was an effect of the layoffs from industry and the reduction of wages that increased the cost of food and housing. Bergh argues convincingly that this "pause" in the exodus from the countryside was heavily influenced by public policy, by state action (Bergh 1983:59). Labour layoffs in industry put thousands out of work, putting pressure on traditional agriculture, this time to absorb 'free', unemployed labour. But with increased productivity in farming and wide-ranging reductions in wages, the outlook for increased demand and therefore increased farm production was bleak. In that situation the state intervened. It

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132 This would seem to support Senghaas's theory that "by Swedish and Danish standards, agricultural modernization in Norway at the turn of the century was negligible. At that time no interconnection between an emerging industry and an agriculture in the process of modernization could yet be observed" (Senghaas 1985:81). Bergh (1983) confirms that the diffusion of modern technology into Norwegian agriculture was slow and halting in the last part of the 19th century. However, Jacobsen (1966:63) suggests that the market and profit orientation of agriculture was strong already at that time: "The goal of the rationalization movement was the expansion of purely economic or capitalistic values".
issued laws regulating agricultural production, prices and exports, so that farm produce could be sold above prices otherwise set by the market mechanism.

This represents a new dimension in state intervention in the economy, compared with our findings from the last part of the nineteenth century. To the infrastructural activities are added interventions in the relationship between producer and consumer, with a policy for securing employment and agricultural production according to real social demands. Not that the state was fully successful in that endeavour, but that kind of action was on the agenda.

Bergh points to an important change in Norwegian agriculture at the turn of the century. The penetration of the capitalist mode into agriculture was completed. A dynamic technological development occurred in agriculture and a more closely knit class alliance developed between large and middle-sized farmers and the urban bourgeoisie. State economic policy could from then on be formulated on the premise that agriculture was an integrated sector in the economy; it had its specific needs, but it was a sector that developed according to the same logic as the rest of the modern economy:

"The agriculture of the late nineteenth century had favoured economic liberalism, but was basically rooted in the pre-industrial society. With the modernization of agricultural production there came a change of policy and a new vision of the integrating role of the state ... The state developed a new vision of the farmers' role in the political system. The farmers were no longer an isolated opposition, but an ally of the liberal bourgeoisie under Johan Sverdrup's leadership. Agriculture was integrated into the national economy and agricultural policy into the national policy." (Bergh 1983:54-55)

The interwar period was a period of overproduction in agriculture. Production capacity was above the money-defined demand (market demand), a situation created among other things by the policy of wage cuts and reduced public expenditure. But the response to this
situation in agriculture was not primarily structural change (although the debt burden eliminated many individual farmers in the period). The primary response was more cooperation, organization and state-supported market regulation. Cooperative dairies were established. A number of national organizations were created: an organization for dairies (Den norske meieriforening) in 1881, a farmers' interest organization (Landmannsforbundet) in 1896 and a small farmers' interest organization (Norsk Småbrukerforbund) in 1913, and a farmers' political party, Bondepartiet, in 1920 (Bergh 1983:58).

The crisis policy of these organizations, a policy that was adopted by the state, went through two stages. In the first stage, up to about 1930, the problem was seen as one of reducing production so as to balance demand and thus keep prices up. In the second stage, not unrelated to advancing Keynesian ideas in the 1930's, the problem was redefined as one of organization and market strategy. One element in this strategy was to increase exports. A second element was to create a public organ to regulate deliveries of dairy products, with a majority of representatives from the farmers' organizations. A third and perhaps decisive step was taken in 1931, when the state intervened in production management. It decided that there should be a certain amount of butter mixed into margarine to support demand for butter. The consequence of all this was that the prices to consumers were well above what the market would autonomously have decided. Therefore, at least some small farms survived that otherwise would have been eliminated. So, even if the petty bourgeois mode of production was common in agriculture at this time, the feature of small farmers producing a substantial part of national consumption, and also in many places farming that could be combined with fishing and small industry, continued to exist.¹³³

¹³³ Relative to other European countries in this period, the Norwegian countryside had a dense population of small producers (see Almås 1977).
The state became an active manager of the agricultural sector of the economy in this period, in close cooperation with the farmers' organizations.

**DEVELOPMENT OF USE-VALUE-ORIENTED MANAGEMENT IN THE STATE**

Infrastructural development requires a different kind of management competence from that required to run individual companies. In defining the demand for infrastructure there is no market mechanism at work. The size and location of roads, dams and railways have to be planned in relation to activity, capacity requirements, etc. Money-defined demand for roads hardly exists. Infrastructure also requires a type of long-range planning and investment strategy that is risky and difficult for private entrepreneurs to engage in. This type of use-value knowledge creates a demand for professionals and management competence in the state different from the management needs of private companies. In this sense the state develops management autonomy relative to the private sector.

Looking at state intervention in the economy over time, there is an important difference between the last part of the nineteenth century and the beginning of the twentieth. In the last part of the nineteenth century the bourgeoisie proper eliminated the bureaucratic elite from power positions in the government by entering into a coalition with the farmers' movement and through the creation and influence of the new political parties, both the Conservative and Liberal parties. Then the state moved into agriculture with the aim of organizing a profit-oriented, market-related agriculture. The programme was fairly simple: the farms, like small industrial companies in the towns, should be made into profitable units,
managing their production relative to market prices and selling a
substantial part of their production through the market. This process
of social reorganization of agriculture furthered the development
and the pauperization/uprooting of peasants/semi-proletariat in the
countryside. Those ousted from agricultural production fled to wage
labour in the cities or emigrated to the United States in the hope of
more luck there.

After independence from Sweden in 1905 the international range
of autonomous Norwegian state action widened. Although the
bourgeoisie in Norway had prepared for this over many years (see
Jacobsen n.d.), it now became an overt public and administrative
concern how to relate to other countries, economically and
otherwise. This required new administrative competence in in-
ternational politics and economics.

With the rapid influx of foreign capital and with the tendencies
towards monopolization in markets, the state had increasingly to
intervene against the bourgeoisie, or at least against specific
members or member groups in the bourgeoisie. This regulatory
function, I suggest, also required new public competence, a com-
petence that Venstre rather than Høyre had the best chance of
developing in the early stages of the parliamentary state and party
politics in Norway. Venstre had to a much larger degree than Høyre
become involved in finding class compromises. (The party was it-
self a broad coalition across class divisions.) Høyre was primarily a
party for individual capital owners, for market expansion and
individual economic freedom and for efficient pro-capitalist
bureaucratic administration, and only secondly (if at all) a party for
dealing with questions of class compromise.

My hypothesis here can be put this way: while the state had
mainly instrumental autonomy relative to the rising bourgeoisie in
the first part of the nineteenth century and only gradually gained
programme autonomy in the field of technical infrastructure for
Management principles

200

(private) industrialization, the state acquired autonomy at a higher level at the beginning of the twentieth century. It developed programme autonomy across a broader scope, including economic and financial infrastructure in addition to the earlier involvement in technical infrastructure. Gradually the state developed programmes for coordinating the activities of members of the economically ruling class itself, the bourgeoisie, both in relation to the economy, but especially in relation to the rising working class and its organizations.

Instrumental or technical autonomy definitely requires administrative competence in public administration, but a competence mainly in ensuring that given rules and regulations are adhered to. Instrumental autonomy takes goals as given. Programme autonomy depends in addition on political competence, an ability to generate and specify goals and to modify them when the means for reaching goals are unclear or inadequate. Programme autonomy requires an understanding of the configurations of class interests in the system and an ability to see possible compromises that the state can pursue and implement administratively. It is on this score that I suggest that the social-liberal, centrist, Venstre had more competence than Høyre in the interwar years. Venstre represented a more functional state leadership in terms of the objective interests of the bourgeoisie in a situation where the state had (or had been forced into) programme autonomy. Høyre was more class specific, and thus less able to develop public policy on the basis of class compromises.

The development of programme autonomy can also "lift" the state above specific class positions and thus give the state more legitimacy as a democratic and representative state. Programme autonomy requires a deeper understanding of the different class interests and the policies pursued by class leaderships. One consequence is that the state developed an ability to understand and even, to a certain extent, represent the new and rising working class in
public policy-making. Those parts of the state apparatus with that competence can become locations for oppositional politics, for policy-making more directly focused on furthering subordinate class interests in public policy.

DEVELOPMENT OF STATE AUTONOMY IN THE INTERWAR PERIOD

I have suggested, on the basis of data on the occupational structures, that the bourgeoisie became more powerful and also more dependent upon international capital as the first decades of the century passed. I have suggested that the contradictions in the economy, between different sectors, between productive and unproductive work, and in the social system, between the working class and the bourgeoisie and the bourgeoisie and the petty bourgeoisie, increased, suggesting the need for a stronger state and a more politically competent state. This state was earlier termed "the transitional state" (see Figure 6.5(b)), where public consumption was gradually supplemented by considerable government transfers to households, firms and government investments into consumption and production capital.

How can this change in state-class relations be explained? Several processes seem to have been at work. Let me suggest four.

1. With market power located in large firms or corporations, the power of capitalist groups increased. Regulation of production and distribution through the market mechanism was supplemented by state regulation. The opportunities for open conflict between capitalist firms and groups increased, requiring a stronger state able to develop and implement compromises between them or with the ability to support the strongest in efficiently eliminating weaker and less productive capitalists.
(2) The capitalization of agriculture pushed for a more active state with programme autonomy, as Jacobsen (1964) described. To be able to modernize the whole agricultural sector, to liberate labour and get prices down through increased productivity, the state engaged in time- and place-specific activities. The development of consequence-oriented (in contrast to a rule-oriented) professions was essential in this transformation of state competence.

(3) The industrialization process itself pitted a growing working class against bourgeois employer interests and organizations, a new contradiction that required a state able to overview and understand working-class demands, so that acceptable reforms could be met and unacceptable revolutionary demands could be suppressed. This meant, among other things, strengthening the military apparatus, preparing for action against 'internal enemies' and against attacks on life lines of the economy.

(4) Lastly, the increase in "inactive" persons in the economy was met by a state able to develop policies and organizational systems that could keep the inactive within the economy (i.e. educational policies, health and pension administration, administration of unemployed, etc.).

Thus the state acquired increasing degrees of autonomy in its relationship with the bourgeoisie; it is able to intervene and regulate relations between different parts, groups and elites within that class. On the other hand, state autonomy was used to regulate and develop capitalism, a system that primarily benefits the bourgeoisie.

Several factors can explain this class character of the state. The central one, I suggest, is the organizational structure of the state. The bureaucracy is, as e.g. Alf Inge Jansen (1971) says, eminently suited to understanding and implementing (common) bourgeois interests and lacks the competence to register, understand and do much with subordinate class interests other than suppress them. The parliamentary system had become more democratic as voting rights
were expanded, but at the same time a new organizational mechanism had come between the voters and the parliament: the political parties. They developed internal hierarchies that again functioned in line with bureaucratic logic and, as Weber has suggested, worked to eliminate irresponsible revolutionary leaders from top ranking positions. The Storting was, already at this time, being bypassed by direct cooperation between the public administration and interest organizations. The autonomy of the state from all social classes is developed through the combination of a representative parliament and the power of the professions in the executive apparatus.  

While the subordinated classes in the nineteenth century were largely unorganized politically (and the Thrane attempt to organize them was crushed at its inception), the working class at the turn of the century was organized at the national level and even had some representatives in the Storting from the northernmost part of the country. The working class, as a class more directly exploited by capital than rural workers and peasants, and the existence of class-specific organizations representing that class in politics, made the integration of the working class into capitalism a qualitatively different task from integrating middle and small farmers into the system in the nineteenth century. But to get a hold on that problem

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134 "The large degree of autonomy that large parts of the public administration has in modern industrialized societies, follows, not only as a consequence of the constitutional type of government, but also from the development of the professions, which is closely related to the technical modernization process" (Jacobsen 1964:8).

135 A representation Rokkan interprets as an omen of the alliance between the rural and urban proletariat that was to develop in Norway and that was an essential power basis for the Labour Party: "It is deeply significant that these first representatives all came from the far North, from the economically most backward areas of the country. The Labour Party had built up its initial organizational strength in the capital and in the central areas of the East but its political breakthrough came in the extreme periphery. This alliance between the rural proletariat and the urban working class proved a great force in Norwegian politics and was soon to bring about a series of changes in the entire system of party alignments" (Rokkan 1967:395).
we have to put the working class organizations into the changing process of state-class relations in the interwar period.
State power and reformism in the labour movement

Reform: The amendment or altering for the better of some faulty state of things, especially of a corrupt or oppressive political institution or practice; the removal of some abuse or wrong (The Oxford Dictionary, R:347). Reformism: A programme in the labour movement saying that capitalism can be transformed to socialism through piecemeal changes of the existing system (AL:972). Reformism: A trend in the labour movement hostile to Marxism and the real interests of the working class; a trend that 'struggles' for small reforms that leaves bourgeois exploitation of the working class intact. (Marxistisk uppslagsbok, Gidlund 1972:301)

A question in Norwegian historical studies has been how the industrialization process, its timing and speed affected the formation of the working class, its organizations and political ideology. Historians have studied how the internal ideological divisions in the labour movement were effects of the rapid influx of peasants, the spread of industry into rural areas where energy was available, the role of international developments and foreign agitators in the movement.136

A specific problem was raised in Odd Bjørn Fure's work (1984a): was there a revolutionary situation in Norway in the early 1920's,

caused by the large nationwide strikes, the international economic and political crisis in Europe and the radicalization of the Norwegian labour movement? Could a revolutionary attack on the state have succeeded or were the state and the bourgeoisie in control with the ability to quell, ideologically, bureaucratically and with military force, whatever revolutionary actions the working class might have started?

My purpose here is to identify the influence of the state on the formation of the labour movement, its strength and ideological orientation. Did the state actively further reformism in the labour movement? If so, through which mechanisms? What role did the state play in select class conflicts and strikes in the interwar period? How did the state relate to right-wing, anti-labour organizations?

THE ORGANIZATIONAL DIVISIONS IN THE LABOUR MOVEMENT

In 1885, two years before the Labour Party was formally established, the Social Democratic Union in Christiania formulated a radical conception of capitalism. The Marxist idea of the dictatorship of the proletariat (a state as the instrument of proletarian class interests) was changed to a concept of a free state, meaning, perhaps, some kind of democratic state that did not carry the imprint of a specific class.

"Labour is the source of wealth and culture and the results of labour should therefore be acquired by those who work ... Liberating the work process must be the result of the working class's own efforts. All other classes are, relative to the working class, only a reactionary mass ... The union should by all legal means work for a free state and a socialist society." (Lorenz 1970:24).

The Labour Party, established in 1887, produced a coherent programme by 1891, based on the radical premise that private
ownership of the means of production put most social and political power in the hands of a minority. But the programme rejected the idea that a new kind of state was necessary to liberate the working class: "We do not want any form of state socialism, where the state has the power of the private capitalists." The programme then listed a number of reforms: common right to vote for all over 21 years of age, public regulation of work time and workplaces, insurance against sickness and accidents, prohibition of child labour, etc. In 1901 the references to the exploitative character of capitalism were toned down and the idea of a new type of state was removed from the programme: "There should be common public ownership of the means of production, the state should manage the economy and distribute the production result equally" (Lorenz 1970:33). In 1914 the Norwegian Labour Party was prepared to enter into a coalition with the bourgeois political parties to defend Norwegian neutrality in the war.

The Labour Party was formed by radical working-class representatives in the Eastern part of the country, with people in the capital playing a central role (Christian Holtermann Knudsen and Carl Jeppesen). A more radical movement developed in Trøndelag. In Trondheim Fagopposisjonen av 1911 (The Trade Union Opposition of 1911) was formed. Martin Tranmæl was the leading personality in that opposition. Its ideas were of a syndicalist character. It was the trade unions and not the party that was the central organization in the labour movement. The unions should use militant actions against employers and the state, and develop workers' committees in the factories to organize the struggle. The idea was that the worker committees at the factory level could democratically change the capitalist factories into socialist, worker-controlled factories. From that level mass action would democratize

137 "Med den såkalte statssosialisme, der setter staten i den private arbeidskjøpers sted, har Arbeiderpartiet intet å bestille" (Bull 1985:394).
Labour organization

and socialize first the municipal, then the provincial and central levels of state. Through coordination of militant local actions the political capacity of the working class would be augmented and, when the state and bourgeoisie attacked, a general strike would force the bourgeoisie into submission.\textsuperscript{138}

The syndicalist movement won the leadership of the youth organization of the Labour Party in 1916, and reached a majority position in the party at the Party Conference in 1918. In 1920 the syndicalists acquired a majority in the top organs of the Central Federation of Trade Unions (AFL), including the vice presidency (Elias Vollan).

The AFL had become a strong organization. Membership had risen from 15 600 in 1905 to 107 500 in 1918 (Lorenz 1970:39). The Labour Party increased its support in the elections. It got 10% of the vote in 1903, 26\% in 1912 and 32\% in 1915. In 1919 the Labour Party, with a small margin of votes, entered Comintern. Einar Gerhardsen (later - in 1945 - the prime minister in Norway) was a delegate to a Comintern congress in Moscow. AFL was in 1921 represented at the Red International of Trade Unions which then vehemently attacked the Amsterdam International as reformist and bourgeois.

In the late autumn of 1920 and early 1921 the postwar economic crisis set in and the conflicts between the different ideological tendencies in the Norwegian labour movement - between syndicalists, orthodox Marxist revolutionaries (in the party and in the youth organization) and the reformists - increased. The battle over

\textsuperscript{138} Bjørnhaug (1979) suggests that the syndicalist movement was reformist, except for its focus on militant union attacks on employers and state. When the strike movement in the 1920's subsided, the syndicalists tended to focus on the strengthening of the unions and, as a means to that end, the expansion and even rationalization of industrial capitalist production. The syndicalists did not have a specific theory of the state. Magdahl (1979:109) suggests that the leading syndicalist theory of the state was: "It is a capitalist organization, it can be used (by the working class) to build socialism, but it is not efficient in that endeavour."
the 21 Moscow theses (see Langfeldt 1961) was all-absorbing and bitter. The theses were approved at the Labour Party Conference in 1921 with a slight majority. The right wing, the reformists, broke with the Labour Party and created the Social Democratic Party, with Magnus Nielsen as its first chairman.

In the Labour Party, the battle between supporters and opponents of the Moscow theses continued (with the communist Olav Scheflo as main supporter and Martin Tranmæl as leader of the opposition). In November 1923 the membership in the Comintern was defeated. The minority left the meeting and created the Norwegian Communist Party (NKP) with Sverre Støstad as its first chairman. At the same time AFL broke with the Red International of Trade Unions.

So the Norwegian labour movement entered the mid-1920's with three political parties trying to represent working-class interests. The question of how to organize a working-class state and how to reach that goal was the main bone of contention between them.

Other class organizations took form. In 1924 the Workers' Sports Organization was created. New industrial federations were established in AFL: the Chemical Workers Federation, the Federation of Municipal Workers, federations of workers in construction and in food production and distribution. A federation for workers in forestry and agriculture was created in 1927. This organizational proliferation was an expression of both strength and weakness: strength in the number of organized workers; weakness in the political fragmentation and internal strife over tactics and strategy in the political struggle.

**WORKING-CLASS STRUGGLES**
**AT THE NATIONAL LEVEL IN THE 1910'S AND 1920'S**
In 1911, 32,000 workers in mining and industry were locked out from their jobs. There was a general depression in the economy; the employers reduced wages and were vehemently against any form of bargaining. The Liberal Party government (under Gunnar Knudsen, ousted 1 February 1910) wanted compulsory bargaining and enforced agreements. Voluntary bargaining took place and the strike ended with a compromise. This compromise strategy by the AFL-leadership was probably part of the reason for the emergence of the new syndicalist opposition of 1911.

From the end of the war to the end of 1920, Norway experienced a postwar boom, with large financial speculations by the bourgeoisie who had accumulated financial capital during the war, especially through highly profitable shipping operations. The crisis made the investment of finance capital in productive activity difficult. Workers' wages increased and investments rose. But by the end of 1920 there was a sharp downturn.

*State intervention in the railway strike in 1920*

The railway workers organized a strike for increased wages in December 1920. This sharpened the class conflict. The communications sector was (is) important for the capitalist system as a whole and the railway workers were state employees. As I shall show in some detail below, the state was prepared for such action in the communications sector: (1) it had detailed plans for military and private operation of the different parts of the transport system in the event of strikes in these sectors; (2) the government cooperated with private "Society Help" organizations; and (3) it coordinated its plans with several other governments in the North Sea/North Atlantic area.

In the downturn the employers wanted to reduce wages. An early reaction to that policy was the railway strike. At that time the syndicalist idea of a general strike as a decisive weapon against the
bourgeoisie commanded a majority in the Federation of Trade Unions. Combined with an understanding of the critical importance of communications for the functioning of the capitalist market economy, the railway strike was seen by the federation leadership as the beginning of a general strike (Skaar 1981). The strike in the railway was effective from 1 December.

The strike did not develop as the federation leadership had expected. In the first days there was no rush of privately and state-organized transport. That came later. Rail transport halted, but no general economic or political crisis followed. Other labour unions did not come out in support of the railway workers. After a few days trucks and cars were busy taking care of the necessary transport, under police protection. The strike ended after about 20 days, without any concessions to the strikers. How can this unexpected result be explained?

Investigations have shown that at the inception of economic crisis in 1919, sections of the bourgeoisie and members of the government had prepared for hostile attacks from the working class. These preparations were motivated by an understanding of the role of communications in the capitalist economy. That understanding led, among other things, to the establishment of private strike-breaking organizations (Society Help) in the main cities, organizations that had members from an array of professions, ready to step into firms or state organizations hit by strikes. The liberal Venstre government of Gunnar Knudsen cooperated in the creation and the operation of these organizations (Gran 1978, Skaar 1981). At the same time, the government established a secret communications commission, Transportkommisjonen. It was asked to work out plans for state-run transportation in crisis situations. The basic idea was to make use of the war system for securing material supplies to the cities, organized under the Ministry of Supplies (Provianteringsdepartementet), with "supply committees"
in each municipality with power to requisition private transport material for public use. The commission made plans for the selection of personnel within the public administration who could be transport operators and who would be loyal to 'society' (read: the employers). It planned to requisition private cars and trucks to transport essential supplies from railway stations to local destinations within the cities.

The government did not intervene during the first days of the strike. It stated later that the reason was to let the standstill in the railway deplete food supplies to the cities and in that way create animosity in the population against the strikers.

The original plans assumed that the Society Help organization would take part in the transport of necessities. This arrangement was changed. Instead, the government created a central coordinating commission and regional commissions, with the mandate to organize crisis transports. Skaar (1981) has shown that this move was politically motivated. The government feared that using the Society Help organization would induce a radicalization of the labour movement.

The chosen system functioned. No dramatic lack of supplies occurred anywhere in the country, even though the railway strike was close to 100% effective.

The government of Gunnar Knudsen (which sat until June 1920) had a clear political and class strategic perspective on the organizing of this clandestine, state-run, strike-breaking system of transportation. Revolution was a possibility that had to be avoided at all costs. In the parliamentary debate on the railway workers' wage demands on 28 and 30 November 1920, Gunnar Knudsen said:

*This conflict raises the question: who has state power, real state power, in this society? Is it Folkets Hus [the labour movement headquarters in Christiania] or is it the Storting and the*
Government? ... The labour movement is attacking the state. We should counter that attack with all means available.” (Skaar 1981:82)

Skaar has also disclosed that the government took measures to meet more general revolutionary attacks. The wife of Edvard Hagerup Bull (finance minister in Otto B. Halvorsen's conservative government) wrote a diary. In it, there were notes on how the government had agreed to a system of succession should it fall victim to a revolutionary attack.

19 November 1920: “They [the government members] prepared for the most drastic civil war ... Of course, a number of things have been prepared, like guards, finding military units that will remain loyal to the government, etc. However, the enemies of our society, even if they are a minority, might attack the government directly. Edvard therefore suggested special steps for supplementing the government. He suggested that Ivar Lykke and Gunnar Knudsen be prepared to step in if the present government was ousted by attacks. If they too should fall, then the leaders of the departments in the ministries (ekspedisjonssjefene) ... should be ready to step in”. (Skaar 1981:57)

The Transport Commission was in contact with authorities in countries bordering the North Sea, in England, Holland, Belgium, Germany and Denmark. The question raised was how to secure international transports in the event of strikes in communications in one or more of the adjacent countries. Agreements were made that military ships from the country hit by strikes should be allowed into foreign territorial waters if and when they carried supplies that otherwise would have been carried by the strike-hit companies.139

The strike failed. Major support for it did not occur in the working class and essential supplies continued to flow into the main cities and towns. The transport commissions set up regionally organized transports that bypassed the strike-hit railway. The municipal organs (Provianteringskommisjoner) managed to

139 Materials from the Transport Commission in the National Archives, Riksarkivet, lent to me through the Public Archive, Statsarkivet, in Bergen.
calculate quite accurately what transport capacity was necessary to supply the cities and towns with necessities.

These materials demonstrate what I interpret as a high level of strategic consciousness in the state about defensive measures in revolutionary situations. The plans disclosed here indicate a government prepared to put the public and private transport system under direct state and military command to thwart working-class actions.

This organizing was done in close cooperation with the militant Society Help organization, but without the direct participation of the larger employers' organizations or managers of private firms or banks. The state used Society Help organizations as reserves, rather than what the organization itself wanted, to be an independent front-line organization in strike-breaking. The government wanted to avoid giving the labour movement easy targets for revolutionary agitation.\(^\text{140}\)

The materials on the strike on the railway indicate that in 1920, the bourgeoisie, with the assistance of the state, was better organized for political struggle than the working class through the labour movement. The bourgeoisie seemed more ready to use physical force than the working class and the labour movement, despite all its agitation about militant strikes. These materials support the hypothesis that the syndicalist strategy of militant takeover was rather superficial, academic, not seen as practical among workers and union leaderships. Once the broad support for the railway workers' strike did not materialize, the labour union leadership quickly suggested that the working class await parliamentary decisions on railway workers' pay.

\(^{140}\) A parallel relationship between the authorities, Society Help and the labour movement was documented in a study of the strike among municipally employed workers in Bergen in the summer of 1920, at about the same time as the national seamen's strike was active (Gran 1979).
On the bourgeois side Otto B. Halvorsen (prime minister from 21 June 1920) hailed the bourgeois unity and the willingness to use force against any element of the labour movement that attempted anything that could suggest revolutionary changes:

"Political attacks, directed against the state, will be met by a united bourgeois front, a front of the political parties normally called bourgeois. And that is perhaps not the least important result [of the struggles over the strike]" (Skaar 1981:90).

The sailors' strike, summer 1921
The Employers' Confederation (Arbeidsgiverforeningen) was aggressive in the Spring of 1921. It required that sailors' wages be reduced by 33%, with a further reduction of 25% in October. The question was brought to the official government mediator (Riksmeklingsmannen). He came up with a more moderate suggestion: a 24% reduction immediately.

The sailors' strike was a fact from 8 May. Right away the government gave the Ministry of Trade the right to requisition private ships for government-controlled coastal transport. On 28 May the strike was widened with 120 000 workers on strike. The "Society Help" organizations moved into action. Police and military units were mobilized, in particular to guard the docks so that strike-breakers could work.

"Society Help groups went into action at the Gas and Electricity Works, in the harbours and other places [in Oslo]. There were demonstrations and unrest in Trondheim, Bergen and Stavanger. To thwart the strike the government mobilized sailors into the army. Older people and specially mobilized personnel were called up for military service and given battle equipment. The military had orders to shoot with live ammunition if necessary." (Ousland and Skar 1974, vol.2:48-49).

The leadership in the AFL agreed to enter into negotiations on 10 June. One of the largest strikes in Norwegian history was over. The negotiations resulted in what was interpreted as a defeat for the sailors and the working class. Wages were reduced by 17% and
vacations reduced from 12 to 8 days. Membership in AFL plummeted. By the end of the year it had been reduced by 50,000. AFL had 96,000 members at that time (Furre 1971:151).

After the strike the government took the labour movement leadership to court for "violence against the police". Several leaders were put in jail, among them Adolf Olsen, Olsen Hagen in Stavanger, Sigurd Simensen in Hammerfest, and the national leaders Martin Tranmæl, Aksel Zachariassen and Eugene Olaussen (Ousland 1974, vol. 20:54).

The metal workers' strike, 1923
In 1923 the employers wanted to reduce the wages of the metal workers. In the middle of a negotiated wage period the metal workers went on strike against that suggestion from the employers. The employers' organization reported the action to the "Labour Court" (a special semi-public court for wage conflicts in tariff periods.) The Labour Court found the strike illegal and the employers immediately reported the central strikers' committee to the police; 35 labour leaders were prosecuted in the regular courts. This caused a large demonstration in Oslo, at the courthouse. Workers viewed the trial as a political act in support of the employers. AFL widened the strike. All dock workers in the country were brought out. Some people thought the general strike the syndicalists had been advocating was close at hand.

The Employers' Confederation demanded a meeting with the government. After that meeting the Ministry of Social Affairs issued a statement that supported the decision in the Labour Court. The statement went on to say that the government would guarantee that "people willing to work in the strike ridden work places" would be protected. In the Ministry's own words: "Workers who go to work in companies hit by metal workers' or dock workers' strikes
can in no manner be considered strike breakers. All such workers will be given state protection." (Ousland and Skar 1949, vol. 2:83).

When the dock strikes occurred in January 1924, the state invoked its alternative transportation system. The harbour areas were closed off with high fences. The police protected workers who went into the docks to work, and military units and units from Society Help organizations were mobilized to support the strike-breakers in the larger cities.

The employers met the dock strikes with lockouts. These affected 61,000, while about 14,000 took part in supportive strikes. The government dismissed 9 policemen on the board of the Police Officers' Union, because the board had suggested that its members stay strictly neutral in the conflict. The strike lasted for seven months.

The materials show that in these conflicts the state responded directly and positively to requests from the employers for action against the working class. Important sections of the working class did not feel obliged to follow the "rules of the game" agreed between AFL and the state. The rule that strikes in tariff periods were "unlawful" was openly breached,\(^\text{141}\) against the will of the AFL. The 120-member strikers' committee formulated the following critique of the AFL after the strike:

"The bourgeoisie was gradually finding out that we were determined in our struggle. The Employers' Confederation was split and we had a chance of winning. In that crucial moment the central labour federation leadership let us down and joined the employers' side in the conflict. The leadership was not willing to use the power we had and that made it possible to win. Instead of fighting the employers, the leadership turned to the task of putting an end to the strike. It used its power against the workers in a way that is unique in labour movement history." (Bjørnhaug 1979:50; my translation from Norwegian)

\(^\text{141}\) The rule itself speaks of different degrees of freedom for the contracting parties in the labour market. While the agreement eliminates the right of workers to "adjust" the price of what they have to sell, their labour power, the employers were free to adjust the prices of 'their' commodities at will.
In this process the state played a role both as a guarantor of agreements entered into by labour and capital, and as a supporter of the employers' demand that workers (strikebreakers) should be guaranteed free access to jobs vacated by striking workers ("freedom of work"). Both roles can seem ambiguous from a worker's point of view. Agreements are in principle a good thing, something to be respected. The principle of free access to work of one's choice is a good principle. But the strike is at the same time an important instrument for defending workers' interests. This ambiguity may have influenced workers' understanding of the strike and split their ranks. It definitely influenced the labour federation leadership, which fought for the agreement against the workers who wanted to resist the employers' demand for wage reductions. Here it seems that a coalition of employers and the state had managed to co-opt the trade union leadership against the interests and demands of a majority of the metal workers. The state had both an explicit role in supporting the employers politically and a structural role guaranteeing the legality of the agreements made.

These materials demonstrate the power of the bourgeoisie and the state relative to the workers movement in this critical period. What these materials document is a close cooperation between government and employers' organizations. Exactly which of the parties had the initiative and to what degree the government was influenced by the employers' representatives, this material does not say. However, the organized relation between them was obvious. It is also clear that the government had no sympathy for working-class demands. The Keynesian perspective - government regulation of the total economy, including a possible regulation upwards of demand (i.e. wages) when that served the accumulation process, had not yet entered into the conception of economic policy.
The working-class struggle at this time was an economic struggle against an over-powerful political unity of state and bourgeoisie. Through the whole period working-class political strategy and internal organization were in disarray, reflecting either a lack of understanding of the political situation and the possibilities of working-class revolutionary organization and action, and/or underestimation of the bourgeois class's and the state's ability and willingness to subdue the working class.

CORPORATIVE ASPECTS OF STATE ORGANIZATION IN THE INTERWAR YEARS

What role did interest organizations play in the class-state conflicts of the interwar period? The unions, as we have seen, had a dual role. On the one hand they defined and expressed working-class demands. On the other hand the leadership of the unions had a tendency to enter into compromises with the employers that at least sections of the working class felt were unwarranted or at variance with class interests.

The role of the Employers' Confederation was the topic for a debate among historians in the early 1980's. One aspect of that debate has been the relationship to the state. Knutsen argues that the state, by demanding that wage conflicts under certain conditions be regulated by public compromise/arbitration, put the Employers' Confederation in a dilemma. On the one hand this could terminate conflicts that otherwise would be prolonged by strikes. But, on the other hand, the arbitration decisions could limit the freedom of the employers' organization, in the sense that, without enforced arbitration, the organization could reach much more advantageous

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outcomes, lower wage bills, less powerful unions, a reduced labour movement, etc. Paul Knutsen's point is that in these interwar years, and especially in the late 1920's, the employers were on the offensive in relation to the labour movement, and in that situation they wanted to continue the political/economic struggle with the unions unhampered by state intervention. Intervention demanding arbitration in that situation was interpreted by the employers' organization as negative intervention, intervention in favour of the labour movement.

Svein Dahl suggested that the employers' organization "turned its back on the state" in 1928. Knutsen contests that statement. He suggests that the employers' organization became actively involved in the corporative channel in order to influence state policy:

"On the other hand NAF [Norsk Arbeidsgiverforening] had an obvious interest in making its influence felt in the state on a number of questions, for example participating in the Work Conflict Commission of 1930, a commission created by the Venstre government. It is therefore not correct to say the NAF 'turned its back on the government' in 1928." (Knutsen 1984:65)

Knutsen demonstrates a disagreement between the Employers' organization and the parliament, the latter wanting to regulate capital - labour relations. He uses this disagreement to suggest that Marxist theory of the state as "instrument for bourgeois interests" is false (Knutsen 1984:64). But can a conflict between the parliament and the Employers' organization on how to relate to labour falsify the Marxist theory? It can be argued that the state exactly to be "an instrument for a class in the economy" should have autonomy also towards individual members or sections of that class so that dominant class strategy can be worked out independent of specific capitalist groups. To falsify the Marxist theory the state should demonstrate an ability to support popular opposition movements on
a par with established movements. It is the systematic lack of this ability that emerges so far, from the present study.

These early interwar years also saw the emergence of interest organizations explicitly in the service of the employers, the bourgeoisie or 'society as a whole' (read: capitalist society). I think it is right to say that the creation and mobilization of these intermediary organizations was partly a product of vacillation in sections of the bourgeoisie about the efficiency of the parliamentary system in staving off working-class power. Society Help was antidemocratic in this sense. An organization called Society Defence (Samfunnsvernet) organized paramilitaries.

There was a close cooperation between these "private" organizations and government. Research has shown that the government was drawn into consultations about the creation of the Society Help organization in 1920, by the initiator of the organization, Rittmester Fougner. The employer organizations were also consulted (Furre 1971:150). The government agreed that Society Defence could support the regular police forces when approved by the police administration.

If we define corporative trends as tendencies to limit the role of parliaments and increase the role of direct cooperation between the state, the corporations, capital and "responsible" labour, they were

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143 In a final note in his article, Paul Knutsen criticizes colleagues for overlooking the politics of the bourgeoisie in this crucial period. Much research on reformism has been limited to ideological conflicts and power play within the labour movement. That has had two negative consequences. On the one hand it has left room for much speculation about the bourgeoisie in this crisis and conflict period of Norwegian politics. Secondly, it has served "to keep the question of class relations and conflicts between classes off the historiographers' agenda" (Knutsen 1984:67).

144 See S. B. Johansen (1967).

145 In the investigation of the role of Society Help in a large municipal workers' strike in Bergen in 1920, it was documented that leaders of Society Help took part in meetings with top police administrators and the elected heads of Bergen city (ibid, Gran 1979).
present in most political parties at the time. But in 1925 a political organization explicitly aimed at superseding party politics was formed. Its name was "Fedrelandslaget", with dignitaries from the 1905 mobilization like Fridtjof Nansen, Christian Michelsen and shipowner Kristoffer D. Lehmkuhl in its leadership. The organization wanted to eliminate class conflict and 'social decay' (Johansen 1967).

Thus the political crisis in the interwar years created two types of intermediary, corporative organizations on the right wing of Norwegian politics. One was the explicitly class type of organization, wanting to defend the capitalist mode of production and the economic interests of the bourgeoisie directly, an activist organization organizing and defending workers willing to work in firms hit by strikes (strike-breakers, finks, scabs). The other type was the above class, elitist type of intermediary organization directed at organizing state power on behalf of the 'cultured nation'(read: on behalf of the bourgeoisie and the capitalist economic system).

The conflict over working-class strategy, whether it should be reform and participation within the state or revolution and establishment of a new proletarian state and a socialist economic system was present in the working-class movement all along. The Communist Party (after its creation in 1923) argued that strikes should be gradually politicized and developed into a battle over state power. The youth organization (Ungdomsfylkingen) in the Labour Party agitated for strikes among soldiers, because the

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146 The Liberal Party, Venstre, was an active supporter of public arbitration between labour and capital. The Conservative Party, Høyre, was always sceptical of 'democracy' including 'parliamentary democracy', afraid that a popular majority should rule, limiting the freedom of the market and the individual. The interest organizations were deemed politically important precisely as defenders of specific interests against a threatening majority rule through the Storting (Seip 1980). The Labour Party favoured a close cooperation between unions and government, given the existence of a Labour government.
Corporative aspects

Military served only the interests of the bourgeoisie and was most prominently directed at keeping the Norwegian working class in place as labour for capital. Military defence of national sovereignty was an important, but secondary function. The Labour party syndicalist leadership disagreed with the Communist Party strategy. It did not want to turn the strikes into contests for state power. Its strategy was to use the strikes to strengthen the unions and then use the unions and the general strike to establish proletarian political power and public ownership in the economy. The Party should, according to the syndicalists, have a subordinate role in a revolutionary storm on the state. The party should limit itself to coordinating work in the unions and representing the class in the parliamentary organs. Thus, according to the syndicalists, centralism was not needed in the party organization. It was the class's own general strike that was the potent revolutionary weapon. But was it? Was the organized strength of the class in a general strike enough to overcome the power of the bourgeoisie organized through and by the state and supported by a large private capitalist economic and corporative structure?

Towards the end of the decade the militant working-class actions subsided and the reformist strategy gained strength in the labour movement. A last spurt of class legislation, which perhaps would have been more understandable in 1922, was passed in 1927. Since 1915 there had been a rule, mentioned earlier, of peace in the tariff period. As was common in Norwegian jurisprudence, the accuser had to prove that the accused had breached the law, in this case that the peace agreement had been breached. In 1927 that rule was turned around. Now the accused had to prove their 'innocence'. In 1927 the Storting also decided that it was illegal to give support to workers taking part in a strike that the Labour Court had deemed illegal.
Still worse, from the labour movement's point of view, was the change in the civil law, paragraph 222. According to the new 222 it was illegal to make public the names of strike-breakers and to hamper them from taking the strike-hit jobs. That was too much, even for the reformist labour movement in Norway. In an ongoing strike in 1928, which had been termed illegal by the Labour Court, the AFL published lists of names of both striking workers and strike-breakers. In 1929 the Ministry of Social Affairs suggested that paragraph 222 should be prolonged for another two years. The Storting, however, backed down and returned to the old rule, 59 votes for, 37 against.

Reformism in the labour movement may have favoured a bureaucratization of its leadership, with less room for open debate and popular, democratic decision-making. Leif Longum (1986) has recorded criticism against the Labour Party newspaper Arbeiderbladet from radical writers, writers who had every respect for the labour movement and working-class demands in the 1920's and 1930's. Trond Hegna wrote in 1934 against the elimination of controversial articles from the Labour Party paper (Mot Dag 21/1934). Edvard Bull and Olav Scheflo supported him. Helge Krog wrote that another (liberal bourgeois) newspaper Dagbladet was the only paper that allowed real, radical debate.

"Skavlan's importance in Dagbladet is, as mentioned earlier, that the paper under his leadership has become the natural, and in fact the only, arena for frank discussions of radical ideas, even discussions of socialist ideas. Dagbladet has been the open arena. Seen from a socialist point of view Dagbladet has had one fault: its basically liberalistic point of view. And here is where Arbeiderbladet has failed. It has not, from a socialist point of view, created an open arena with freedom to both sides." (Longum 1986:94)

Martin Tranmæl, editor of Arbeiderbladet - answered, it is tempting to say, in a traditional power-wielding way, attacking the author, not

147 Nina Juell brought this book to my attention.
Corporative aspects

the question. In Longum's words: "Tranmæl rejected all criticisms. In a comment in Arbeiderbladet 12.4.1933 he wrote that the article on the Labour Party cultural policy, written by that "eminent hysterical person Helge Krog" in Dagbladet, was of no interest beyond "characterizing its author"" (Longum 1986:95).

The dilemma between the ability to learn against the need to wield power, the dilemma between mobilization and control, between the ability to understand and define new situations, new identities and goals and the need to wield power in politics, on the basis of a well-defined identity specified goals, is perhaps common to all organizing; it is a dilemma in most organizations (Gran 1988). Given that the criticism of the labour movement by Helge Krog and others was valid, it is possible to see the closure, the bureaucratization as the result of the unification of the movement around a reformist ideology. On the one hand the opposition within the organization was silenced. That in itself makes closure 'natural'. But the reformist ideology itself favours closure. Reformism is by definition uneasy with or even foreign to the existence of ideological controversy. The reformist ideology assumes that basic contradictions are solved within the existing state system by a piecemeal method, implementing reforms within the existing rules for policy-making, gaining a majority for the suggestions before they are implemented, etc. In this sense it is not surprising that Tranmæl attacked people and not programmes. The programmatic debate was no longer really legitimate within the movement.

UNIONIZATION IN AGRICULTURE AND FORESTRY

In the last part of the 1930's the semi-proletarian workers in agriculture and forestry started fighting for their right to organize. They met opposition from the land owners and large farmers, an
opposition that led to conflicts. One of these conflicts was at Julussa, where the workers had created a union and where the employers would not even meet with its leaders. The timber floaters blocked the river. The government mobilized police and soldiers to break the blockade. Only gradually did the workers win the right to organize. The same kind of conflict, concerning both the right to organize and better pay, occurred in other places between 1927 and 1929, for example the Austmarka conflict and, the largest of them, the Randsfjord conflict. By the mid-1930's workers in agriculture and forestry had won about the same rights of organization as the urban industrial workers, but their wage level was lower. The battles fought in the Norwegian countryside for the right to organize put this section of the working class into or quite close to the Labour Party. It became an important part of the power base of the Labour Party.

As T.H. Marshall (1949) has suggested, the battle for the right to organize is an element in the working-class struggle for citizenship. In the struggles mentioned here, the workers met a first line of opposition from the employers, the big farmers and forest owners. In the rich agricultural areas in the Southeast some of the farm owners were rather sympathetic to the authoritarian (Nazi) movement that was gaining strength in Europe. Both political parties and economic interest organizations were in their view an illegitimate element in the capitalist system. An argument used against interest organizations was that they intervened illegitimately in the process "of natural selection" of leaders. This authoritarian movement was aggressive in the 1930's, as this editorial in the farmers' paper Nationen (The Nation) on workers' strikes testifies:

"Tear down what intelligence and ability has built ... If our authorities had tackled the problem [the labour movement] at its root, used military force, given the bandits what they deserve and put their leaders in jail, then we would have had peace and quiet in our country... After this [after the workers were allowed to organize] we farmers know who we can trust. Only ourselves. And then we must act. We must organize in all rural communities."
If the Communists attempt to mingle with us - chase them. If they see red we shall bloody their noses. Be ready for action!” (Ousland and Skar, 1949, vol.2:530)

What role did the state play? Generally the state supported the employers in these first confrontations. But into the 1930's and as the labour movement became explicitly independent of the Soviet Union (except for the relatively small Communist Party) and increasingly reformist, the labour organizations were gradually accepted as legitimate participants in the political process. It seems that the employer organizations were active initiators of anti-labour public policy in the early 1920's, but that the state transformed or expanded the political initiatives into laws that in no simple sense were direct expressions of employer interests. As the general acceptance of the reformist labour movement increased, the employers' opposition to unionization in the rich farm areas north of Oslo took on an anachronistic character. The state increasingly required that the employers accept the labour organizations. The Keynesian perspective on the role of the state, a state that actively integrates all participants and all sectors in the economy into a balanced, expanding capitalism, was on the rise.

**THE STATE IN THE CONSOLIDATION AND EXPANSION OF CAPITALISM IN THE INTERWAR PERIOD**

In the last part of the nineteenth century, capitalism was on the rise in Norway, penetrating into the cities and into the rural areas, into agriculture. That process meant the eradication of dependent peasants-crofters, and technological modernization in all sectors of the economy. My thesis is that in the first part of the twentieth century capitalism extended its economic grip on Norwegian
society, with effects on the organizational, state and cultural/ideological levels of society.

This consolidation/expansion of capitalism was achieved in at least three ways:

(1) Through a more vigorous imperialist penetration. International capital was invested in many sectors of industry and finance, not without some Norwegian control and benefits for the Norwegian bourgeoisie. This development of a national bourgeoisie meant disintegration of what was left of pre-capitalist modes of production in agriculture, manufacture and handicrafts. (2) Not unrelated to that penetration was the process of technological innovation. Most strikingly in the electro-metallurgical industry, but also in forestry, agriculture and sea and land transport. This process also reduced the resistance of pre-capitalist modes of production which lacked this technological dynamic.

(3) Lastly there was the process of infrastructural expansion, a process of differentiation and integration of communication systems (in the broad meaning of the term). Roads and railway, coastal transport systems and international shipping expanded, making the transformation to capitalism possible. Because of this expansion, banking, finance and trade transactions, which are unproductive functions for capital as a whole, accounted for more of the total labour force.

Those were changes in the forces of production. The relations of production also changed, mainly through the monopolization process. Big firms acquired market power and could, through policy-making, at least marginally, change the functioning of the

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148 This process was related to the development of scientific institutions in Norway, the creation of the College of Technology in 1910, the development of the natural and technical sciences at the universities in Bergen and Oslo.

149 4% in 1900; 4.2% in 1910; 5.6% in 1920 and 6.1% in 1930 (and 1950) - see the Appendix.
market to their advantage. This strengthened the power of the employers relative to the labour organizations.

In the first half of the twentieth century the main classes actively developed their class organizations. The labour movement created unions to defend wages and battle over questions of political strategy and state theory, a battle that resulted in a proliferation of party organizations in the 1920's. On the bourgeois side the employers' organizations were strengthened and a number of militant organizations (like Society Help and Society Defence) were created, in addition to elite organizations (like Fedre landslaget).

Most significant was the new role of the state relative to the class organizations. On the one hand the workers' organizations were integrated into the state system. Around the turn of the century citizen rights were expanded. Voting rights were extended to women and to all adult persons irrespective of capital ownership. Representatives elected on the Labour Party ballot were voted into the *Storting*. Unions were gradually accepted into the wage bargaining process, both at the employer and at the state levels.

The state established a new relationship with the reformist part of the labour movement. The relationship represented a formal democratization, that is, more people and organizations acquired the right to participate in decision-making (voting, bargaining; legal, political and administrative decision-making, etc.) But my interpretation is that these rights had backward effects on the processes of class formation and class organization. Formal democratization supported reformist ideas in the working class and reinforced reformism in the labour movement. Bureaucratization of the state and the large labour organizations worked selectively to eliminate radical ideas and policies from the organization agendas.

Some parts of the bourgeoisie saw the advantages of the new class cooperation within the state. Other sections feared it. They initiated new class organizations that transcended or at least
threatened the limits of the parliamentary system and were ready to introduce or support more elitist types of leadership (Seip 1980, Danielsen 1984).

An array of new problems confronted the state apparatus in the first part of the twentieth century. In the previous century the problem was the transformation of an agricultural society. Now industrial capitalism was established. The Norwegian state had to expand into the administration of infrastructures, widen definitions of citizenship and political participation, engage in initiating and regulating loans to Norwegian industry, support Norwegian capital on international markets, regulate the activities of the large companies that gained market power, take on detailed administration of the whole economy during the war years, and manage wage conflicts.

With the change from the bureaucratic state (embetsmannsstaten) to the parliamentary state and the change from a state mainly focused on law and order to a state actively engaged in infrastructural development, I have suggested that the state organization developed a new kind of autonomy. From having autonomy in the administration of law and order, or instrumental autonomy, the state increasingly developed programme autonomy. That is the state became an independent policy maker. Small-scale, subsistence agriculture in the first half of the nineteenth century had no need for an active state. The bureaucracy had a law-and-order function, extracting taxes for its own upkeep and administering elementary infrastructural functions. The peasants related reactively to the state, defending their interests when the tax burden became too heavy. This changed with capitalism. The state took on the management of infrastructures on a national scale. New professionals penetrated into the state administration. Building infrastructures meant looking at the productive and technical relations between actors in the economy, thus changing the state -
society relation. The state did not only control and tax farmers and workers. It brought economic and technical resources into the economy. The state took on productive activities. The new working class could in addition to a police/tax state see an entrepreneurial state, one that engaged in services advantageous to all in the modern economy. In that sense it appeared also more democratic. Entrepreneurs, farmers and workers gradually developed a proactive relation to the state. It could be influenced to serve specific group and societal interests. It was important to gain representation within the state and to develop schools and colleges within specific sectors of the economy so that a group could gain a voice in the increasingly active and professionalized state administration.

The new parliamentary state acquired administrative responsibilities in "all sectors". It had infrastructural functions in the economy, regulating functions in the class struggle, and organizational functions in developing the state organization proper, in acquiring the professional knowledge needed for this varied set of administrative tasks, and in organizing a decision-making process that had capital-supportive outcomes.

While in the last part of the nineteenth century the state implemented a programme aimed at expanding the arena for individual capitalist, market-related activity, the first part of the twentieth century was characterized, by the state intervening autonomously into the bourgeois class, regulating its activities and developing economic and social programmes that ultimately would (or should) serve the expansion of capitalism. This intervention in bourgeois class affairs nurtured reformist ideas in the working class. The state was obviously not a simple instrument in the hands of the bourgeoisie.

Given that formal democratization of the Norwegian state had advanced in the early years of the twentieth century and that the development towards programme autonomy was progressing, did
that mean that in acute crisis situations the state would retain its traits of democracy and autonomy? Let me develop an answer to that question through the second case study, the political conflict between the state, the labour movement and the financial elite over the rescue of a large faltering private bank in the early 1920's.
State power and reformism in the labour movement

Reform: The amendment or altering for the better of some faulty state of things, especially of a corrupt or oppressive political institution or practice; the removal of some abuse or wrong (The Oxford Dictionary, R:347). Reformism: A programme in the labour movement saying that capitalism can be transformed to socialism through piecemeal changes of the existing system (AL:972). Reformism: A trend in the labour movement hostile to Marxism and the real interests of the working class; a trend that 'struggles' for small reforms that leaves bourgeois exploitation of the working class intact. (Marxistisk uppslagsbok, Gidlund 1972:301)

A question in Norwegian historical studies has been how the industrialization process, its timing and speed affected the formation of the working class, its organizations and political ideology. Historians have studied how the internal ideological divisions in the labour movement were effects of the rapid influx of peasants, the spread of industry into rural areas where energy was available, the role of international developments and foreign agitators in the movement.¹⁵⁰

A specific problem was raised in Odd Bjørn Fure's work (1984a): was there a revolutionary situation in Norway in the early 1920's,

¹⁵⁰ Edvard Bull, Sr. (1922), Keilhau (1938), Lafferty (1971), Furre (1971), Koht (1975), Kjeldstadli (1978), Magdahl (1979), Bjørnhaug (1979), Fure (1984a), Bull Jr. (1985) and a number of others.
caused by the large nationwide strikes, the international economic and political crisis in Europe and the radicalization of the Norwegian labour movement? Could a revolutionary attack on the state have succeeded or were the state and the bourgeoisie in control with the ability to quell, ideologically, bureaucratically and with military force, whatever revolutionary actions the working class might have started?

My purpose here is to identify the influence of the state on the formation of the labour movement, its strength and ideological orientation. Did the state actively further reformism in the labour movement? If so, through which mechanisms? What role did the state play in select class conflicts and strikes in the interwar period? How did the state relate to right-wing, anti-labour organizations?

THE ORGANIZATIONAL DIVISIONS IN THE LABOUR MOVEMENT

In 1885, two years before the Labour Party was formally established, the Social Democratic Union in Christiania formulated a radical conception of capitalism. The Marxist idea of the dictatorship of the proletariat (a state as the instrument of proletarian class interests) was changed to a concept of a free state, meaning, perhaps, some kind of democratic state that did not carry the imprint of a specific class.

"Labour is the source of wealth and culture and the results of labour should therefore be acquired by those who work ... Liberating the work process must be the result of the working class's own efforts. All other classes are, relative to the working class, only a reactionary mass ... The union should by all legal means work for a free state and a socialist society." (Lorenz 1970:24).

The Labour Party, established in 1887, produced a coherent programme by 1891, based on the radical premise that private
ownership of the means of production put most social and political power in the hands of a minority. But the programme rejected the idea that a new kind of state was necessary to liberate the working class: "We do not want any form of state socialism, where the state has the power of the private capitalists." The programme then listed a number of reforms: common right to vote for all over 21 years of age, public regulation of work time and workplaces, insurance against sickness and accidents, prohibition of child labour, etc. In 1901 the references to the exploitative character of capitalism were toned down and the idea of a new type of state was removed from the programme: "There should be common public ownership of the means of production, the state should manage the economy and distribute the production result equally" (Lorenz 1970:33). In 1914 the Norwegian Labour Party was prepared to enter into a coalition with the bourgeois political parties to defend Norwegian neutrality in the war.

The Labour Party was formed by radical working-class representatives in the Eastern part of the country, with people in the capital playing a central role (Christian Holtermann Knudsen and Carl Jeppesen). A more radical movement developed in Trøndelag. In Trondheim Fagopposisjonen av 1911 (The Trade Union Opposition of 1911) was formed. Martin Tranmæl was the leading personality in that opposition. Its ideas were of a syndicalist character. It was the trade unions and not the party that was the central organization in the labour movement. The unions should use militant actions against employers and the state, and develop workers' committees in the factories to organize the struggle. The idea was that the worker committees at the factory level could democratically change the capitalist factories into socialist, worker-controlled factories. From that level mass action would democratize

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151 "Med den såkalte statssosialisme, der setter staten i den private arbeidskjøpers sted, har Arbeiderpartiet intet å bestille" (Bull 1985:394).
and socialize first the municipal, then the provincial and central levels of state. Through coordination of militant local actions the political capacity of the working class would be augmented and, when the state and bourgeoisie attacked, a general strike would force the bourgeoisie into submission.\footnote{Bjørnhaug (1979) suggests that the syndicalist movement was reformist, except for its focus on militant union attacks on employers and state. When the strike movement in the 1920's subsided, the syndicalists tended to focus on the strengthening of the unions and, as a means to that end, the expansion and even rationalization of industrial capitalist production. The syndicalists did not have a specific theory of the state. Magdahl (1979:109) suggests that the leading syndicalist theory of the state was: "It is a capitalist organization, it can be used (by the working class) to build socialism, but it is not efficient in that endeavour."}

The syndicalist movement won the leadership of the youth organization of the Labour Party in 1916, and reached a majority position in the party at the Party Conference in 1918. In 1920 the syndicalists acquired a majority in the top organs of the Central Federation of Trade Unions (AFL), including the vice presidency (Elias Vollan).

The AFL had become a strong organization. Membership had risen from 15 600 in 1905 to 107 500 in 1918 (Lorenz 1970:39). The Labour Party increased its support in the elections. It got 10% of the vote in 1903, 26% in 1912 and 32% in 1915. In 1919 the Labour Party, with a small margin of votes, entered Comintern. Einar Gerhardsen (later - in 1945 - the prime minister in Norway) was a delegate to a Comintern congress in Moscow. AFL was in 1921 represented at the Red International of Trade Unions which then vehemently attacked the Amsterdam International as reformist and bourgeois.

In the late autumn of 1920 and early 1921 the postwar economic crisis set in and the conflicts between the different ideological tendencies in the Norwegian labour movement - between syndicalists, orthodox Marxist revolutionaries (in the party and in the youth organization) and the reformists - increased. The battle over

\footnote{Bjørnhaug (1979) suggests that the syndicalist movement was reformist, except for its focus on militant union attacks on employers and state. When the strike movement in the 1920's subsided, the syndicalists tended to focus on the strengthening of the unions and, as a means to that end, the expansion and even rationalization of industrial capitalist production. The syndicalists did not have a specific theory of the state. Magdahl (1979:109) suggests that the leading syndicalist theory of the state was: "It is a capitalist organization, it can be used (by the working class) to build socialism, but it is not efficient in that endeavour."}
the 21 Moscow theses (see Langfeldt 1961) was all-absorbing and bitter. The theses were approved at the Labour Party Conference in 1921 with a slight majority. The right wing, the reformists, broke with the Labour Party and created the Social Democratic Party, with Magnus Nielsen as its first chairman.

In the Labour Party, the battle between supporters and opponents of the Moscow theses continued (with the communist Olav Scheflo as main supporter and Martin Tranmæl as leader of the opposition). In November 1923 the membership in the Comintern was defeated. The minority left the meeting and created the Norwegian Communist Party (NKP) with Sverre Støstad as its first chairman. At the same time AFL broke with the Red International of Trade Unions.

So the Norwegian labour movement entered the mid-1920's with three political parties trying to represent working-class interests. The question of how to organize a working-class state and how to reach that goal was the main bone of contention between them.

Other class organizations took form. In 1924 the Workers' Sports Organization was created. New industrial federations were established in AFL: the Chemical Workers Federation, the Federation of Municipal Workers, federations of workers in construction and in food production and distribution. A federation for workers in forestry and agriculture was created in 1927. This organizational proliferation was an expression of both strength and weakness: strength in the number of organized workers; weakness in the political fragmentation and internal strife over tactics and strategy in the political struggle.

WORKING-CLASS STRUGGLES
AT THE NATIONAL LEVEL IN THE 1910'S AND 1920'S
In 1911, 32,000 workers in mining and industry were locked out from their jobs. There was a general depression in the economy; the employers reduced wages and were vehemently against any form of bargaining. The Liberal Party government (under Gunnar Knudsen, ousted 1 February 1910) wanted compulsory bargaining and enforced agreements. Voluntary bargaining took place and the strike ended with a compromise. This compromise strategy by the AFL-leadership was probably part of the reason for the emergence of the new syndicalist opposition of 1911.

From the end of the war to the end of 1920, Norway experienced a postwar boom, with large financial speculations by the bourgeoisie who had accumulated financial capital during the war, especially through highly profitable shipping operations. The crisis made the investment of finance capital in productive activity difficult. Workers' wages increased and investments rose. But by the end of 1920 there was a sharp downturn.

**State intervention in the railway strike in 1920**
The railway workers organized a strike for increased wages in December 1920. This sharpened the class conflict. The communications sector was (is) important for the capitalist system as a whole and the railway workers were state employees. As I shall show in some detail below, the state was prepared for such action in the communications sector: (1) it had detailed plans for military and private operation of the different parts of the transport system in the event of strikes in these sectors; (2) the government cooperated with private "Society Help" organizations; and (3) it coordinated its plans with several other governments in the North Sea/North Atlantic area.

In the downturn the employers wanted to reduce wages. An early reaction to that policy was the railway strike. At that time the syndicalist idea of a general strike as a decisive weapon against the
bourgeoisie commanded a majority in the Federation of Trade Unions. Combined with an understanding of the critical importance of communications for the functioning of the capitalist market economy, the railway strike was seen by the federation leadership as the beginning of a general strike (Skaar 1981). The strike in the railway was effective from 1 December.

The strike did not develop as the federation leadership had expected. In the first days there was no rush of privately and state-organized transport. That came later. Rail transport halted, but no general economic or political crisis followed. Other labour unions did not come out in support of the railway workers. After a few days trucks and cars were busy taking care of the necessary transport, under police protection. The strike ended after about 20 days, without any concessions to the strikers. How can this unexpected result be explained?

Investigations have shown that at the inception of economic crisis in 1919, sections of the bourgeoisie and members of the government had prepared for hostile attacks from the working class. These preparations were motivated by an understanding of the role of communications in the capitalist economy. That understanding led, among other things, to the establishment of private strike-breaking organizations (Society Help) in the main cities, organizations that had members from an array of professions, ready to step into firms or state organizations hit by strikes. The liberal Venstre government of Gunnar Knudsen cooperated in the creation and the operation of these organizations (Gran 1978, Skaar 1981).

At the same time, the government established a secret communications commission, Transportkommissjonen. It was asked to work out plans for state-run transportation in crisis situations. The basic idea was to make use of the war system for securing material supplies to the cities, organized under the Ministry of Supplies (Provieringsdepartementet), with "supply committees"
in each municipality with power to requisition private transport material for public use. The commission made plans for the selection of personnel within the public administration who could be transport operators and who would be loyal to 'society' (read: the employers). It planned to requisition private cars and trucks to transport essential supplies from railway stations to local destinations within the cities.

The government did not intervene during the first days of the strike. It stated later that the reason was to let the standstill in the railway deplete food supplies to the cities and in that way create animosity in the population against the strikers.

The original plans assumed that the Society Help organization would take part in the transport of necessities. This arrangement was changed. Instead, the government created a central coordinating commission and regional commissions, with the mandate to organize crisis transports. Skaar (1981) has shown that this move was politically motivated. The government feared that using the Society Help organization would induce a radicalization of the labour movement.

The chosen system functioned. No dramatic lack of supplies occurred anywhere in the country, even though the railway strike was close to 100% effective.

The government of Gunnar Knudsen (which sat until June 1920) had a clear political and class strategic perspective on the organizing of this clandestine, state-run, strike-breaking system of transportation. Revolution was a possibility that had to be avoided at all costs. In the parliamentary debate on the railway workers' wage demands on 28 and 30 November 1920, Gunnar Knudsen said:

This conflict raises the question: who has state power, real state power, in this society? Is it Folkets Hus [the labour movement headquarters in Christiania] or is it the Storting and the
Government? ... The labour movement is attacking the state. We should counter that attack with all means available.” (Skaar 1981:82)

Skaar has also disclosed that the government took measures to meet more general revolutionary attacks. The wife of Edvard Hagerup Bull (finance minister in Otto B. Halvorsen's conservative government) wrote a diary. In it, there were notes on how the government had agreed to a system of succession should it fall victim to a revolutionary attack.

19 November 1920: "They [the government members] prepared for the most drastic civil war ... Of course, a number of things have been prepared, like guards, finding military units that will remain loyal to the government, etc. However, the enemies of our society, even if they are a minority, might attack the government directly. Edvard therefore suggested special steps for supplementing the government. He suggested that Ivar Lykke and Gunnar Knudsen be prepared to step in if the present government was ousted by attacks. If they too should fall, then the leaders of the departments in the ministries (ekspedisjonssjefene) ... should be ready to step in". (Skaar 1981:57)

The Transport Commission was in contact with authorities in countries bordering the North Sea, in England, Holland, Belgium, Germany and Denmark. The question raised was how to secure international transports in the event of strikes in communications in one or more of the adjacent countries. Agreements were made that military ships from the country hit by strikes should be allowed into foreign territorial waters if and when they carried supplies that otherwise would have been carried by the strike-hit companies.153

The strike failed. Major support for it did not occur in the working class and essential supplies continued to flow into the main cities and towns. The transport commissions set up regionally organized transports that bypassed the strike-hit railway. The municipal organs (Provianteringskommisjoner) managed to

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153 Materials from the Transport Commission in the National Archives, Riksarkivet, lent to me through the Public Archive, Statsarkivet, in Bergen.
calculate quite accurately what transport capacity was necessary to supply the cities and towns with necessities.

These materials demonstrate what I interpret as a high level of strategic consciousness in the state about defensive measures in revolutionary situations. The plans disclosed here indicate a government prepared to put the public and private transport system under direct state and military command to thwart working-class actions.

This organizing was done in close cooperation with the militant Society Help organization, but without the direct participation of the larger employers' organizations or managers of private firms or banks. The state used Society Help organizations as reserves, rather than what the organization itself wanted, to be an independent front-line organization in strike-breaking. The government wanted to avoid giving the labour movement easy targets for revolutionary agitation.\footnote{A parallel relationship between the authorities, Society Help and the labour movement was documented in a study of the strike among municipally employed workers in Bergen in the summer of 1920, at about the same time as the national seamen's strike was active (Gran 1979).}

The materials on the strike on the railway indicate that in 1920, the bourgeoisie, with the assistance of the state, was better organized for political struggle than the working class through the labour movement. The bourgeoisie seemed more ready to use physical force than the working class and the labour movement, despite all its agitation about militant strikes. These materials support the hypothesis that the syndicalist strategy of militant takeover was rather superficial, academic, not seen as practical among workers and union leaderships. Once the broad support for the railway workers' strike did not materialize, the labour union leadership quickly suggested that the working class await parliamentary decisions on railway workers' pay.
On the bourgeois side Otto B. Halvorsen (prime minister from 21 June 1920) hailed the bourgeois unity and the willingness to use force against any element of the labour movement that attempted anything that could suggest revolutionary changes:

"Political attacks, directed against the state, will be met by a united bourgeois front, a front of the political parties normally called bourgeois. And that is perhaps not the least important result [of the struggles over the strike]" (Skaar 1981:90).

The sailors' strike, summer 1921
The Employers' Confederation (Arbeidsgiverforeningen) was aggressive in the Spring of 1921. It required that sailors' wages be reduced by 33%, with a further reduction of 25% in October. The question was brought to the official government mediator (Riksmeklingsmannen). He came up with a more moderate suggestion: a 24% reduction immediately.

The sailors' strike was a fact from 8 May. Right away the government gave the Ministry of Trade the right to requisition private ships for government-controlled coastal transport. On 28 May the strike was widened with 120 000 workers on strike. The "Society Help" organizations moved into action. Police and military units were mobilized, in particular to guard the docks so that strike-breakers could work.

"Society Help groups went into action at the Gas and Electricity Works, in the harbours and other places [in Oslo]. There were demonstrations and unrest in Trondheim, Bergen and Stavanger. To thwart the strike the government mobilized sailors into the army. Older people and specially mobilized personnel were called up for military service and given battle equipment. The military had orders to shoot with live ammunition if necessary." (Ousland and Skar 1974, vol.2:48-49).

The leadership in the AFL agreed to enter into negotiations on 10 June. One of the largest strikes in Norwegian history was over. The negotiations resulted in what was interpreted as a defeat for the sailors and the working class. Wages were reduced by 17% and
vacations reduced from 12 to 8 days. Membership in AFL plummeted. By the end of the year it had been reduced by 50 000. AFL had 96 000 members at that time (Furre 1971:151).

After the strike the government took the labour movement leadership to court for "violence against the police". Several leaders were put in jail, among them Adolf Olsen, Olsen Hagen in Stavanger, Sigurd Simensen in Hammerfest, and the national leaders Martin Tranmæl, Aksel Zachariassen and Eugene Olaussen (Ousland 1974, vol. 20:54).

*The metal workers' strike, 1923*

In 1923 the employers wanted to reduce the wages of the metal workers. In the middle of a negotiated wage period the metal workers went on strike against that suggestion from the employers. The employers' organization reported the action to the "Labour Court" (a special semi-public court for wage conflicts in tariff periods.) The Labour Court found the strike illegal and the employers immediately reported the central strikers' committee to the police; 35 labour leaders were prosecuted in the regular courts. This caused a large demonstration in Oslo, at the courthouse. Workers viewed the trial as a political act in support of the employers. AFL widened the strike. All dock workers in the country were brought out. Some people thought the general strike the syndicalists had been advocating was close at hand.

The Employers' Confederation demanded a meeting with the government. After that meeting the Ministry of Social Affairs issued a statement that supported the decision in the Labour Court. The statement went on to say that the government would guarantee that "people willing to work in the strike ridden work places" would be protected. In the Ministry's own words: "Workers who go to work in companies hit by metal workers' or dock workers' strikes
Labour activism 212

can in no manner be considered strike breakers. All such workers will be given state protection." (Ousland and Skar 1949, vol. 2:83).

When the dock strikes occurred in January 1924, the state invoked its alternative transportation system. The harbour areas were closed off with high fences. The police protected workers who went into the docks to work, and military units and units from Society Help organizations were mobilized to support the strike-breakers in the larger cities.

The employers met the dock strikes with lockouts. These affected 61 000, while about 14 000 took part in supportive strikes. The government dismissed 9 policemen on the board of the Police Officers' Union, because the board had suggested that its members stay strictly neutral in the conflict. The strike lasted for seven months.

The materials show that in these conflicts the state responded directly and positively to requests from the employers for action against the working class. Important sections of the working class did not feel obliged to follow the "rules of the game" agreed between AFL and the state. The rule that strikes in tariff periods were "unlawful" was openly breached, against the will of the AFL. The 120-member strikers' committee formulated the following critique of the AFL after the strike:

"The bourgeoisie was gradually finding out that we were determined in our struggle. The Employers' Confederation was split and we had a chance of winning. In that crucial moment the central labour federation leadership let us down and joined the employers' side in the conflict. The leadership was not willing to use the power we had and that made it possible to win. Instead of fighting the employers, the leadership turned to the task of putting an end to the strike. It used its power against the workers in a way that is unique in labour movement history." (Bjørnhaug 1979:50; my translation from Norwegian)

155 The rule itself speaks of different degrees of freedom for the contracting parties in the labour market. While the agreement eliminates the right of workers to "adjust" the price of what they have to sell, their labour power, the employers were free to adjust the prices of 'their' commodities at will.
In this process the state played a role both as a guarantor of agreements entered into by labour and capital, and as a supporter of the employers' demand that workers (strikebreakers) should be guaranteed free access to jobs vacated by striking workers ("freedom of work"). Both roles can seem ambiguous from a worker's point of view. Agreements are in principle a good thing, something to be respected. The principle of free access to work of one's choice is a good principle. But the strike is at the same time an important instrument for defending workers' interests. This ambiguity may have influenced workers' understanding of the strike and split their ranks. It definitely influenced the labour federation leadership, which fought for the agreement against the workers who wanted to resist the employers' demand for wage reductions. Here it seems that a coalition of employers and the state had managed to co-opt the trade union leadership against the interests and demands of a majority of the metal workers. The state had both an explicit role in supporting the employers politically and a structural role guaranteeing the legality of the agreements made.

These materials demonstrate the power of the bourgeoisie and the state relative to the workers movement in this critical period. What these materials document is a close cooperation between government and employers' organizations. Exactly which of the parties had the initiative and to what degree the government was influenced by the employers' representatives, this material does not say. However, the organized relation between them was obvious. It is also clear that the government had no sympathy for working-class demands. The Keynesian perspective - government regulation of the total economy, including a possible regulation *upwards* of demand (i.e. wages) when that served the accumulation process, had not yet entered into the conception of economic policy.
The working-class struggle at this time was an economic struggle against an over-powerful political unity of state and bourgeoisie. Through the whole period working-class political strategy and internal organization were in disarray, reflecting either a lack of understanding of the political situation and the possibilities of working-class revolutionary organization and action, and/or underestimation of the bourgeois class's and the state's ability and willingness to subdue the working class.

**CORPORATIVE ASPECTS OF STATE ORGANIZATION IN THE INTERWAR YEARS**

What role did interest organizations play in the class-state conflicts of the interwar period? The unions, as we have seen, had a dual role. On the one hand they defined and expressed working-class demands. On the other hand the leadership of the unions had a tendency to enter into compromises with the employers that at least sections of the working class felt were unwarranted or at variance with class interests.

The role of the Employers' Confederation was the topic for a debate among historians in the early 1980's. One aspect of that debate has been the relationship to the state. Knutsen argues that the state, by demanding that wage conflicts under certain conditions be regulated by public compromise/arbitration, put the Employers' Confederation in a dilemma. On the one hand this could terminate conflicts that otherwise would be prolonged by strikes. But, on the other hand, the arbitration decisions could limit the freedom of the employers' organization, in the sense that, without enforced arbitration, the organization could reach much more advantageous

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outcomes, lower wage bills, less powerful unions, a reduced labour movement, etc. Paul Knutsen's point is that in these interwar years, and especially in the late 1920's, the employers were on the offensive in relation to the labour movement, and in that situation they wanted to continue the political/economic struggle with the unions unhampered by state intervention. Intervention demanding arbitration in that situation was interpreted by the employers' organization as negative intervention, intervention in favour of the labour movement.

Svein Dahl suggested that the employers' organization "turned its back on the state" in 1928. Knutsen contests that statement. He suggests that the employers' organization became actively involved in the corporative channel in order to influence state policy:

"On the other hand NAF [Norsk Arbeidsgiverforening] had an obvious interest in making its influence felt in the state on a number of questions, for example participating in the Work Conflict Commission of 1930, a commission created by the Venstre government. It is therefore not correct to say the NAF 'turned its back on the government' in 1928." (Knutsen 1984:65)

Knutsen demonstrates a disagreement between the Employers' organization and the parliament, the latter wanting to regulate capital - labour relations. He uses this disagreement to suggest that Marxist theory of the state as "instrument for bourgeois interests" is false (Knutsen 1984:64). But can a conflict between the parliament and the Employers' organization on how to relate to labour falsify the Marxist theory? It can be argued that the state exactly to be "an instrument for a class in the economy" should have autonomy also towards individual members or sections of that class so that dominant class strategy can be worked out independent of specific capitalist groups. To falsify the Marxist theory the state should demonstrate an ability to support popular opposition movements on
Corporative aspects

These early interwar years also saw the emergence of interest organizations explicitly in the service of the employers, the bourgeoisie or 'society as a whole' (read: capitalist society). I think it is right to say that the creation and mobilization of these intermediary organizations was partly a product of vacillation in sections of the bourgeoisie about the efficiency of the parliamentary system in staving off working-class power. Society Help was anti-democratic in this sense. An organization called Society Defence (Samfunnsvernet) organized paramilitaries.

There was a close cooperation between these "private" organizations and government. Research has shown that the government was drawn into consultations about the creation of the Society Help organization in 1920, by the initiator of the organization, Rittmester Fougner. The employer organizations were also consulted (Furre 1971:150). The government agreed that Society Defence could support the regular police forces when approved by the police administration.

If we define corporative trends as tendencies to limit the role of parliaments and increase the role of direct cooperation between the state, the corporations, capital and "responsible" labour, they were

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157 In a final note in his article, Paul Knutsen criticizes colleagues for overlooking the politics of the bourgeoisie in this crucial period. Much research on reformism has been limited to ideological conflicts and power play within the labour movement. That has had two negative consequences. On the one hand it has left room for much speculation about the bourgeoisie in this crisis and conflict period of Norwegian politics. Secondly, it has served "to keep the question of class relations and conflicts between classes off the historiographers' agenda" (Knutsen 1984:67).


159 In the investigation of the role of Society Help in a large municipal workers' strike in Bergen in 1920, it was documented that leaders of Society Help took part in meetings with top police administrators and the elected heads of Bergen city (ibid, Gran 1979).
Corporative aspects present in most political parties at the time. But in 1925 a political organization explicitly aimed at superseding party politics was formed. Its name was "Fedrelandslaget", with dignitaries from the 1905 mobilization like Fridtjof Nansen, Christian Michelsen and shipowner Kristoffer D. Lehmkuhl in its leadership. The organization wanted to eliminate class conflict and 'social decay' (Johansen 1967).

Thus the political crisis in the interwar years created two types of intermediary, corporative organizations on the right wing of Norwegian politics. One was the explicitly class type of organization, wanting to defend the capitalist mode of production and the economic interests of the bourgeoisie directly, an activist organization organizing and defending workers willing to work in firms hit by strikes (strike-breakers, finks, scabs). The other type was the above class, elitist type of intermediary organization directed at organizing state power on behalf of the 'cultured nation'(read: on behalf of the bourgeoisie and the capitalist economic system).

The conflict over working-class strategy, whether it should be reform and participation within the state or revolution and establishment of a new proletarian state and a socialist economic system was present in the working-class movement all along. The Communist Party (after its creation in 1923) argued that strikes should be gradually politicized and developed into a battle over state power. The youth organization (Ungdomsfylkingen) in the Labour Party agitated for strikes among soldiers, because the Liberal Party, Venstre, was an active supporter of public arbitration between labour and capital. The Conservative Party, Høyre, was always sceptical of 'democracy' including 'parliamentary democracy', afraid that a popular majority should rule, limiting the freedom of the market and the individual. The interest organizations were deemed politically important precisely as defenders of specific interests against a threatening majority rule through the Storting (Seip 1980). The Labour Party favoured a close cooperation between unions and government, given the existence of a Labour government.

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military served only the interests of the bourgeoisie and was most prominently directed at keeping the Norwegian working class in place as labour for capital. Military defence of national sovereignty was an important, but secondary function. The Labour party syndicalist leadership disagreed with the Communist Party strategy. It did not want to turn the strikes into contests for state power. Its strategy was to use the strikes to strengthen the unions and then use the unions and the general strike to establish proletarian political power and public ownership in the economy. The Party should, according to the syndicalists, have a subordinate role in a revolutionary storm on the state. The party should limit itself to coordinating work in the unions and representing the class in the parliamentary organs. Thus, according to the syndicalists, centralism was not needed in the party organization. It was the class's own general strike that was the potent revolutionary weapon. But was it? Was the organized strength of the class in a general strike enough to overcome the power of the bourgeoisie organized through and by the state and supported by a large private capitalist economic and corporative structure?

Towards the end of the decade the militant working-class actions subsided and the reformist strategy gained strength in the labour movement. A last spurt of class legislation, which perhaps would have been more understandable in 1922, was passed in 1927. Since 1915 there had been a rule, mentioned earlier, of peace in the tariff period. As was common in Norwegian jurisprudence, the accuser had to prove that the accused had breached the law, in this case that the peace agreement had been breached. In 1927 that rule was turned around. Now the accused had to prove their 'innocence'. In 1927 the Storting also decided that it was illegal to give support to workers taking part in a strike that the Labour Court had deemed illegal.
Still worse, from the labour movement's point of view, was the change in the civil law, paragraph 222. According to the new 222 it was illegal to make public the names of strike-breakers and to hamper them from taking the strike-hit jobs. That was too much, even for the reformist labour movement in Norway. In an ongoing strike in 1928, which had been termed illegal by the Labour Court, the AFL published lists of names of both striking workers and strike-breakers. In 1929 the Ministry of Social Affairs suggested that paragraph 222 should be prolonged for another two years. The Storting, however, backed down and returned to the old rule, 59 votes for, 37 against.

Reformism in the labour movement may have favoured a bureaucratization of its leadership, with less room for open debate and popular, democratic decision-making. Leif Longum (1986)\textsuperscript{161} has recorded criticism against the Labour Party newspaper \textit{Arbeiderbladet} from radical writers, writers who had every respect for the labour movement and working-class demands in the 1920's and 1930's. Trond Hegna wrote in 1934 against the elimination of controversial articles from the Labour Party paper (\textit{Mot Dag} 21/1934). Edvard Bull and Olav Scheflo supported him. Helge Krog wrote that another (liberal bourgeois) newspaper \textit{Dagbladet} was the only paper that allowed real, radical debate.

"Skavlan's importance in Dagbladet is, as mentioned earlier, that the paper under his leadership has become the natural, and in fact the only, arena for frank discussions of radical ideas, even discussions of socialist ideas. Dagbladet has been the open arena. Seen from a socialist point of view Dagbladet has had one fault: its basically liberalistic point of view. And here is where Arbeiderbladet has failed. It has not, from a socialist point of view, created an open arena with freedom to both sides." (Longum 1986:94)

Martin Tranmæl, editor of \textit{Arbeiderbladet} - answered, it is tempting to say, in a traditional power-wielding way, attacking the author, not

\textsuperscript{161} Nina Juell brought this book to my attention.
Corporative aspects

the question. In Longum's words: "Tranmæl rejected all criticisms. In a comment in Arbeiderbladet 12.4.1933 he wrote that the article on the Labour Party cultural policy, written by that "eminent hysterical person Helge Krog" in Dagbladet, was of no interest beyond "characterizing its author"" (Longum 1986:95).

The dilemma between the ability to learn against the need to wield power, the dilemma between mobilization and control, between the ability to understand and define new situations, new identities and goals and the need to wield power in politics, on the basis of a well-defined identity specified goals, is perhaps common to all organizing; it is a dilemma in most organizations (Gran 1988). Given that the criticism of the labour movement by Helge Krog and others was valid, it is possible to see the closure, the bureaucratization as the result of the unification of the movement around a reformist ideology. On the one hand the opposition within the organization was silenced. That in itself makes closure 'natural'. But the reformist ideology itself favours closure. Reformism is by definition uneasy with or even foreign to the existence of ideological controversy. The reformist ideology assumes that basic contradictions are solved within the existing state system by a piecemeal method, implementing reforms within the existing rules for policy-making, gaining a majority for the suggestions before they are implemented, etc. In this sense it is not surprising that Tranmæl attacked people and not programmes. The programmatic debate was no longer really legitimate within the movement.

UNIONIZATION IN AGRICULTURE AND FORESTRY

In the last part of the 1930's the semi-proletarian workers in agriculture and forestry started fighting for their right to organize. They met opposition from the land owners and large farmers, an
opposition that led to conflicts. One of these conflicts was at Julussa, where the workers had created a union and where the employers would not even meet with its leaders. The timber floaters blocked the river. The government mobilized police and soldiers to break the blockade. Only gradually did the workers win the right to organize. The same kind of conflict, concerning both the right to organize and better pay, occurred in other places between 1927 and 1929, for example the Austmarka conflict and, the largest of them, the Randsfjord conflict. By the mid-1930's workers in agriculture and forestry had won about the same rights of organization as the urban industrial workers, but their wage level was lower. The battles fought in the Norwegian countryside for the right to organize put this section of the working class into or quite close to the Labour Party. It became an important part of the power base of the Labour Party.

As T.H. Marshall (1949) has suggested, the battle for the right to organize is an element in the working-class struggle for citizenship. In the struggles mentioned here, the workers met a first line of opposition from the employers, the big farmers and forest owners. In the rich agricultural areas in the Southeast some of the farm owners were rather sympathetic to the authoritarian (Nazi) movement that was gaining strength in Europe. Both political parties and economic interest organizations were in their view an illegitimate element in the capitalist system. An argument used against interest organizations was that they intervened illegitimately in the process "of natural selection" of leaders. This authoritarian movement was aggressive in the 1930's, as this editorial in the farmers' paper Nationen (The Nation) on workers' strikes testifies:

"Tear down what intelligence and ability has built ... If our authorities had tackled the problem [the labour movement] at its root, used military force, given the bandits what they deserve and put their leaders in jail, then we would have had peace and quiet in our country... After this [after the workers were allowed to organize] we farmers know who we can trust. Only ourselves. And then we must act. We must organize in all rural communities."
If the Communists attempt to mingle with us - chase them. If they see red we shall bloody their noses. Be ready for action!” (Ousland and Skar, 1949, vol.2:530)

What role did the state play? Generally the state supported the employers in these first confrontations. But into the 1930's and as the labour movement became explicitly independent of the Soviet Union (except for the relatively small Communist Party) and increasingly reformist, the labour organizations were gradually accepted as legitimate participants in the political process. It seems that the employer organizations were active initiators of anti-labour public policy in the early 1920's, but that the state transformed or expanded the political initiatives into laws that in no simple sense were direct expressions of employer interests. As the general acceptance of the reformist labour movement increased, the employers' opposition to unionization in the rich farm areas north of Oslo took on an anachronistic character. The state increasingly required that the employers accept the labour organizations. The Keynesian perspective on the role of the state, a state that actively integrates all participants and all sectors in the economy into a balanced, expanding capitalism, was on the rise.

THE STATE IN THE CONSOLIDATION AND EXPANSION OF CAPITALISM IN THE INTERWAR PERIOD

In the last part of the nineteenth century, capitalism was on the rise in Norway, penetrating into the cities and into the rural areas, into agriculture. That process meant the eradication of dependent peasants-crofters, and technological modernization in all sectors of the economy. My thesis is that in the first part of the twentieth century capitalism extended its economic grip on Norwegian
society, with effects on the organizational, state and cultural/ideological levels of society.

This consolidation/expansion of capitalism was achieved in at least three ways:

(1) Through a more vigorous imperialist penetration. International capital was invested in many sectors of industry and finance, not without some Norwegian control and benefits for the Norwegian bourgeoisie. This development of a national bourgeoisie meant disintegration of what was left of pre-capitalist modes of production in agriculture, manufacture and handicrafts. (2) Not unrelated to that penetration was the process of technological innovation. Most strikingly in the electro-metallurgical industry, but also in forestry, agriculture and sea and land transport. This process also reduced the resistance of pre-capitalist modes of production which lacked this technological dynamic.

(3) Lastly there was the process of infrastructural expansion, a process of differentiation and integration of communication systems (in the broad meaning of the term). Roads and railway, coastal transport systems and international shipping expanded, making the transformation to capitalism possible. Because of this expansion, banking, finance and trade transactions, which are unproductive functions for capital as a whole, accounted for more of the total labour force.

Those were changes in the forces of production. The relations of production also changed, mainly through the monopolization process. Big firms acquired market power and could, through policy-making, at least marginally, change the functioning of the

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162 This process was related to the development of scientific institutions in Norway, the creation of the College of Technology in 1910, the development of the natural and technical sciences at the universities in Bergen and Oslo.

163 4% in 1900; 4.2% in 1910; 5.6% in 1920 and 6.1% in 1930 (and 1950) - see the Appendix.
market to their advantage. This strengthened the power of the employers relative to the labour organizations.

In the first half of the twentieth century the main classes actively developed their class organizations. The labour movement created unions to defend wages and battle over questions of political strategy and state theory, a battle that resulted in a proliferation of party organizations in the 1920's. On the bourgeois side the employers' organizations were strengthened and a number of militant organizations (like Society Help and Society Defence) were created, in addition to elite organizations (like Fedrelandslaget).

Most significant was the new role of the state relative to the class organizations. On the one hand the workers' organizations were integrated into the state system. Around the turn of the century citizen rights were expanded. Voting rights were extended to women and to all adult persons irrespective of capital ownership. Representatives elected on the Labour Party ballot were voted into the Storting. Unions were gradually accepted into the wage bargaining process, both at the employer and at the state levels.

The state established a new relationship with the reformist part of the labour movement. The relationship represented a formal democratization, that is, more people and organizations acquired the right to participate in decision-making (voting, bargaining; legal, political and administrative decision-making, etc.) But my interpretation is that these rights had backward effects on the processes of class formation and class organization. Formal democratization supported reformist ideas in the working class and reinforced reformism in the labour movement. Bureaucratization of the state and the large labour organizations worked selectively to eliminate radical ideas and policies from the organization agendas.

Some parts of the bourgeoisie saw the advantages of the new class cooperation within the state. Other sections feared it. They initiated new class organizations that transcended or at least
threatened the limits of the parliamentary system and were ready to introduce or support more elitist types of leadership (Seip 1980, Danielsen 1984).

An array of new problems confronted the state apparatus in the first part of the twentieth century. In the previous century the problem was the transformation of an agricultural society. Now industrial capitalism was established. The Norwegian state had to expand into the administration of infrastructures, widen definitions of citizenship and political participation, engage in initiating and regulating loans to Norwegian industry, support Norwegian capital on international markets, regulate the activities of the large companies that gained market power, take on detailed administration of the whole economy during the war years, and manage wage conflicts.

With the change from the bureaucratic state (embetsmannsstaten) to the parliamentary state and the change from a state mainly focused on law and order to a state actively engaged in infrastructural development, I have suggested that the state organization developed a new kind of autonomy. From having autonomy in the administration of law and order, or instrumental autonomy, the state increasingly developed programme autonomy. That is the state became an independent policy maker. Small-scale, subsistence agriculture in the first half of the nineteenth century had no need for an active state. The bureaucracy had a law-and-order function, extracting taxes for its own upkeep and administering elementary infrastructural functions. The peasants related reactively to the state, defending their interests when the tax burden became too heavy. This changed with capitalism. The state took on the management of infrastructures on a national scale. New professionals penetrated into the state administration. Building infrastructures meant looking at the productive and technical relations between actors in the economy, thus changing the state -
The state and reformism

...society relation. The state did not only control and tax farmers and workers. It brought economic and technical resources into the economy. The state took on productive activities. The new working class could in addition to a police/tax state see an entrepreneurial state, one that engaged in services advantageous to all in the modern economy. In that sense it appeared also more democratic. Entrepreneurs, farmers and workers gradually developed a proactive relation to the state. It could be influenced to serve specific group and societal interests. It was important to gain representation within the state and to develop schools and colleges within specific sectors of the economy so that a group could gain a voice in the increasingly active and professionalized state administration.

The new parliamentary state acquired administrative responsibilities in "all sectors". It had infrastructural functions in the economy, regulating functions in the class struggle, and organizational functions in developing the state organization proper, in acquiring the professional knowledge needed for this varied set of administrative tasks, and in organizing a decision-making process that had capital-supportive outcomes.

While in the last part of the nineteenth century the state implemented a programme aimed at expanding the arena for individual capitalist, market-related activity, the first part of the twentieth century was characterized, by the state intervening autonomously into the bourgeois class, regulating its activities and developing economic and social programmes that ultimately would (or should) serve the expansion of capitalism. This intervention in bourgeois class affairs nurtured reformist ideas in the working class. The state was obviously not a simple instrument in the hands of the bourgeoisie.

Given that formal democratization of the Norwegian state had advanced in the early years of the twentieth century and that the development towards programme autonomy was progressing, did
that mean that in acute crisis situations the state would retain its traits of democracy and autonomy? Let me develop an answer to that question through the second case study, the political conflict between the state, the labour movement and the financial elite over the rescue of a large faltering private bank in the early 1920's.
The Trade Bank affair.  
Finance capital  
in the state apparatus

"Experience proves that the bourgeoisie does not hesitate to break the law or the Constitution when its class interests are threatened." (From the Labour Party Programme, 1927, cited in Magdahl 1979)

In the weekend of 26-27 May 1923, the Norwegian Government met with top leaders of the three largest private banks, and the leader of the national bank, Norges Bank. The meeting agreed that NOK 25 mill. was to be transferred to the failing Trade Bank. The government agreed to transfer the money without a decision in government and without informing or consulting with the Storting.

Even with this extraordinary government support, the Trade Bank did not survive. About a year after receiving state support clandestinely, the Trade Bank was put under government administration. The Bank was bankrupt. Why? What had happened? In January 1925 the government's parliamentary report was published (Sortingsmelding 12, 1925) and the clandestine support became public knowledge. There was a demand for a Court of Impeachment (Dagbladet, 5 January 1925). The opposition in the Storting demanded impeachment. Impeachment was approved in

164 Bergens Privatbank, Den norske Creditbank, Christiania Bank og Kredittkasse.
July 1926. The Court laboured through investigations and evidence for about a year, after which the government, surprisingly, was acquitted.

The court procedure set in motion a process of data collection about the bank sector and its relations to government that made insight into the details of the interaction possible.\footnote{This material has been only cursorily investigated by historians. It is presented in two large protocols from the Court. One contains the transcript of the proceedings in Court (RRTF), from the day the Court was set in up the Lagting room in the Storting on 3 September 1926, through to its last day, 7 months later, on 25 March 1927. The proceedings cover 2146 pages. The other protocol contains documentation presented to the Court (RRTD), six notebooks (notated as volumes in the following) and the investigation report (innb), produced by a commission set up and monitored by the National Bank. It is a detailed material. The Workers’ Encyclopedia (AL:882), wrote about the affair: “It represents one of the most important materials for understanding political and socioeconomic processes in Norway in the decade after the War.” Many historians have commented on the Trade Bank affair, but, as far as I know, only Jan Støren (1971) has written systematically about it. I will therefore leave out the year in references to Støren and give only the page. The affair was widely discussed in the press at the time. I will limit myself to the articles presented as evidence in the Court. Emil Stang, a central lawyer/politician at the time, wrote an article on the affair in 1926 (Stang 1926).}

THE ROLE OF THE STATE

I want to use the evidence gathered by the Court and the National Bank Investigation Committee to answer the following question: what autonomy did the state have relative to the elite of finance capitalists and to the labour movement leadership in the Trade Bank affair? What role did the financial elite play in government decision-making? In the relatively deep economic and political crisis of the early 1920's, and in the actual affair, did the state (a) follow the rules of the Constitution? (b) allow for participation from all interested parties? and (c) work out compromises within existing law?

I will approach the problem by studying the action models of central decision-makers, the values embedded in the organizational
Approach

structures in both government and the bank sector, and the relations between the central state institutions, the Storting, the Court of Impeachment and the state administration.

A thesis is that finance capital and government operated together in the Trade Bank affair, suppressing the interests of the labour movement, the small shareholders and customers. The financial elite had the initiative, but the role of the state cannot for that reason be reduced to a simple extension of the subjective interests of the finance capital elite.

A methodological tenet informing the following analysis is that, to the extent that such functionality exists between the private and the public sector, it will manifest itself most clearly when the system is in crisis (Offe 1976). In crisis situations it is more difficult to defend special interest policies in terms of general public needs.

I will look into the constitutionality of the government support to the bank. Did an anti-parliamentarian action model among central government members legitimate breaching the constitutional order? I will limit my analysis to the arguments presented by the defence and the prosecutors and to the Court's verdict.

A second thesis is that the government breached the Constitution. The government acted against the constitutional rule, paragraph 75, stating that the Storting approves all use of public monies. The government, and especially the prime minister, Abraham Berge, acted on the basis of an authoritarian, anti-parliamentary conception of the state.

ANALYTICAL APPROACH

My aim is to clarify the role of the state in the Trade Bank affair, as it took form in the banks and the state and as it was reacted to by the labour movement. I am interested in how institutions constitute and set limits on action models, how action models guide and organize
actions and how and under what conditions actions conform to or transcend the institutional structures. I will search for the action models (Jacobsen 1964, Silverman 1970, Gran 1985) employed by the central decision-makers, that is, their conceptions of problems, definitions of situations, of legitimate/illegitimate participants in decision-making and types of reasonable solutions. As Charles Tilly has suggested, actions are seldom generated by individuals in isolation. Action strategies are formed through interactions, where persons adjust to each other and form coalitions. Tilly, with reference to Elster (1985), suggests that game theory may help us understand the character of those interactions. "What we need, however, is better means of moving from the action of a single person or group taken in isolation, to rational interaction among two or more actors" (Tilly 1984a:30).

Organizations can be seen as systems of decision-making rules, (laws and regulations, formal divisions of labour horizontally and hierarchically, job definitions, salary structures, etc.), structures that influence action models and that support values through their selectivity. Alberto Melucci (1985) defines actions in organizations:

"Action has to be viewed as an interplay of aims, resources and obstacles, as a purposive orientation which is set up within a system of opportunities and constraints ... That is why the organization becomes a critical point of observation, an analytical level too often underestimated or reduced to formal structures. The way the ... actors set up their action is the concrete link between orientations and systemic opportunities/constraints."

THE RISE AND DECLINE OF CAPITAL INTERESTS IN THE TRADE BANK

The Trade Bank was created in 1917 by a merger between two small banks, Trondhjems Handelsbank\textsuperscript{166} and a bank in Christiania

\textsuperscript{166} First established in 1885 in Trondhjem, with Patrick Volckmar as manager. Professor Rolf
(now Oslo) called "Privatbanken for Norge". It catered for the large amounts of free floating finance capital that the Norwegian bourgeoisie had accumulated from lucrative shipping operations during the war. The bourgeoisie had difficulty in finding profitable investments in the postwar economy. New and potentially innovative banks quickly received large inputs of finance capital.

In 1916 Trondhjem's Handelsbank increased its capital assets from NOK 5 bill. to 16 bill. The Christiania bank, Privatbanken, was new and small. But it was important for the manager of the Handelsbank in Trondheim, Mr Volckmar, to break into the financial circles in the capital. Through the merger with Privatbanken he achieved that goal. The new Trade Bank was created.

The established commercial banks in Christiania met the 'speculative' Trade Bank with scepticism. But the managing director Volckmar was trusted by the Liberal government and in finance circles. The prime minister, Gunnar Knudsen, had used Volckmar in international financial negotiations. Volckmar was invited to a financial congress in 1919, at which both John Maynard Keynes and the Swedish capitalist, Marcus Wallenberg, participated.

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Danielsen (1958) presents a detailed study of the bank.

167 As demonstrated in Figure 10.3, the number of independent commercial banks in Norway increased to an absolute maximum of 200 in 1918.

168 Information given by Arne Sunde in the Trondheim newspaper Nidaros, January 1923 (RRTD vol.4:59).
The Trade Bank expanded in its first years of operation. In 1918 it controlled NOK 25 bill. It drew a profit of NOK 7.3 mill. and gave 14% on its shares. Gradually members of the established bourgeoisie joined its management. From 1917 the industrial entrepreneur Sam Eyde headed the board, followed in 1920 by General Jens Bratlie and in 1923 by consul and parliamentary president of the Right Party, Ivar Lykke. By 1922 the bank's management was a broad coalition of industrial managers, shipowners, lawyers, high-ranking military officers and former members of government. As noted in the case of banks in Tønsberg, the bank's board became an arena for coordinating activities between companies and institutions in both the private and the public sector. Some members of the board were known for their extreme right-wing ideological leanings.\footnote{Examples were Henrik Ameln, Bergen, who in 1933 was head of the Conservative Party when it entered into an electoral coalition with "Nasjonal Samling", the explicitly Nazi-supporting party, and Johan Throne Holst, the manager of the large Freia Chocolate Company, who, according to Støren:31, took part in organizing Nasjonal Samling and introduced Vidkun Quisling into Norwegian financial circles.} The Bank expanded through new mergers with smaller regional banks.\footnote{Like Kristiansunds Handels og Landmannsbank, Bergens Handelsbank, with the Henrik Ameln at the head of the board, Sønnenfjeldske Privatbank and Røros og Opplands Privatbank.} But the mergers, it has been suggested, contained the seeds of the bank's decline. The Trade Bank did not bother to make serious investigations into the regional banks. The placement of the ever larger financial assets became more difficult. But Volckmar was unconventional. The bank invested widely in Norway, especially in fisheries. It invested abroad, in Germany and the USA. In 1923, 40 foreign banks had accounts with the Trade Bank. The most important international connection was with the Hambro Bank in London. That Bank's representative in Norway, Karl Knudsen, told the Court of Impeachment that the Hambro Bank was active among Norwegian banks: "There is probably not a bank of some
importance in Norway, both in the capital and in the provinces, that we do not have quite an intimate relation to” (RRTF:556). The Trade Bank was a node in a broad network of banks, both in Norway and internationally; competition is a part of capitalism. So is the opposite, organized cooperation on questions of finance and investment of capital.

In March 1923 the Storting passed a law on state administration of failing banks. The law gave banks "under administration" the right to freeze accounts, while they still could accept new deposits. The state guaranteed the new inputs. The law required a state-controlled management of the administered banks. Several banks used this opportunity. In 1923 alone, 30 banks were put "under administration" (Støren 1971:9). In 1923 the Trade Bank was under heavy pressure from its investors. Bankruptcy loomed. However, in this situation the management of the Trade Bank chose a different strategy. It used contacts in the state to avoid administration.

THE ECONOMIC AND POLITICAL CONTEXT

The postwar economic decline
Because the Trade Bank was built mainly on speculative capital accumulated during the war, the economic decline from early 1921 had a serious impact. Through 1920 the economy was booming. Mean wages in industry increased from NOK 11.70 in 1918 to NOK 18.62 in 1921 (RRTD vol.4:7). But then the decline set in. The accumulated finance capital and the international credits disappeared (see Figure 10.6 on foreign debt). Incomes from shipping, which reached NOK 1.3 bill. in 1920, were NOK 540 mill. in 1921 and NOK 460 mill. in 1923 (Furre 1971:304). Less capital flowed into bank accounts, and less was lent. The banks lent out NOK 4 bill. in 1920 and NOK 2.6 bill. in 1923 (RRTD
vol.6:15). Hermod Skånland has described the effect of the economic decline on the banks:

"... loans from private commercial banks increased by leaps and bounds between 1914 and 1920. The loans were mainly in the form of short-term credits. The reduction in company profits [from the end of 1920] made it difficult to repay loans. There was a run on the banks. The downturn in the price level reduced the nominal value of the securities the companies had put up for the loans." (Skånland 1967:148)

**Sharper class conflicts**

Unemployment increased from the end of 1920. In June 1921, 45,000 were registered unemployed. In 1922 the number rose to 69,000 (RRTD h6:10). The working class reacted against lay-offs and wage cuts, but without much success (Furre 1971, Ousland 1974). The bourgeoisie, as demonstrated earlier, was well prepared to stave off the attacks, both through state organized, clandestine strike-breaking, and direct use of police and military force. At the same time the debate about revolutionary strategies raged within the labour movement, especially about membership in Comintern and the 21 Moscow theses (Langfeldt 1961, Fure 1983). Even though the Labour Party joined the Third International, it seems correct to say that, as the economic decline set in and the working class was set on the defensive, the reformist strategy gained ground. The ideological conflict affected the labour movement's relations to finance capital and the banks. Reformists tended to view the banks as technically necessary, but often in need of new leaders and state control. The communists on the other hand tended to view the banks as the command posts of the bourgeoisie in the economy.

**STATE SUPPORT FOR THE TRADE BANK**

*The decision*
Just after the approval of the "bank administration law" in 1923, two large banks collapsed. Even in international financial circles that created some anxiety. The law may have made it difficult for investors to get their money out of failing Norwegian banks. Karl Knudsen approached the Government and suggested that it should avoid taking banks into administration and that foreign investors should be exempted from the closing of accounts (RRTF:556). The decision of 26-27 May 1923 allotted NOK 25 mill. in government bonds to the Trade Bank. That support automatically gave the bank the right to borrow up to NOK 35 mill. more from Norges Bank. The meeting decided that the NOK 25 mill. should be transferred clandestinely. Not only should the decision be kept secret from the Storting and not presented for discussion in the government. It should be listed in a secret protocol in the Ministry of Finance, under the personal responsibility of head of department (ekspedisjonssjef) Lorentz Smitt.

At the meeting the government also decided that it should issue a statement about Norwegian banking, reassuring the public that the banks were safe money holders and that no crisis was pending. The statement contained the following points: "Taking two large banks into administration has created some uneasiness, in Norway and internationally. However, false rumours have been spread that Norway is near a financial collapse. There have been meetings between the large banks, Norges Bank and the government to review the situation. The meetings have concluded that there is no cause for concern. However, the public should know that if large banks get into trouble the government will support them. Banks that are basically solvent will get government support." This statement was widely publicized in the press, both in Norway and internationally. Karl Knudsen was pleased. The statement was

171 Andresens Bank/Bergen Kreditbank or Fellesbanken, and Centralbanken.
State intervention

useful for two reasons. It didn't say that support had actually been given from public coffers. Such information would only have fuelled the scepticism internationally and in the labour movement. It confirmed that reserves were available and that they would be used in case of crisis. The Conservative parliamentarian, member of the Finance Committee in the Storting and businessman, Mr. Astrup, expressed his delight at hearing the statement:

"Day by day our worry increased. If I can put it this way, we listened nervously to the feverish breathing of our sick society. The economy was on the brink of collapse. Then the government statement came on 28 May, 1923. I'll never forget the impression it made and the peace of mind it created." (Støren:96).

**The effects: money to the large investors**

What were the effects of the government support of the Trade Bank? The effect of the public statement seemed to be that small investors and ordinary account holders felt reassured. The large investors, and amongst them the other major banks, continued withdrawing their money from the Trade Bank. The Investigation Commission, set up by Norges Bank 8 December 1924, said about the withdrawals: "large inputs in Oslo had been reduced from NOK 79 to 17 million in the defined period. Of these 17 million, 8 million belonged to public institutions ... The other large investors had therefore removed practically all of their assets" (RRTDinnb:35).

As a result, the clandestine government input into the Trade Bank quickly vanished. The bank undertook a number of quasi-operations to improve the situation and its public image. The number of shares was increased, but largely by the bank itself buying them. New loan guarantees were given to the bank by an institution called "The Emission Institute". The later investigation of the bank showed that the Institute was a division within the bank itself. The Trade Bank entered investments in the Soviet Union as assets in its accounts, investments that long ago had been nationalized.
4 April, 1924, the Labour paper, *Arbeiderbladet*, published an article about the Trade Bank. It was written by the labour leader, Martin Tranmæl. It said that the value of the shares was decreasing rapidly and that the bank was in serious trouble. The article triggered hectic activity in finance circles and in the state financial administration. The Trade Bank immediately suggested that it should have more money. But now Norges Bank was sceptical. Its reserves were being depleted. It therefore wanted to involve the *Storting* in the matter. That way the responsibility for eventual problems would not rest with the National Bank alone. The manager of Norges Bank, Nicolai Rygg, was also ideologically involved. He felt that confidence in Norges Bank was essential for the stability of capitalism in Norway.

The prime minister, Abraham Berge, followed Rygg’s counsel. On 7 April the *Storting* met behind closed doors. Berge suggested that the Trade Bank should receive NOK 15 mill. in support, a suggestion that was approved by 79 to 62 votes (the *Storting* had 150 members at that time). However, neither Abraham Berge, nor any other member of government, nor Ivar Lykke, who presided over the Storting meeting, made any mention of the earlier support of NOK 25 mill.

In July 1924, the Mowinckel minority government (Liberal Party) was installed, with Arnold Holmboe as Finance Minister. Did the new government disclose and halt the Trade Bank support, demonstrating that the clandestine support was an idiosyncratic trait of the Berge government? Not at all. The Mowinckel government continued to honour the Trade Bank bonds. In other words, there was broad unity in the bourgeois political camp on the support to the Trade Bank.

By 1924 the Trade Bank was bankrupt and put under government administration. In 1925 the clandestine support became public
knowledge. In 1926 a Court of Impeachment was set in motion. The Trade Bank affair was put on the regular agenda of the state.

**THE COURT OF IMPEACHMENT. WAS THE SUPPORT FOR THE BANK UNCONSTITUTIONAL?**

How did the prosecutors and the defence, and the members of the different political parties, view the government support of the Trade Bank? What did the Court decide? First, some words on the organization of the Court of Impeachment.

*The organization of the Court of Impeachment*

Most of the Court members were politicians, recruited from the Lagting, one of the Storting’s two houses. The other house of the Storting, the Odelsting, decides on whether a case should be raised. Justices of the Supreme Court are a minority of the Court. In September 1926, when the Court of Impeachment first met, the rules were still such that the accused (*in casu* the Berge government) could remove one-third of the Court's political members. In the Berge case, this led to the removal of all the Labour Party members from the Court. Thus, when the Court met, it had 25 members, 16 parliamentarians and 9 Supreme Court justices. Of the 16 parliamentarians, 9 were members of the Conservative Party (*Høyre*), who unanimously supported the government's actions, 4 were from the Farmers’ Party (Bondepartiet), 1 from the Liberal Party and 2 from the Social Democrats. The accused prime minister, Abraham Berge, "felt the Court was a haven".

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172 Paragraph 87 in the Constitution.
"But I want to add, that now that the case is being tested here, it is, compared with the fierce battles in the press, good to be here. Here I know that the case, in all its aspects, will be evaluated and judged objectively. And with that I am content." (RRTF:87)

The defence
The government's defence admitted that supporting the Trade Bank with NOK 25 mill., bypassing the Storting (twice), was at odds with the letter of the Constitution and with normal constitutional practice. However, taking the critical political situation into consideration, the action was defenable on the grounds of extra-constitutional legality (nødrett). The Constitution does not explicitly mention that principle, but the defence argued that political practice, both in 1905 and during the First World War, documented the existence of such a principle. The defence adopted the government's own argument: letting the Trade Bank collapse could have been the incident that made "the whole system topple", paving the way for a communist revolution.

The prosecutors
The Prosecution did not accept that the political situation in 1923 and 1924 was such that total collapse of the state and a revolution were imminent. That was a cover-up argument. What the government knew, but could not say, was that the support was a way of bailing big capital out of the sinking Trade Bank. The bank administration law, just approved by the Storting, was intended to avoid such use of public funds. The law was meant as an organized way of dismantling failing banks, not a way of supporting their continued existence. Here was a reason why the government had to bypass the Storting. It wanted to act contrary to both the constitutional law and the intentions of the bank administration law. One of the prosecutors, Schjødt, argued that the government, with its support of the Trade Bank, demonstrated its only partial and conditional support of the Constitution.
"Looking at the Trade Bank affair as a whole, it is obvious that the Berge government, in the existing political situation, considered the constitutional rules on the power of the Storting as useless and invalid. It was then necessary and commendable to ignore, even bypass it. (RRTF:1248) ... What characterizes the government action is that the Storting was bypassed with the explicit argument that it would be politically dangerous to raise the question of the Trade Bank support there. Therefore, the government argues, it was in the interests of 'society' to bypass the Storting." (RRTF:1873).

Both prosecution and defence agreed that the clandestine support was against the letter of the Constitution. The disagreement concerned the more sociological question of whether the relative strength of the social classes in Norway was such that a Trade Bank bankruptcy could have led to a revolution. The government acted on the assumption that support to finance capital was more important than strictly following constitutional rules and letting the Storting and the labour movement representatives in on the decision-making.

The verdict
The verdict was acquittal, based on a formality: too much time had passed between the action and adjudication. A major reason for the time taken to get through the matter was, of course, the length of the judicial process itself. The correctness of deeming the case outdated was ambiguous. There was no explicit rule defining how much time could pass before a case was obsolete. By mistake no decision had been made on that question. A suggested 10-year rule had for an unknown reason been dropped from the law-making process. Therefore, the Court majority argued, the one-year rule common in civilian cases should be applied. This clarification took place just days before final verdict. Even so, acquittal only just made it in the Court: 13 voted for, 12 against.

The minority of 12 said that bypassing the Storting in April 1924 was unconstitutional. 6 of the 9 Supreme Court justices were members of that minority. On this point acquittal was secured by
the smallest possible margin. Bearing in mind that the Court was 'stacked' from the very beginning, this bare acquittal supports the idea of the unconstitutionality of the government support for the Trade Bank. It was (and is) the Storting that should decide on the use of public funds.

On one other question the Court gave the government more substantial backing: 17 stated that it was not a breach of the Constitution to use a separate and clandestine protocol to prevent the decision from appearing on the agenda of the Protocol Committee in the Storting.

THE SELECTIVE ROLE OF THE STATE ADMINISTRATION

The institutionalization of Abraham Berge's action model
When in May 1923 the government decided to support the Trade Bank, Abraham Berge was Finance minister in the Halvorsen government.\(^{173}\) Berge was 72 at the time, and had since 1912 been prefect (fylkesmann) in Vestfold province. He was a school teacher and became active in politics at the national level in 1892, as a member of the Liberal Party (Venstre). Through his participation in politics he gradually developed a more conservative stance. He got involved in Christian Michelsen's programme for bourgeois unity, above party politics, and took part in creating Frisinnede Venstre, which was a right-wing offshot from the Liberal Party. Berge was Frisinnede Venstre's first chairman. The Halvorsen government was a Right Party government. Why was Berge chosen to be its Minister of Finance?

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\(^{173}\) Abraham Berge was chosen prime minister just days later, when Halvorsen suddenly died.
Two explanations have been suggested. The liberal newspaper, *Dagbladet*, of 8 March 1923, spoke of Berge as the Halvorsen government's rural alibi (Støren:40). Another explanation was his interest in above-party politics, his attraction to Michelsen's unity programme. Even if the Halvorsen government was formed over a conflict on wine imports from Portugal, the problems of economic crisis and the control of the radical working-class movement were the main questions confronting it. In those projects, Berge was a favourite in Right Party circles.

Berge's affinity to above-political-party-unity was demonstrated as early as 1909 in his evaluation of the liberal politician, Johan Castberg:

"I respect him as a strong man, one that weaklings have to succumb to ... I am perhaps too independent to join his movement, but I admire power when I see it. I know that it is a law of nature that weakness and indecisiveness must lose out, and I accept that the powerful stand on its shoulders." (St.tidende:1244, Støren:42).

Berge supported parliamentary government, but, as he said, the roots of the Storting went deeper than the party system and party bickering. Politicians should have their loyalty in the roots of society. "The majority in political matters should not only be found/constructed in the Storting. It has its roots in the country itself." (*Santiden* 1909:209; Støren (1971:43)). Berge dismissed public debate with the socialists, "with the revolutionaries. I shall not moralize over their project, but I do not consider myself obliged to enter into any debate with them" (Støren:44). When Berge went to the Storting for support for the Trade Bank, he deliberately avoided any discussion with representatives of the labour movement. "No one from the working-class parties were brought into the discussion, not even Hornsrud, who was secretary in the Storting Finance Committee" (Støren:22).
Here we discern the central elements in Berge's action model: The working-class, socialist project was illegitimate. The political parties were noise in a system where the voice of the people should speak through strong leaders.

In the government this 'model' was commented on by the head of the Ministry of Social Affairs, Klingenberg: Berge decided in a quite dictatorial way which government members should speak in the Storting and what they should say. Several administrators and politicians suggested that he should report to the Storting the support given to the Trade Bank. But Berge decided against this. And everyone involved followed his decision, even Ivar Lykke, the President of the Storting. This authoritarian side of Berge was also hailed in the right-wing conservative paper *Tidens Tegn* and the finance journal *Tidsskriftet for Bank og Finansvesen*. He was described as "one of the great patriarchs our political culture has nurtured". The editor, Balchen, wrote: "One of Berge's striking features is that he has stuck to his position even when quite alone. He did not make the government collectively responsible. Nor did he need to build a secure coalition in the party or in the Storting before implementing his own decisions. Calmly, he has taken responsibility. He saw that one strong person had to take control" (Balchen 1925:22).

This anti-parliamentarian strand developed in the course of his participation in the parliamentary political system. He started his career as a teacher in a rural district of Southern Norway, Lyngdal, and was involved in the Norwegian language question on the radical side. He was then a member of the Liberal Party, which was in sharp political conflict with the Right Party and the industrial bourgeoisie represented there. Ideas about national unity above politics and strong-man leadership were not totally alien to the Liberal Party (Seip 1981). But it was through his contact with the radical labour movement and Christian Michelsen that his
authoritarian stance took form. Berge emerged as a traditional conservative (as opposed to a utilitarian conservative): Harmony in society should be achieved in the same way as harmony was achieved on the family farm, under strong patriarchal leadership. Berge's support in the Right Party was based in his being a strong and uncompromising leader of bourgeois forces against the whole labour movement.

Was this ideological movement of Berge to the right and towards an authoritarian stance, influenced by his experiences in the state apparatus? Perhaps, in the following way. The \textit{Storting} has representatives from different social classes and categories, however skewed that representation might be; but it has no direct control of the economy. That gives the \textit{Storting} its bourgeois character. Democracy yes, but democratic management of the economy, no. That is constitutionally left to the private sector. In Berge's thinking, the \textit{Storting} should be sidestepped on some matters: "the real majority should be found in society." This can be interpreted as "the \textit{Storting} should not mingle in private economic affairs" and thus neither into the interaction between the government and the Trade Bank.

For the petty bourgeois parties, like \textit{Venstre} and \textit{Frisinnede Venstre}, a strong state might seem less threatening than for the industrial/financial bourgeoisie. A strong state can defend petty bourgeois interests against big capital and/or the labour movement. The petty bourgeois position in the economy could in this sense foster authoritarianism. But, with working-class representatives in the \textit{Storting}, it becomes an even more ambiguous institution for the whole bourgeoisie. Berge expressed that ambiguity, moving towards an authoritarian stance and using state administrative power unconstitutionally.

\textit{Who had the initiative?}
Who had the initiative in the policy-making process? Was it the finance capital elite or was it the government? My thesis is that it was the financial elite that organized the process and developed the policy of support in principle and in detail, with the government implementing it without alterations. In the financial crisis that followed the collapse of *Fellesbanken* in April 1923, the value of Trade Bank shares fell and a number of individuals and institutions approached the bank to rescue their money. In that critical situation Volckmar suggested that Bratlie contact the Finance Minister Abraham Berge to find out if the government was willing to support the bank. Bratlie replied to Volckmar in a letter: "Berge agreed that action should be taken immediately to avoid a panic and a run."

Bratlie told Berge about meetings between the Trade Bank and Norges Bank. Berge agreed to arrange the necessary government decisions. Bratlie wrote: "Berge is open to policy suggestions to solve our specific problems" (RRTD vol.1:10).

From 22 May, the Trade Bank management put the plan into effect. Volckmar wrote to Nicolai Rygg at Norges Bank, telling him about the run on the bank and the withdrawal of about NOK 100 mill. over the previous few days, about the falling value of the shares, and that the other big banks had denied the Trade Bank assistance. "To approach them for support seems useless." Volckmar tried to convince Rygg that the Trade Bank was fully solvent, that it had over 5000 savings accounts, 7000 shareholders and an important position in the Norwegian economy. "Letting the Trade Bank fall will be critical for the economy as a whole." The next day Volckmar sent Rygg a list of the 40 foreign banks with accounts in the Trade Bank.

25 May Volckmar wrote to Berge, suggesting that the government should keep the Trade Bank going as a private bank, avoiding public administration. "Letting the Bank fall could have drastic consequences for our economy." During the Court
proceedings, the prosecutor, Skogen, claimed that it was the bank that raised a Trade Bank collapse to the level of a national crisis (RRTF:1744-1748). He argued that Berge and the government acted in a number of other political matters without mobilizing the crisis perspective. "I must say, that if the government felt a total crisis was imminent, it is hard to find traces of that conception in any of the other political matters the government was engaged in at the time" (RRTF:1000).

A member of the Trade Bank board, Kristian Brøgger, was the bank's voice in the central state apparatus. On 25 May he sent the same letter to Klingenberg, to the President of the Storting, Ivar Lykke, and to Nicolai Rygg at Norges Bank. It described the bank's critical situation and painted the national crisis perspective in even starker terms than Volckmar had done. Letting the Trade Bank fall "may create a general economic collapse".

Brøgger's letter contained a five-point programme for government action.

(1) The Trade Bank is in trouble, but it should not be taken into administration.

(2) The four large private banks, Norges Bank and the Ministry of Finance should together produce a statement that could appease the public.

(3) Bank shares should be suspended from Stock Exchange dealing.

(4) The guarantee given to Fellesbanken should be restricted to a certain amount to limit the influx of capital to it.

(5) The Trade Bank should be given NOK 25 mill. in support clandestinely.

Thus, the Trade Bank leadership had a keen eye for government policy. Brøgger wrote to Lykke that his plan was better than a state guarantee, "because it can be implemented without going through the Storting...".
The plan, as I have shown, was implemented exactly as suggested by the members of the Trade Bank board. The government was a passive but important instrument for finance capital. The case demonstrates that, in times of crisis, finance capital was able to use government power directly. At the same time, the labour movement was efficiently side-stepped, even when members of it had a fully legitimate place in the decision-making process (Hornsrud).

This material does not prove that the state apparatus is without autonomy. The specific functions of the state were: (a) to make public funds available to the Trade Bank; (b) to appease public unrest and stop a public run on banks; (c) to let big capital retrieve their investments, and, (d) to have physical force available that would be able to stave off militant actions from the labour movement.

In the first phase of the Trade Bank affair, state power was concentrated in the government apparatus. The Storting and the courts did not enter the process until after the Trade Bank had collapsed.\(^\text{174}\)

**Action models in the state administration**

The clandestine support to the Trade Bank was known, according to the National Bank investigation, to about 70 high-ranking administrative officials and bank managers soon after the decision in May 1923. *No one leaked the decision to the parliament or to the public.*\(^\text{175}\) The government could in other words count on a loyal top

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\(^{174}\) Another example of the government bypassing the Storting was when the report on the Kings Bay Mine accident was withheld in the summer of 1963. But that time information about the report was picked up in political circles and a parliamentary crisis arose, leading to the downfall of the Social Democratic government. See Chapter 18.

\(^{175}\) See Eckhoff and Jacobsen (1960) for a discussion of the ambiguous relationship between loyalty, political neutrality and professional independence in public administration.
The initiative

level in the administration. Two central administrators were Lorentz Smitt, the head of department in the Finance Ministry, and Nicolai Rygg, director of Norges Bank. Smitt suspected that the government action was unconstitutional: "I remember that I once [in May 1923] mentioned for the Finance Minister [Berge], when we were alone, that he should confer with the head of the Finance Committee in the Storting [Hornsrud] or with the Storting Presidency. The suggestion was turned down" (RRTF:307). The prosecutor, Skogen, asked Smitt if he was the one who raised the question: "I was in the Finance Minister's office on some other matter; yes, it was I who raised the question" (ibid.). Smitt confirmed the government's motives: it wanted to avoid a general collapse of the economy. Clandestine support was necessary, because the plan would not have worked otherwise. Bypassing official government decision-making channels was in accord with earlier administrative practice during the First World War.

Nicolai Rygg was the central administrator in the process, as he was generally in government bank and finance policy-making at the time. The labour movement saw him as the prime agent in state finance policy, the spearhead of bourgeois interests in government. The Communist representative, Sverre Krogh, said that the working class had never benefited from government finance policy no matter whether it was managed by Venstre or Høyre, "a banking policy that essentially was dictated by Norges Bank." (Støren:66). The newspaper Arbeiderbladet felt that Rygg was the lone dictator of government economic policy: "We find Rygg on Kapitol, the dictator of state economic policy" (Sejersted 1973:12).

Given that Rygg identified with the aims of the bourgeoisie, what can be said about the sources of Rygg’s action model? In his younger days Rygg felt affinity to socialist ideology. He came from a working-class family, and during his studies in economics he focused on social statistics, a marginal topic at that time, but a topic
of some relevance for the labour movement. Francis Sejersted (1973) proposes a structural/institutional answer to our query. Once in the state system, Rygg wanted to move up in the hierarchy, and that ambition formed him: "Rygg liked to be embraced by the powerholders. No doubt about that. But he, just as MacDonald in England, was not a class traitor. In his new position as Bank manager, he was exposed to institutionalized norms and expectations that to a large degree determined his actions" (Sejersted 1973:15).

Not that Rygg had given up his affinity to the working class. The point is that, as manager of the National Bank, he implemented a policy primarily oriented toward securing the continued functioning of the capitalist system. He attempted to increase the value of the krone, making it harder to service debts and especially the debts of small farmers and of the municipalities. In the Trade Bank affair he did not disagree with any aspect of the government's policy (taking part in formulating that policy himself). That meant, among other things, not saying a word about the affair in the Storting.
THE TRADE BANK AFFAIR IN THE STORTING

Indirect democracy

The parliamentary system is characterized by a specific institutional division of labour. The Storting should express the people's will in law and policy decisions. However the connections from people to policy are far from direct. Direct democracy in the form of discussion and binding decision in popular meetings is effectively excluded from the national parliamentary system of government (Hviid Nielsen 1977). What we find is a hierarchical system of institutions, at each level reorganizing the political process, sequentially limiting political participation to responsible elites. A separate administrative system, populated by increasingly specialized professionals in a complex hierarchy of decision-making, should implement decisions made in the Storting. How did this system function in the Trade Bank affair?

A striking feature was how decision-making was limited to the executive branch, to the government and administration until the Trade Bank went bankrupt. The affair first reached the agenda of the Storting in April 1924. The reason was, as we have seen, that the National Bank wanted to involve the Storting in its own problems of liquidity. But only certain aspects of the support to the Trade Bank were revealed in the Storting. The full extent of the support was first made public in the parliamentary report after the Trade Bank bankruptcy (St.meld 12, 1925). That initiated public debate and eventually the government action was challenged in a Court of Impeachment. These two phases, first decisions only in the executive branch of government, then, after the bankruptcy - democratic decision-making, were important for the financial elite. In the first phase it rescued its investments from the sinking Trade Bank. The small investors lost their money. The general tax-payer contributed their share, unwittingly through the government grants
to the Trade Bank. In the second phase, when there was no more money in the Bank, the doors to democracy were opened.\textsuperscript{176} The strict separation of a professional bureaucracy from elected parliamentary organs was a structural condition for such a closed, extended and instrumental interaction between finance capital and government. If the \textit{Storting} had participated more directly in administrative decision-making, the illegal evasion of the \textit{Storting} would have been more difficult and a closer fit between the public interest and the functioning of the banking system might have been achieved.

\textsuperscript{176} Stein Rokkan (1975) says that, historically, participation in state affairs comes late, after the organization of the state apparatus has largely been established. The evidence on the Trade Bank affair shows how this viewpoint is also relevant to a synchronic study of the relation between the parliament and the government.
Why a Court of Impeachment?
Both *Arbeiderbladet* and *Dagbladet* demanded a Court of Impeachment after the publication of the parliamentary report, St.meld. 12. A vehement debate raged in the press. In *Arbeiderbladet*, on 6 February, 1925, Johan Scharffenberg demanded an indictment of the government "to find out whether the large investors had benefited unreasonably and if the Trade Bank had contributed to the Right Party's election campaign". The major conservative paper, *Aftenposten*, reacted to Scharffenberg three days later: "Dr. Scharffenberg, whose mental state has been questioned several times lately, has written on the Berge government affair." The paper cites his points and continues: "There is not much honesty in a man who can suggest such things [Trade Bank support of the Right Party's election campaign]. Probably it is a serious case of hallucination." A broad coalition of workers' parties, the Liberal Party and parts of the Farmers Party, demanded that the conservative Right Party (*Høyre*) admit the unconstitutionality of the government's support. *Høyre* abstained. The *Odelsting* decided to propose the case for the Court.

Delays
The Finance Committee discussed the matter in February, but the central controller of government decisions, the Protocol Committee, came up against several administrative barriers. First, the government decisions were not in the normal government protocols. No other evidence was formally available to the Committee. It therefore suggested that it should have access to supplementary materials. That suggestion was voted down in the *Storting*. The Committee then attempted to get a right to work on the affair between sessions of the *Storting*. That too was voted down by the conservative, bourgeois majority. The conservative majority, which
supported the Government's decisions all along, was able to delay the parliamentary investigations.

The Mowinckel government engaged Norges Bank to make an investigation of the Trade Bank. As mentioned, Norges Bank played a central role in organizing the support for the Trade Bank in the first place. While the investigations were going on, the Storting was off the case. In June 1926, one and a half years after the Investigation Commission was created, the report on the Trade Bank was ready.

The political parties
What positions did the political parties take? Høyre was in favour. The social democratic parties were against the government support. The middle parties, typically, were more ambiguous and indecisive. The Liberal Party was divided. On the one hand it felt that a private banking system was essential and should be protected. On the other hand, the government should follow constitutional procedures. Liberal Party opposition to the support followed two lines. One was those members who saw the defence of the constitutional rules as most important. This was the pro-state faction of the party. The other was among Liberal party groups in rural areas. They felt that the big banks mainly served rich people in the cities; they had little, if anything, to offer small farmers and rural workers.

In the Farmers' Party, opposition to the big banks was weaker than in the Liberal Party. But the party was divided between members who identified with the interests of private business and those who felt popular interests and common sense should permeate public policy. Støren has studied the Farm Party's voting in the Storting on questions of bank/finance policy in the 1920's. He found that opposition to government policy was on the increase in the party. On the question of creating a public bank control council in
1924, only one Farm Party representative voted in favour. On the question of support for the Trade Bank in 1924, opposition had increased to 4 and on taking Berge to court to 6 (11 against, Støren:87). Thus the middle parties were split, but with a tendency to move in a radical direction, toward the labour movement positions for public control of private banks and against the clandestine Trade Bank support.

The working-class parties all agreed that the clandestine support should be attacked and criticized. But they were not in agreement on the question of support to big private banks. The reformist arguments were put forward by the Labour Party and the Social Democrats. The banks should generally be supported because most common people had their savings there. But they should be under continuous public control. Hornsrud argued: "Why should we be interested in attacking the private banks? Common people receive their pay in money. So the purchasing power of money is an interest common people have" (Støren:105). Martin Tranmæl argued within a reformist action model: "Our interest", he said, "was controlling the banks, public control, taking care of common interests and defending the smaller investors" (RRTF:725). The Communists argued differently. They were not against banks or money as such. The problem was that the banks served private capital accumulation, the bourgeoisie and its state. Through the state, the bourgeoisie managed "a somewhat disguised dictatorship" (Sverre Krogh, mentioned in Støren 1971:103). Emil Stang, a member of the Communist Party from 1923 to 1928, viewed the

177 In 1923, after it became clear that the administration law was not working as intended, the Labour Party suggested the creation of a parliamentary bank control council. At first the Storting proposed to forward the suggestion to the government. But during 1924 the Right Party lost interest in such a council, and in the end it was voted down, arguing that banking policy was a professional, not a political question.

178 They had 32 representatives in the Storting in 1924.
Norwegian state, not as a dictatorship in itself, but as a guarantor for an economic dictatorship. The economic position of the bourgeoisie gave that class state power. As Stang wrote in 1926:

"Finance capital expropriates values also from the state and the municipalities, and, thus, from the people. The state and the municipalities are today blocked in their development by the interest they have to pay on loans during a period of deflation. While the value of the krone goes up, debt burdens increase to the advantage of bank and finance capital. Finance capital exercises a dictatorship over the people, with the Storting and government as the dictatorship's formal implementers." (Stang 1926:21-22)

Both these positions - the reformist control model and the communist revolutionary conception of the banks - were at variance with the government's point of view. Keeping the labour movement outside the decision-making process and implementing support for the faltering Trade Bank were two aspects of the same project.

**CONCLUSION**

The instrumental theory of the state gains limited, but specific support from the evidence on the Trade Bank affair. But only in the sense that it demonstrates that in a crisis situation it was possible for finance capital to penetrate the government process, propose a policy and get it implemented. Beyond that, to argue that the bourgeoisie in some direct, concrete sense generally manipulates the different parts of the state to its advantage does not gain support in the present study.

The state apparatus demonstrated its autonomy in the Trade Bank affair. The state was instrumental for the financial elite through its intervention in the economic struggle between large and small investors and between the labour and bourgeois political movements over bank policy. The state system served two different and partially contradictory functions: (1) to get a maximum amount
of money out of the Trade Bank for the large private investors; and (2) to activate a form of democracy that motivated all classes to participate in the political and economic system, even though it was riddled with crises. The organizational elements in this doubly functional system seemed to be: (1) the strict separation of parliament from the administration; (2) a genuinely representative parliament; and (3) a judicial system that tested the accusation that the government acted contrary to the Constitution. Because the state was split between a bureaucratic administration that was easily accessible for finance capital and a truly representative parliament without, however, direct insight into or control over the administration, an elite of finance capitalists and government personnel was able to implement an unconstitutional project without any parliamentary intervention until after the project was a fait accompli.
PART THE STATE AND SOCIAL DEMOCRACY

"Each time that I have been to Jouy I have seen a bit of a canal in one place, but when I saw the second I could no longer see the first. I tried in vain to imagine how they lay by one another; it was no good. But, from the top of Saint-Hilaire, it's quite another matter; the whole countryside is spread out before you like a map. Only, you cannot make out the water; you would say that there were great rifts in the town, slicing it up so neatly that it looks like a loaf of bread which still holds together after it has been cut up. To get it all quite perfect you would have to be in both places at once; up here on the top of Saint-Hilaire and down there at Jouy-le-Vicomte."

Marcel Proust (1923:142, translated by C.K Moncrieff).

My argument so far has been that the state, through indirect democracy (a representative parliament) and an alienated bureaucracy, was an autonomous organizer of capitalism, and through that organizing widened its autonomy relative to leading sections of the bourgeoisie. My method has been to investigate how capitalism emerged and through interaction with people in precapitalist modes of production, changed the class structure. The state was seen as an organizer of relations between the classes, influenced structurally by the historical movement from one regime to the next, with a policy-making role in its own right, the logic of the state organization sought for in this interplay between state and society. I have attempted to combine analysis of the long lines of development in production, class relations and state organization, with detailed analysis of select cases of state-class interactions, the
reorganization of the agricultural administration and the government support to the Trade Bank.

The state expanded its role from instrumental to programme autonomy, from autonomy in choosing and developing means to autonomy in developing policy. Programme autonomy meant that the state increasingly intervened in conflicts and policy-making within markets and within the bourgeois class.

The state had class autonomy relative to the working class over the whole period investigated. That is, the state was organized within the project of the bourgeoisie of building and sustaining a capitalist economy, but with instrumental autonomy in the nineteenth century and in addition, programme autonomy in the first half of the twentieth in relation to the bourgeois class and its class organizations and economic elites. The state was active in law and order, in building infrastructure for a capitalist market economy, both technical, social and financial infrastructure, and in controlling the politics of the working class, its organizations and elites, both the external public actions of the class and the internal organizational development. It was when reformism was established in the working class organizations that the Labour Party could succeed in elections and take on government responsibility.

Over the long run, with increasing ideological hegemony, the autonomy of the state has been on the increase. Society has become increasingly 'statified'. The power of an alienated bureaucracy has increased and had the effect of fragmenting civil society, isolating individuals, families and other micro-communities.

The analysis of state-class relations in the interwar period was completed with the study of the Trade Bank affair. I described how the finance elite used the government as an efficient political instrument for its interests. The finance elite had both the initiative and the ideas about what the state should do. Thus, I suggested that state autonomy relative to the bourgeois class in politically peaceful periods did not exclude the possibility of a faction of the
bourgeoisie intervening directly and efficiently at the top level of government in periods of political crises.

The opposite possibility, that a leading section or faction of the working class might succeed in such an intervention, seems unlikely. It seems unlikely even if the political goal of the intervention could be met without overturning the class relations of the capitalist mode of production. Thus, it does not seem correct to consider the state either as autonomous or as an instrument for a class or class faction outside the state, independent of time and place. The state in the modern period of Norwegian history has always had class autonomy relative to the revolutionary interests of the working class. When reformism dominated the movement the state was open to bargaining and compromises. When the class struggle became sharper, more antagonistic and more overt, the state was put under more direct bourgeois command and the power of the bureaucracy increased.

What the Trade Bank affair demonstrates is that the parliamentary state can become a simple instrument for finance capital in crisis situations.

A central variable for understanding the degree of autonomy is thus the intensity of the class struggle, the level of political conflict, the character and degree of value conflicts in society at large.\(^{179}\) When these reach breaking point, the state is put under ruling class administration and more powerful sanctions are directed against the subordinate classes. We might expect that the degree of autonomy relative to the bourgeois class will vary between different parts of the state at one and the same time, depending upon where in the state subordinate class demands are most prevalent and upon the ideological orientation and loyalties of the state personnel. Put in

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\(^{179}\) See Jacobsen's and Eisenstadt's concepts of the concentration and diffusion of power - diffusion, or a spreading out of state power, in particular to administrative units in times of political and ideological peace, concentration of power in the top echelons of the state in conflict periods (Jacobsen 1964).
general terms, the more loyalty administrative personnel have to subordinate or exploited classes, the stronger the demands of these classes are on that particular part of the administration, the more will the autonomy of that part of the state be limited and controlled from above, or from the outside by sections/organizations of the bourgeoisie. Jacobsen's study of the agricultural administration through the change of regime in 1884 is a case in point.

I now turn to the period after the Second World War. Again I begin by investigating developments in the economic structure, searching for their effects on class formation, class strengths and class relations. With the Social Democrats firmly in government, the state expanded that part of the gross domestic product that is channelled through the state. But the expansion of the public relative to the private sector was moderate (Table 6.2).

I will in Part E look into the role of social democracy, the Labour Party and the trade union leadership in state organizing. Has it managed to establish a new democratic state dominated by popular/working class interests? Or has the state under Labour management continued in its role of developing capitalism and harmonizing, as far as possible, the conflicts and contradictions within it, making the bourgeoisie in Norway more effective on the international markets and in the national and international class struggles? Or, in other words, has the political base for social democratic ascendancy been a real compromise with the bourgeoisie, changing the economic and political system to something different from both capitalism and socialism, or has social democracy in some way been co-opted by the old bourgeoisie, as the manager of an active state serving capitalism?180 Is the result

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180 The problem of the role of social democracy has been approached from different angles. Torstein Hjellum (1987b) has looked at how the Social Democratic Party programme and leadership have changed over time, and the basis for these changes. Ole Johnny Olsen (1984) has looked at social democracy as it unfolded at the firm level in the early postwar period, and at the interactions between it, company management and labour organizations at the national level, trying to define the kind of adjustments that took place. Hans Ebbing (1981) has taken as his
that the social democratic leadership has become a part of the bourgeoisie as a state-based, bureaucratic elite?181

The state apparatus expanded and the state intervened more deeply into society, into wage and welfare relations and in production and distribution of goods and services. How did this increased involvement come about? What are the organizational mechanisms that mediate the changes? I will look into three mechanisms: (a) the process of bureaucratization, the internal differentiation of the state organization itself, the development of more specialized and more powerful organs of administration and how this process affects democracy in policy formulation and efficiency in programme implementation; (b) the continued professionalization of the state; and (c) the infiltration of interest organizations into the state apparatus and their role in policy implementation (corporatism).

That is, did state autonomy in this period develop further, to a point where the state apparatus and its specific position and activities in the economy represented a new mode of production, a statist mode, which is significantly different from the capitalist mode? If we call the statist involvement in the economy after the SWW for "state capitalism", is it reasonable to consider that engagement a separate mode of production, generating a new social class in the state, or is state capitalism just a variation on the starting point the idea of a class compromise, how it came about and what consequences it has had for the working classes. A research project at Bergen University, the MORAL project ("Mot en rasjonell ledelse: profesjonsutvikling mellom kunnskapsproduksjon og teknologisk endring" or "Towards rational management: the development of the professions between science and technological change" - see for example Sakslind 1983), has attempted to study state-class relations by investigating the role of the professions as intermediaries in that relationship, as an intervening variable in some way giving form to the relationship. Jonas Pontusson of Cornell University, has recently ventured into the comparison of Swedish and British social democracy (Pontusson 1987).

181 Edvard Bull (1979) and John Higley (1975) come close to defining the Social Democrats this way. I will return to their analyses.
capitalist mode of production, modifying marginally that mode of production and the class relations within it?
How did the capitalist mode of production change in the postwar period? Let me investigate the internationalization of the Norwegian economy and some salient developments within the main sectors of the capitalist economy. I shall relate my findings and interpretations to the debate among historians and social scientists on state-class relations in Norway in the postwar period, with a focus on the role of the state in the attempted consolidation of the capitalist economy.

INTERNATIONAL CAPITAL INTO THE NORWEGIAN ECONOMY

It is probably correct, as Edvard Bull (1979:100) suggests, that Marshall's speech 5 June 1947 on economic aid to Europe ushered in a flow of capital to Norway that changed, or at least revitalized, the capitalist market economy in the country, moving it away from wartime regulation and social democratic hopes of a publicly planned economy.
By 1952 $250 mill. had been put into the Norwegian economy through the aid programme. The Social Democratic government had accepted the conditions: free trade under international supervision through OEEC (later OECD). International capital was invested in the aluminium industry. The international company Nestlé invested in the fish industry through the acquisition of Findus, with the state as part owner. Bull demonstrates how Coca Cola entered soda water production, the Swedish Wasa into production of bread products and Unilever into detergents. The Norwegian economy was becoming a node or element in the international capitalist system.

Internationalization was not new. International capital was an important element in the economy in the 1850's, when British capital was in railway and French capital in banking (Seip 1968). We have seen how international capital was a prime mover of the early Norwegian industrialization around the turn of the century, e.g. in the electrochemical industry. We saw how Hambro's bank (London) was a major actor in the Norwegian banking system in the 1920's, integrating Norwegian and international finance capital.

An example of international capital in the Norwegian economy in 1970 is the ownership structure of the large bank Christiania Bank og Kreditkasse (CBK). About 37% of the shares were at that time owned by international companies (Table 14.1).

Table 14.1 International capital in a Norwegian bank. Companies with major share portfolios in CBK in 1970

<table>
<thead>
<tr>
<th>Name of company</th>
<th>Shares No.</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Norwegian companies</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Borregaard (wood industry)</td>
<td>8000</td>
<td>31.8</td>
</tr>
<tr>
<td>Saugbruksforeningen (wood industry)</td>
<td>2431</td>
<td>9.7</td>
</tr>
</tbody>
</table>
By 1974, *Norges Industri* (the periodical of the Federation of Norwegian Industries) had located 131 Norwegian-owned industrial firms in other countries. It found that 7 were established before 1940 and fewer than 10 were established per five-year-period up to 1960. But from 1960 there was an increase: 1965:38, 1970:47. Of these international establishments 67% were in Europe. The dominant sector was machine production/metal works (43%). In 19 of the 131 companies did the state have major shares, and 28 of the establishments were in what the Federation characterized as development countries.

The data indicate that the Norwegian bourgeoisie as a class up to 1970 has been a relatively weak and subordinate partner to international capital, and that international capital has played a
major role in the development of the national economy. On the one hand that may have reduced the autonomy of the state relative to international capital. The Norwegian state has not had much backing from the national bourgeoisie. On the other hand, it may have increased the autonomy of the state in the national economy because there was no strong bourgeois resistance. When capital became abundant (with the export of oil) the relatively weak bourgeoisie may precisely because of its weakness, have opted for strong state participation in both the accumulation and export of capital.

The integration of the Norwegian economy into international capitalism, or into the imperialist system, does produce what the Norwegian Power Study (NPS) has called market dissolution in Norway (Hernes and Berrefjord 1975). National markets dissolve under the increasing size and power of large firms and institutions,

182 The weakness and/or reluctance of Norwegian capital in the international markets was also demonstrated in the early 1970's when the Norwegian development aid administration took the initiative to mobilize Norwegian capital into aid. Norwegian industry and finance capital were rather reluctant. As Arnold (1982), among others, has demonstrated, private capital in countries like France and Germany has participated quite actively in exports of capital and technology through cooperation with the national aid administrations. (For studies of the role of Norwegian industry in the aid process, see Sjøli 1981, Thorseth 1983, Grimstad 1984 and Gran 1993). Within the bourgeoisie shipowners have had an exceptionally powerful position, both nationally and internationally (Hjellum 1983).

183 That might also explain why the Venstre Party government at the turn of the century was able quite actively to develop rules for the regulation of foreign ownership in Norway. The national bourgeoisie would have gained some freedom from such a regulation. A weak national bourgeoisie might explain why state wage regulation in the 1920's and 1930's (regulation through arbitration) was easily implemented by Venstre governments. As Bergh (et al. 1983:159-160) argued, even international capital gained some advantage from the regulations about access to natural resources of the Venstre government after the turn of the century. The regulations clarified how such resources could be acquired.

184 With the oil economy in the 1970's the Norwegian state substantially reduced the national debt, increasing Norway's 'loan worthiness' in international financial markets. The oil economy has most likely increased the power of the Norwegian bourgeoisie in relation both to the state and to international finance capital.
developed to participate in international economic circuits. The weakness of the bourgeoisie is compensated by an alliance with a strong state.\textsuperscript{185}

\textsuperscript{185} The banker Sven Viig said in 1972 that the private banks needed the state. Even if all the Norwegian banks merged into one unit, they would still be too small to operate efficiently in the oil market (\textit{Norges Industri}, no. 18, 23 October 1972).
STRUCTURAL CHANGES IN THE ECONOMY

How did the occupational structure change in the postwar period? As we see in the Appendix, the agricultural sector decreases from 10.1% in 1950 to less than half of that (4.5%) in 1970. Fishing and forestry were hit as hard or harder. The process of centralization and concentration worked its way in agricultural, creating larger farm units and demanding larger investments in modern technology, with the concomitant dependency on finance capital. Edvard Bull suggests that it was in this period that the rural mode of production, focused on household consumption, was finally eradicated.

Eradication of the rural life form
As I have shown earlier, capital and the state filtered into agriculture gradually in the last part of the nineteenth century, and more rapidly with the urban industrialization process around the turn of the century. A technological development took place, expanding the use of tractors and introducing labour-saving equipment in animal care, milking, etc. In the interwar period, traditional subsistence agriculture was strengthened again, because of unemployment or falling wages in industry.

In the postwar period, Professor Bull (1979) suggests that fundamental changes took place. It was in this period that the whole capitalistic, urban lifestyle got a final grip on rural Norway and eradicated the way of life connected with subsistence production. The distinction between urban and rural, between two cultures within the nation, disappeared: "a two thousand year old rural culture is dissolved" (Bull 1979:237). It was an eradication that was willed, organized and implemented by the state. The political involvement of the state in agriculture had been introduced in the 1930's. In the postwar period this leverage was used to eradicate the
family subsistence culture in favour of market- and profit-oriented farming.

What were some of the parameters of this process? In the 37 years from 1939 to 1976 the number of farms over 5 mål\textsuperscript{186} was reduced by 47%, from 214 000 to 114 000 (Almås 1977:27). Small farms were almost completely eradicated as the quantity of products that could sustain a family income increased. In 1939 there were 150 000 farms between 5 and 50 mål. In 1976 there were 54 000 of them left. The number of middle-sized farms was about constant (the stable core of the farmers' movement?), while the number of big farms over 100 mål increased over the same period from 21 000 to 26 000. In the 1960's and 1970's there was a marked increase in the number of farms over 200 mål, from 5 000 to 8 300 (CBS 1980). During the same 20 years there was a rapid mechanization. In 1976 there were 128 000 tractors in Norway, more tractors than there were farms over 5 mål. This structural reorganization implies a deep penetration of the market economy into the rural areas, and a double penetration, (1) The market spreads new commodities into the rural districts, undermining the household mode of production and drawing members of the farm household into vocational education and urban/industrial jobs; and (2) a relative reduction of agricultural prices, making the small family farm untenable as the base of a household economy.

Productivity increased nearly to the level of industry (Cappelen and Hellesøy 1981:148). The agricultural population was 30% of all employed in 1950. In 1978 the same group was 8% of all employed. The farmers became dependent on substantial investment in machinery and buildings. They became dependent on bank loans.

Ramsøy (1977) has shown that losing work in agriculture does not necessarily mean that you immediately transfer to urban

\textsuperscript{186} One mål (1000m\textsuperscript{2}), as mentioned earlier (Table 10.1), equals 0.247 acres.
industry. The often assumed \textit{migration} pattern from farm labour into industry, pushing industrial workers "up" into service and administration, is not typical in the postwar period. Rather it seems that people who don't find employment in agriculture often go directly into urban service work (administrative or commercial work). Ramsøy found that there was systematic internal recruitment in the working class in the postwar period. This counters the thesis that reformist ideology in the working class has an important basis in the dilution of the class through recruitment of rural labour into the class.

The strengthening of the group of middle farmers as capital producing farmers is politically ambiguous. On the one hand social democracy loses its traditional support among rural small-holders. On the other hand, the middle farmers become petty capitalists, strongly dependent on state intervention and support for that position.
Changes in industry and the industrial working class

From 1927 CBS recorded data on firms with more than 5 employed.

Source: CBS (1978), Table 131
Figure 14.1 depicts the periods of stagnation and expansion in Norwegian industry from 1927 to 1954. Stagnation occurred in 1929-1932 in connection with the world crisis; from 1938 through the war; and in 1951-1953 in connection with the Korean war. Comparing periods of stagnation we see that the changes are more marked for the data on employment than on number of firms. From 1930 to 1931 employment plunges by nearly 30,000, while the number of firms was about constant. In the war period, employment in (registered) industry was about constant while the number of firms increased.

The expansionary periods are from 1927 to 1929, from 1932 to 1938 and, dramatically, the first years after the war. These data support my earlier interpretations: the industrial bourgeoisie experiences a general period of expansion and consolidation right through crisis periods; the working class is exposed to the vagaries of the capital accumulation cycle, with rapid expansion in the number of jobs on the upturn, with quite dramatic reductions in depressions.
Figure 14.2 (all firms) on the period 1955–1974 indicates how the mid-1960's were a turning point. At that time the number of firms
fell markedly, with a reduction of some 6 000 mål over a 10-year period. At the same time, employment in industry flattened out. The epoch of capitalist expansion on the basis of concentrated industrial production was over.

While the small industrialists in the postwar period were eliminated (or - which is more or less the same - swallowed by larger companies), the large industrialists merged with each other by exchanging positions on boards of directors. Torstein Hjellum described this centralization process with evidence on how the board members of the Bergen company Rieber and Sons were members of other company boards. He found 15 companies with Rieber representatives on their boards, among them 3 insurance companies, 2 banks, 9 industrial firms and 1 public company (Hjellum 1971:39).

A consequence of this process of concentration and centralization of industrial capital was to strengthen that section of the working class which was located in the large industrial firms. The section of the class in the large metal and chemical industries enhanced its organizational strength (through the main federation, Jern og Metall), its bargaining power and its power within the Federation of Trade Unions (LO).

Did that section of the class pull the weaker sections along, either because the wage-bargaining mechanisms functioned that way or through explicit trade union solidarity? It can be argued that it did not. Weaker industries outside the large cities, smaller firms in textiles and food production, those with a large percentage of female employment, were not pulled or pushed along. The wage

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\[187\] The NPS attempted to register this type of merger in the economy as a whole in 1975. Of 1231 managers 941 had only one board post. The rest, 291 had 857 board posts, or a mean of 3 per member of the group (variance between 2 and 15). And these 291 managers were mostly managers in large firms (NPS 1982:148). As NPS points out, this network of big company managers enables them to act in a coordinated way towards markets and towards the state.
differentials in the working class were not reduced in the postwar period. As Edvard Bull puts it: "The wage differentials in Norway were mainly reduced before 1920. The Labour governments did not have a large effect on wage differences" (Bull 1979:283).

Thus concentration, centralization, marginalization (of certain sectors) and internationalization produces structural divisions within the industrial working class. The industrial working class was not encroached upon by other class elements and it did not experience a substantial reduction in size up to 1970. However, it stopped growing in the mid 1960's relative to the total work-force.

This unity and stability, together with the successful suppression of radical opposition within the movement, suggest that reformist ideology was common in the working class itself, while the class probably at the same time had a well-established conception of itself as exactly that, a working class, distinct from the owners of capital, the bourgeoisie. Support, however passive, for working-class organizations was strong throughout the whole period.¹⁸⁸

Thus in the postwar period Norway had a relatively large, consolidated working class, largely self-recruiting, and ideologically secure in its class-based reformism. The Labour Party ruled and constructed the modern welfare state, fulfilling some of the goals set by the more radical labour movement in the 1930's.

¹⁸⁸ Henry Valen (1981:134) has looked at class consciousness in Norway, surveying whether people see themselves as class members. The results show that both in 1965 and 1973 39% of those asked explicitly considered themselves as members of the working class. Then in the last part of the 1970's the percentage plummeted, to 30% in 1977 and to 24% just two years later. The percentage who saw themselves as belonging to a middle class was 19% in 1965 and 22% in 1979, while those who felt the class concept was irrelevant increased in line with the decrease in working-class identity: 1965: 9%, 1973: 8%, 1977: 13% and 1979: 21%.
But what about the revolutionary tendencies in the working class? Had they disappeared into a welfare state euphoria? In other words, what kind of power did the social democratic government wield relative to the class in this period? Did the government closely represent working-class ideology, or were the class members heavily influenced by state, by the media, the schools etc. to accept reformist thinking? That is, had the Labour Party "taken on (in practice, if not in intention) the programme of its earlier enemy, the bourgeoisie, while at the same time maintaining its electoral support among the working class?" (Seip 1963:37)

The data in the Appendix show an industrial decline between 1950 and 1970, with a larger decline from 1950 to 1960 than over the next ten years. In the first period, both manufacturing and construction had a smaller share of total employment. In the second period, manufacturing was constant while construction lost 0.5%. The table covers a larger part of the economy and eliminates the variations we found when looking at data on industrial firms (Figures 14.1 and 14.2).

All the service sectors expanded. If we add them together, the percentages are: 1950: 15.1, 1960: 16.7, and 1970: 20.5. The structure of the 'inactive' group changed dramatically. First we see that the relative number of housewives in the economy dropped between 1960 and 1970 from a high of 28% to 21%. At the same time the number of women in the wage economy expanded, increasing by over 80,000. Although I do not have data on where they were employed, later studies indicate that women went into service work and often part-time work (St.meld. 79, Langtidsprogrammemet 1982-1985). We can assume that women in wage labour continued to do housework at home.

The number of children working at home was reduced to 0.6% in 1970, indicating at least two things; (1) that farm work became increasingly mechanized on larger farm units, requiring less family
labour, and (2) that the educational system expanded, absorbing young people, who after education enter wage labour or unemployment.

The table reveals the beginnings of the pensioned society, with the number of people living off pensions and capital incomes increasing from 11% in 1960 to 21% in 1970.

Together, the increases in the service sector, in service work within the industrial sector, in children in education and in people living off capital incomes in one form or another, deepen the problems of capital accumulation in the economy as a whole. From 1950 to 1970 the percentage of the population in productive activity (as defined in the table) fell from 56% to 51%. Within that group the amount of service work was increasing, aggravating the problem of reproducing the source of surplus value for the bourgeoisie as a class • the industrially employed working class (broadly defined).

The banks
The commanding heights of the bourgeois 'private' economy are the large banks. The three largest in the 1920's held their position into the 1960's. As Figure 10.3 demonstrated, the smaller banks were radically eliminated from 1918 into the 1970's (often being taken over by the larger ones). Even in 1938 the three largest banks controlled 48% of commercial bank capital, a percentage that increased to 54% in 1964 (Formuesfordelingskomiteen:217). In 1960 the banks administered finance capital equal to 139% of the total state budget. 10 years later that percentage had only marginally gone down (to 133%). There is reason to believe that the boards of these banks were important centres for the coordination of both national and international bourgeois economic interests relative both to the market and to the state.
THE CLASS STRUCTURE IN THE POSTWAR PERIOD

The data indicate some striking differences between the classes in this first, long postwar period. While the capitalist farmers were strengthened, through an increase in the number of larger farms, the middle farmers held their position, and probably had problems doing that (increased demands on them to invest, high interest payments, etc.). The small farmers, the traditional allies of the industrial working class and the labour movement, were drastically reduced in numbers. They were still present as a group, but their strength relative to other classes had been reduced and their mode of production had been eroded, making them more dependent upon supplementary wage employment.

The working class, at least the traditional industrial working class, maintained its position in the class structure in the whole postwar period up to 1970. But the working class more widely defined probably expanded: including clerical and service personnel with wages at the level of or lower than the mean industrial wage, in subordinate positions in large organizations. The working class became a more complex social (and ideological) formation, became more fragmented with more movements in and out of the class. It became more difficult for one organizational movement to represent all sections of the class.

The bourgeoisie experienced large changes, generating political conflicts and tensions within the class. First, small industrialists were under threat and the number of larger companies grew. Then there was the networking process, involving the exchange of board positions and mergers among the banks and the big company boards. Lastly, there was the internationalization process in both directions - Norwegian capital moving out and meeting the harsh conditions of the international market, and international capital moving into Norway, allying itself with Norwegian capital, but also
generating conflicts with national capital over investments and markets. This represents a conglomeration of uniting and fracturing forces, a bourgeoisie torn between ruin and expansion, a situation that could be expected to create quite different relations to the state for different parts or segments of the class. Small capitalists losing out in the markets demanded state support, but did not get much (see Barton 1963 and Chapter 16 point 4). Middle capitalists in profitable expanding sectors were supported, while those in unprofitable sectors were left out in the cold. Capitalists in export sectors were favoured with capital inputs, capitalists in important home market sectors were protected and so on. It was inevitable that the bourgeoisie would have difficulty in agreeing as a class on political and economic strategies. Bourgeois organizations were often in conflict and different sections of the bourgeoisie clashed within the state over state policy. For that very reason an autonomous and powerful state might serve bourgeois class interests well.

THE DEBATE ON THE RELATIONSHIP BETWEEN THE STATE, THE SOCIAL DEMOCRATIC REGIME AND THE WORKING CLASS IN POSTWAR NORWAY

How have the social scientists Vilhelm Aubert (1975) and Johan P. Olsen (1983) and the historians Edvard Bull and Jens Arup Seip suggested we perceive social democracy? Does the preceding interpretation of the changes in the class structure help us understand their positions?

First I want to argue that Aubert and Olsen have basically the same understanding of the social democratic state: it is a state controlled by the working class in an economy controlled by capital.
The pluralist state and the division of economic and political power between classes

Aubert has studied the Labour Party in power. He argues that its members and voters mostly belong to the working class. But does that mean that the working class has state power when the party is in control of government? His answer is that in some instances the state and the capitalist class have been in conflict, but in many policy areas in the postwar period they have been in agreement. So Aubert (like Walter Korpi 1978 and 1983) posits that the Labour government has some degree of working-class power over the state indicated by conflict between the state and the bourgeoisie. "But", as Aubert puts it, "[government power] does not mean that the working class necessarily has a power position equal to that of capital." Aubert's conclusion is that the Labour government has given the working class dominant political power, while the capitalists, through their ownership of the means of production, have dominant power in the economy.

"Examining the voter backing of the Social Democrats gives the impression that political power is located in a completely different group from the one with economic power. Capital dominates the economy while the working class dominates politics. This is an accurate picture in that capital and state are in conflict on some questions, but they also control each other. However, there is not (yet) anything close to a balance of power between capital and labour." (Aubert 1975:185; my translation from Norwegian)

Johan P. Olsen and his collaborators, using a wide range of empirical research (see Lægreid and Olsen 1978, Olsen 1983), have reached somewhat the same conclusion. However, in their theories of state-society relations in postwar Norway, the class dimension is hardly mentioned.\textsuperscript{189} Their view is that the state-society relationship

\textsuperscript{189} If we examine the way the problems in the research were posed, the question of the structure of society (whether a pluralist or a class model or both were relevant) was never addressed. Thus, the likelihood of finding a class structure is rather slight.
State theories

is basically democratic: representation is equitable, and the political system, through processes of negotiation and bargaining, continuously reproduces this balanced representation. Who is represented? They answer: all groups in the parliamentary system, interest groups and their organizations in the state administration. The state administration is an arena for bargaining and compromise between the large economic interest organizations, especially the federations of employers on one side and the Federation of Trade Unions on the other.

In their 1983 publication Olsen and the other contributors investigate the internal structure of the state, and find that it is a segmented structure, that is, a system of many elite groups, each representing a sector interest (agriculture, industry, tourism, etc.), each with representatives of the sector recruited from different institutions (the administration, parliament, science, etc.), each with a specific set of political values, and all in some sort of competition for attention and resources in the state. Thus there is a division of labour in the state that parallels the divisions of labour in society. Politically the system is in harmony - a pluralistic state in a pluralistic society, with some impurities and marginal imbalances, or using concepts from the Power Study: a segmented state in a homogeneous society. I will return to the strengths and weaknesses of this view later, when I discuss the one party state and the politicization of the administration.

Jens Arup Seip on the one-party state

Seip has presented six general, but incisive hypotheses about state-class relations in postwar Norway. I will examine three of them. Together they indicate that the state was in no simple sense representative of all groups in the population. One of the hypotheses I think is wrong. The other two I believe convey a conception that will stand empirical testing. The one I think is wrong says that the
The working class never was "a normative order on its own". Here is Seip’s hypothesis on that point.

(1) "When a new society is established alongside an old one, independently of the old society, it can more easily develop a new normative order that withstands attack. The bourgeoisie in the feudal world was such a society. But the proletariat is not in such an independent position in the bourgeois world. Rather it was the necessary antithesis to the bourgeoisie, formed within the common economic system." (Seip 1963:40; my translation)

What I believe is incontestable here is the definition of the difference between the bourgeoisie and the proletariat as subordinated classes (see Anderson 1979 and Thernborn 1978). Certainly, the proletariat is not an autonomous society within capitalism as the bourgeoisie was relative to the nobility in feudal Europe. The proletariat is, as Seip says, the necessary antithesis to the bourgeoisie, essential part of the capitalist mode of production. But does that mean that the class formations do not have "separate normative orders"? First, what is meant by "separate normative order"? A normative order is a collective identity, a life style with specific norms on behaviour and ideas of class specific organization of the economy and the society as a whole. The bourgeoisie had such a normative order compared to the feudal aristocracy and compared (partly) to the bureaucratic elite. The bourgeoisie could not expand and accomplish its historical role within the feudal mode of production. The conceptions of personal ownership, entrepreneurship and political (indirect) democracy stood in deep contrast to feudal aristocratic conceptions. My contention is that the working class in the modern period of Norwegian history had its own, distinct normative order: wage labour as a no-ownership-status, wages as a precarious resource, dependent on active defence and (class) solidarity, and from the earliest phases of class formation (cf. the Thrane movement in Norway) ideas on how the realization of workers interests are dependent on a new type of society: without
private ownership of the large firms, the communality and planned use of the means of production and the elimination of exploitation.

Aspects of the working-class struggle in Norway support the thesis of a separate normative order. I have argued in previous chapters:

(1) The working class had already in the 1850's, exposed its own existence alongside and under the bourgeoisie, and outside the state (without representation there). In that early phase the class representatives and leaders had relatively unclear ideas about how the new socialist society should or could be organized, but expressed an interest in acting separately from the bourgeoisie and the state bureaucracy.

(2) Working-class members in the 1890's withdrew from the Workers' Organizations of Venstre, and formed their own organizations.

(3) Working-class literature was part of the class formation process.

(4) Sections of the working class in the 1920's looked beyond participation in the existing state to the formation of a new state (a working-class state, a 'dictatorship of the proletariat'). That idea has survived in organizations like the Norwegian Communist Party (NKP), in the radical organization among academicians, Mot Dag, in minority groups within the labour unions and, from the early 1970's, in the Workers' Communist Party (AKP).

(5) Wage-labourers, despite heavy homogenizing ideological pressure, still had a class consciousness in the 1970's (Valen 1981).

(6) The disappearance of a separate working-class culture could be the result of ideological hegemony, of a type of intellectual normative pressure, rather than an indication of the non-existence of such a culture.
The working class 266

The second hypothesis is that the social democrats had not eliminated the class system. Rather they had become a controlling, oppressive force within the working class.

(2) "The social democratic regime does not eliminate the social classes as groups in a specific position in the production system with unequal access to the economic results of production. But the social democrats enter into cooperation with top business through the government apparatus, thus creating a coalition of technicians that, through the one-party system, has the voters under control." (Seip 1963:41)

In Seip's formulation: "The apparatus built for revolt became state management - the criminal turned policeman." Such a transformation of labour movement leadership indicates that the working class is a threat to the bourgeoisie, that it does have a project based in a different normative order.

What mechanisms were at work in the transformation of the labour movement leadership from "criminal" to "policeman"? One was the recruitment to parliamentary and bureaucratic positions. That process is highly selective. As Weber suggested, it eliminates 'irresponsible' elements at each gate. As mentioned earlier, there are many gates on the way to a position in the state: from the first entry into high school, via recruitment to colleges and universities, via the exams at the end of that career and through the employment process, for example into the lowest positions of the state bureaucracy and the gates on the way up in those systems (see Lægreid and Olsen 1978).

The result is doubly functional for capital. On the one hand the recruitment process neutralizes the revolutionary tendencies in the labour movement and selects 'reasonable and able' members to the state elite. On the other hand, capital selects partners from the labour movement who officially and effectively appear as representatives of working-class interests.

The central concept in Seip's theory is the one-party state, that is, a political system dominated by social democracy, with the
The new regime 267

government as a committee of the party and with parliament reduced to a rubber-stamping assembly:

(3) "The government was transformed into the executive committee of the party. The Storting was eliminated as an independent political actor. (P.21) It was transformed into a committee under the government. The Social Democratic Party absorbed all political power. (P.23) The party permeated the all-encompassing bureaucracy. Thus the government administration had control over the voters." (Seip 1963:21-26)

This harmony model is different from the balanced/negotiated, pluralistic harmony model of Aubert and Olsen. Seip's harmony is a one-party affair, a function of a near-total domination and hegemony of one concept of Norwegian society and politics. It is a harmony created by control, by the use of political and bureaucratic power from above.

I have argued:

(1) The state organization in the 1920's was able to function as a power instrument for a specific, even unconstitutional, project. This might suggest that it is not the state organization that prevents one party dominance.

(2) We have seen that the state organization did not fundamentally change during the first phase of social democratic rule in the 1930's. Before the social democrats came to power the agreements between them and the Employers' Confederation and the agricultural lobby laid the foundations for one-party rule. A coalition for using the state to regulate relations between labour, capital and agriculture was constructed, a coalition that guaranteed that all the partners in it would be able to coexist under a social democratic regime.

(3) This guarantee was in many ways realized after the Second World War. The social democrats took over government, but did not reorganize the economy according to socialist principles. The old economic structures • private investment, private trade and
government restraints on wage demands and wage bargaining were rebuilt (see Gran 1987).

The main argument against Seip's third hypothesis is that the postwar state has implemented working-class demands and interests and that the government had active support in the working class and among important sections of the middle classes. Here the welfare state is the trump card. Through it working-class demands were met. So the theory goes. I will return to the welfare state in Chapter 19. The hypothesis there is that the welfare state has met important demands from the working class, but that these are mainly demands related to capital reproduction. Other system transcending demands have been suppressed. Welfare was also distributed in a systematically skewed fashion, reproducing inequalities in the reproduction of capital. The welfare project, I suggest, has historically been dependent upon the workings of the political/administrative recruitment system described above. Not that economic demands are inferior demands. The point is that the social democratic government and the welfare provisions together systematically eliminated revolutionary ideas and tendencies within the working class. It is my contention that this elimination was essential to the functioning of the social democratic one-party state.

Edvard Bull confronts Seip
In general, Bull finds Seip's hypotheses worthy of support. But on some counts he disagrees. One contention is that Seip, in 1963, did not see the importance of the semi-private interest organizations. According to Bull (as Olsen and his collaborators also suggest), the most characteristic aspect of the government system after 1945 was the cooperation between top public officials and leaders of the economic interest organizations, what Bull calls the system of "organized capitalism". Therefore, Bull contends, the concept of a one-party state exaggerates the role of politicians and public
officials. The representatives of employer and employee organizations are mistakenly left out of the model.

Bull is also, for this reason, in disagreement with Seip's periodization; 1945 did not imply a change of system. 1945 was a continuation and a culmination of a process of integration between state and the large interest organizations (representing both labour and capital) under the command of the Labour Party.

Both have a point. The state was dominated by the Labour Party. The Party reorganized along corporative lines, where the government organized representatives of the bureaucracy, the national labour federations and the capital-employer organizations into tripartite cooperation. The Labour Party organized. It did not rule alone.

WORKING-CLASS CONSCIOUSNESS

Perhaps the most important and interesting contradiction between Seip and Bull concerns class consciousness among the working class. Seip's hypothesis is that the social democrats, through state power, pressured and manipulated (at least parts of) the working class into submission, under the bourgeoisie, to the welfare form of capitalism after the war. Bull's thesis is different. He suggests that after the Second World War the working class as a whole was ideologically uninterested in socialism. The workers wanted to increase their living standards, a goal they had fought for in the interwar period. Now that goal was at hand, the working class did therefore not have to be forced to accept the capitalist economy. With the social democrats in power, class interests were taken care

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190 The substantial vote for the Communist Party in 1945 does not alter things for Bull.
of, even if it meant leaving the economic power positions to the bourgeoisie.  

This is an important disagreement. Was the class or at least substantial parts of it, actively suppressed by the social democratic regime and its allies or was the class in the late 1940's ideologically consolidated on the social and political theory of that regime? In either case the state could have a specific autonomous role relative to the working class. But the two theories lead to two different definitions of that autonomy. If Seip is correct, autonomy counteracts the ideological leanings of the working class. The state has to be an active controlling and oppressing power instrument. If Bull is right, the autonomy is supported by the working class. The state is able to take on a more administrative coordinating character. In this case we would expect hierarchical power to be reduced and the power of parliaments and professionals to expand (diffusion of power); bureaucracies should diminish in size as local communities, interest organizations and private and public firms increasingly manage their own affairs in harmony with both labour and capital.

191 The social democrats at this time also launched a programme of industrial nationalization. But it can be argued that in practice the nationalizations seldom affected Norwegian capital owners directly. The Norwegian Steel Company (Jernverket) was a new and 'national' project, unanimously approved in the Storting in 1946. The aluminium company in Årdal was a continuation of the production the Germans had organized during the war. It was a controversial project, but mainly on the issues of markets and use of energy.
The social democratic project

"The military secret service unit, headed by General Vilhelm Evang, financed a major part of the registration of communists within the labour movement. Secret registrations of opposition was the job for a section of secretaries in the Party and National Trade Union (LO). Officially they were engaged in public information. The secretaries were paid by the military secret service."

Andreas Andersen (Dagbladet, Monday October 12, 1987:5)

What effect did the Labour Party ambition of taking over government - and the fulfilment of that ambition - have on the goals and the organization of the labour movement? Was the social democratic project of putting the interests of working people in the forefront of public policy actually realized? Did the Labour Party change the organization of state to serve those purposes or was it the other way around: did the functioning of the government apparatus change the Labour Party? Did being in government work selectively to induce a shift in the party and the party leadership away from popular working-class demands and conceptions of a good society?

What does the National Power Project (NPS) say about that question? How does the NPS describe the postwar state organization, its value bias, and its relation to the labour movement? I will suggest that two assumptions in NPS should have been investigated empirically: (1) that the Labour Party and the
Federation of Trade Union (LO) in most of its activities represented wage worker interests; and (2) that the state was genuinely representative of the main social groups and classes in postwar Norway. I will query the Labour policies toward the role of private capital. I will investigate the strategies chosen by leading sections of the bourgeoisie towards the social democratic regime. I will suggest that the bourgeois elite faced a dilemma in its relations to the Labour Party. On the one hand it was important to uphold a sharp, ideological front against the labour movement. On the other hand, important sections of the bourgeoisie saw how an active, interventionist state was to their advantage.

THE POWER STUDY: THE STATE DOMINATED BY THE ECONOMIC INTEREST ORGANIZATIONS

An approach to state analysis similar to the one applied by Gudmund Hernes (Chapter 2), focusing on strategic rational action, has been developed by Johan P. Olsen. Olsen, however, puts more emphasis on the role of the institutional structures of the state than Hernes, and pays less attention to the relation between the state and the economy.

The organization state
Olsen studied processes of intended rational decision-making and confluences of such processes within organizations. The organization is seen as an independent variable, that is, he asks how the type of organization or choice of decision-making model in organizations affects what organizations do. A concept of the postwar state that has emerged from this research is that interest organizations have state power: the state is decisively influenced by the large interest organizations in the economy, especially the employers' and the trade union federations.
"It is not a state that looks after of all segments of society, whether they are organized or not (as democratic theory would have it). Nor is it a state under the command of the owners of the means of production (as Marxist theory suggests). It is not the state of a ruling elite (as elite theory depicts). The state is an organization dominated by the large interest organizations ... It is at present not possible to understand the content of public policy without looking into the role of the large organizations in public decision-making." (Olsen 1978:137,259)

Among the organizations it is the large national federations in the economy that dominate the state. They are heavily represented in government decision-making. They have substantial secretariats. The smaller organizations had few administrative resources. Of 1200 organizations in 1975 only 8% of them had secretariats with more than 31 people. The organization state is not perfectly representative. One-third of the population are not members of an interest organization and are for that reason poorly represented in the state.

There is little reason to doubt the NPS statements about the political power of the large organizations. But it is a large leap from that fact to a statement about the character of the state. Whom do the large organizations represent? To what degree has the state influenced the organizations, their structure and their policy profiles, making it pertinent to speak of statist organizations rather than the organization state?

Olsen implies that since both employers and wage workers are formally represented by the large federations, the organization state is representative of at least the main parts of the population. But that is an empirical problem and cannot be assumed on the basis of who the organizations say they represent. An employers' organization, under certain circumstances, may represent the interests of a whole nation. A trade union federation may become more involved in defending the national interests of the bourgeoisie (in the international economy) than workers' interests and demands.
There are studies of how Norwegian trade unions imperfectly represent the interests of their members, how they acquiesced in or even actively developed policies that served employers rather than common members, e.g. severe restraints on wage demands, actions against strike activity, etc.\(^{192}\) Studies suggest that the leadership of the trade union federations have assimilated the ideology and politics of capitalist-oriented elites (Higley, Brofoss and Grøholt 1975). The NPS draws a different picture from a different source. The NPS interviewed 673 people who were not members of organizations. Of these, 378 were without wage work and 295 were employed. The NPS says that: (a) the unorganized do not express opposition to the organized society or any feeling of alienation; (b) they do not feel they are losers; and (c) the unorganized employed have about the same level of wage incomes as the organized (NPS 1982:110).

**Who had the initiative in policy-making?**

Who had the initiative and who determines the political agenda in the state • the organizations or the state leadership? NPS interviewed state, organization and private company leaders about their participation in and influence on public decision-making. The NPS report (1982) says that in the Federation of Trade Unions there was a relatively large group of members who were not happy with the main policies. 15% of the members reported that there was often policy disagreement. Only student- and women's organizations had a higher percentage reporting dissatisfaction with organization policies. Over one-third (37%) in LO organizations said that minorities among members were seldom given a chance to voice their views. On that score only student and pensioners' organizations had larger percentages. However, instead of following

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\(^{192}\) See, for example, Solvang (1974) and Rønning (1974).
these indications, and probing for the reasons behind the dissatisfaction, the report concludes: "It is rather agreement on a number of questions and the general member satisfaction with their leaders that is the main finding of our study." (NPS 1982:123).

The NPS considers interest organization penetration of the state to be an expansion of parliamentary democracy. The welfare state is seen as an expansion of the representative state. However, representation is not perfect.

"The Norwegian welfare state is a cooperation and insurance state. It has been served by a reservoir of solidarity and common understanding among the Norwegian people ... Thus the government has been autonomous and efficient and there has been little need to use force. Norway can be seen as a federation of functional and regional groups, partly independent, partly united by common rules and regulations... Not all groups and interests are equally well represented in the state. The differences emanate from differential resources. Resources and influence on public policy are related. Power over the state and state power are related." (Olsen 1980:14)

Confrontation with historians
Olsen and his colleagues had the ambition of formulating a general theory with their concept of the "organization state". A paper by Lægreid and Olsen in 1981 contested Edvard Bull's concept of a "state elite", a coalition of politicians, bureaucrats and interest organization leaders all set on the project of organizing capitalism: "we are ... sceptical of the concept of a united elite, a grand coalition of politicians, civil servants and organized interests (at least partly) in opposition to ordinary people" (Olsen 1983:144). The researchers

193 When the Power Study chooses to investigate its hypotheses through questionnaires administered to this broad state-economy leadership, there is some danger of a circular proof. Questionnaires register the opinions of those questioned. The theory I am suggesting about the role of the social democratic leadership is that its position in the parliamentary state necessitated the defence and development of capitalism but, at the same time, made it possible to argue that it was representing the working class and popular interests. That the state-economy elites, when asked, answered in terms of the 'popular representation' thesis would not be surprising.

194 Which later appeared as Chapter 4 in Olsen (1983).
argue that Norway is a value-homogeneous society and that the state is a segmented system, in which each segment defends its political/economic values. Contrary to Bull's and Higley's theses, the segments are not coordinated by a common, overarching value. "Norway is fairly homogenous, with a well developed division of political labour - a segmented state in an unsegmented society" (Lægreid and Olsen 1981:38).

While Olsen and Lægreid have little to say about the character of the economic system and its relationship with state activity, they - in contrast to Hernes - focus more consistently on how institutional structures and decision-making rules influence the conceptions and actions of both administrators and politicians. They suggest that administrators in the Norwegian postwar government, no matter what their class or regional background, become defenders of institutionalized interests. But, because they assume the possibility of agreed upon, equitable distributions of resources, through the interplay of the interest organizations and the segmented state, they conclude that state structures are not value-biased and that class distinctions are unimportant in public policy. The state and the government is more or less representative of all major groups in Norwegian society.

In this way Olsen suggests that the main actors in the parliamentary state are the interest organizations. The interest organizations, rather than the political party groups in the Storting, deliver the decisive premises for public policy. The organization state has an internal power structure at odds with the constitutional setup, but its representativeness is not basically challenged by the new role of the interest organizations. The social democrats and the Power Project have essentially the same understanding: the role of

195 See Max Weber's concept of the bureaucracy as an iron cage, a structure that systematically directs individual activity and that gradually standardizes identities and languages.
the interest organizations in the state strengthens democracy and increases the representativeness of the state.\textsuperscript{196}

\textit{Negotiations in markets, market transactions in state}

Hernes has more to say about the economy than Olsen, but comes to the same conclusion about the character of the state. Political and economic institutions are merging into one tightly knit system, with politics playing a role in the economy ("the bargained economy") and economic actors from the private sector playing a role in the state bureaucracy ("the mixed administration"). A consequence is the withering of markets. Hernes points to the internationalization of both state and economy in Norway.

These concepts suggest that decision-making processes in the state are not adequately described in constitutional and administrative law. The state is not a unitary hierarchic system subordinated to policy-making in the \textit{Storting}. It is a segmented state, each segment related to a sector in the economy and to a specific, often well-organized interest organization there. The administration is a policy-maker, partly independent of the \textit{Storting}. The importance of activities in the parliamentary arena has diminished, not least because it has become increasingly dependent upon the knowledge accumulated in the administration. The public administration accumulates policy-relevant knowledge through its privileged interactions with interest organizations, scientific institutions and international administrations. The large, privately owned firms and banks become autonomous and powerful actors in national markets and small and dependent actors in international markets. The banks and large companies participate in government, actively bargaining for their interests. The companies are

\textsuperscript{196} See Per Mauseth (1986) and Hans Fredrik Dahl (1986) for a presentation of the view that the Labour Party has given the organizations priority in its 'theory of state' right from the 1930's.
The power study

The government is changed to an arena of bargaining systems between well organized public and private interests. The state becomes an active economic agent through partial ownership of shares, representation on boards and in tripartite, corporative organs. On the one hand, there is a more statist society, in which politics enters into business leadership. On the other hand, the continued and expanded absorption of the Norwegian economy into an international, imperialistic economy limits the political freedom of the Norwegian state and strengthens the capitalist market character of economic activity in Norway.

Social democracy co-opted

The theory of a statist and corporative society has empirical support. But the NPS does not manage to transcend the traditional constitutional explanation of these changes. The new organization state, or the new management state as I have named it, is formally democratic and substantively representative. The constitutional description, with a democratic state representing the people is still valid.

To transcend a theory, alternatives are needed. Theories about social and political systems are seldom demolished by facts. Hypotheses, however marginal they may be, can be defended by select facts. Theoretical innovations require the formulation of new theories that through a renewed analysis of both old and new data, prove more able to explain the phenomenon, explain it more extensively or more in depth. Thus scientific advance is more a question of dialogue and comparisons between theories and their relations to facts, than it is a technical test of a hypothesis against data.

THE SOCIAL DEMOCRATIC PROJECT
Apart from the welfare state, the realization of a legally defined minimum income, public insurance and welfare guarantees (which will be investigated in Chapter 19), what were the goals of the social democratic movement in postwar Norway and, in particular, did the social democrats manage to use the state apparatus to fulfil its goals?

**Effects of war and German occupation**
A number of conditions combined from 1935 through the Second World War to give the labour movement the political initiative at liberation in May 1945. The reformist ideology was established as official ideology. The Communist Party had lost confidence in 1940 for its neutral position in the conflict between England and Germany. But after Hitler's attack on the Soviet Union the Party gradually, through its active struggle against the Germans in Norway, regained popular confidence. The bourgeois political movement had a stronghold in the resistance movement (*Hjemmefronten*). It did not develop plans for a liberated Norway during the war. Reconstruction of the old arrangement was the common assumption for postwar politics in those circles.
New class relations, state-organized planning and increased productivity

The radical academic organization, Mot Dag, was disbanded in 1936 and many of its members entered high positions in the Labour Party government. The party was in power from 1935. Even if it was criticized for its lack of firmness during the German invasion, it wielded state authority from its offices in London all through the war. During the last part of the war, the Labour Party and the Federation of Trade Unions developed a political programme for the postwar period. The bourgeoisie was on the defensive. Its leading elements had been timid and indecisive in the resistance movement. Resistance versus economic cooperation was a constant dilemma. It had lost the battle over government position in 1935. The bourgeoisie was ambivalent about the Labour Party's compromises with the farm movement and with the Federation of Employers. On the one hand they made the labour movement a responsible participant in the capitalist economy. On the other hand, they gave the Labour Party government power.

The bourgeoisie was both surprised by and split on Keynesian economic theory. The idea that an active state using more money than it had extracted could benefit capitalism was a hard nut to swallow for at least sections of the class. Høyre was split between a traditional parliamentary wing, with Carl Hambro as its central personality, and a corporative, pro-state wing with Smitt Ingebrigtsen - editor of Aftenposten - as leader.

Many of these tendencies can be noted in the "Common Political Programme" (Fellesprogrammet), which was approved by all political parties in 1945. It spelled out the basic elements in the social democratic strategy for the postwar organization of the economy and the state. The basic idea in the Programme was national unity: "In the minds of most Norwegians the war has created a concept of national unity which no military power could
The war
dissolve. No one asked what party you belonged to or whether you were rich or poor" (Bull 1979:72). If the social democrats and the communists proposed that idea, it was not because they felt that class distinctions had been done away with. The main reason was the assumption that the labour movement would be dominant in government, and thus have superior power to that of private capital, and that working-class interests for that reason could be realized within the existing state structure.

The principles of state organization had a corporative bias. The three large corporations in society - labour, capital and the state - should cooperate on a rational and equal basis in tripartite organs for decision-making and planning. Combined with this horizontal cooperation between equals, the Labour Party envisaged a vertical democratization process, from the "bottom up". At the company level the Programme suggested the creation of "production committees" (produksjonsutvalg) between labour and management. However, to get support for that idea in bourgeois circles, the cooperative committees were not given decision-making power.

The Programme suggested branch or economic sector committees with the same kind of representation. At the national level the Programme envisaged an "Economic Cooperation Council", again with tripartite representation. The political parties were assigned a secondary role in the new state organization (Bull 1979). This change of emphasis away from the political parties and the parliament towards organizations and bureaucracy was probably

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As early as 1933 Colbjørnsen and Sømme (both within the labour movement) had worked out similar ideas, but going much further, suggesting an economic corporate council at the same level as the Storting (see Hjellum 1980). "The national economic council should be the main part of a new parliament, elected among the main groups and corporations in the economy. When this economic democracy develops the new corporate parliament will merge with the existing Storting, creating an economic and political bicameral parliament" (from Colbjørnsen and Sømme's document, cited by Hjellum 1980:4.8, my translation).
influenced by the tendencies in the *Storting* in 1940 to cooperate with the German occupants.

Different conceptions of corporatism were present in the labour movement. Some, like Colbjørnsen and Sømme (1933), saw corporatism transforming the parliamentary form of democracy into a new kind of socialist state. In this perspective the corporative organization of the state had similarities to developments in Italy and Germany under the fascist and Nazi regimes. The differences between the socialist and fascist forms of corporatism were therefore explicitly argued by the two authors. Others saw corporatism as an expansion of democracy within the parliamentary state.

The system of corporative organs actually implemented in Norway after 1945 was a weak type of corporatism. The main difference to the stricter model were (1) the representatives of the state in the corporative organs did not have a superior formal authority; (2) the state did not formally approve organizations; in principle, representation was open; in practice, however, the large employer organizations and the National Federation of Trade Unions did play dominating roles; and (3) the corporative organs did not formally prevent activity in the parliamentary arena (Wyller 1963, Østerud 1972, Bull 1979).

However, Østerud (1972) and Svensson (1969) have pointed to how the corporative planning organs did change patterns of political decision-making. First, the political importance of discussions, planning and law-making in the *Storting* was reduced. Secondly, the system worked to split what remained of working-class solidarity into trade-specific solidarity.

"Public planning according to the new corporative model changed the character of the liberal democratic society. It split that society into vertical segments, segments that were coordinated primarily at the top level" (Østerud 1972:74).
The corporative model was built on the socialist idea of a planned economy. What is more difficult to see in the corporative conception of the state is class struggle. At best it was assumed to be present in the sense that the Labour Party was the representative of the working class and would, through peaceful cooperation, gradually win over bourgeois interests and power positions. But the idea of class struggle was played down in the postwar corporative strategy of the Labour Party. Even the political parties were not thought of as important political actors, at least in the field of economic planning and decision-making. The idea of reconstruction on the basis of the traditional, private ownership structure, was accepted without any fear that it might prolong the traditional class cleavages. The corporative channel of decision-making - it was assumed - would give decisive state power to the labour movement.

Edvard Bull (1979), argues that this social democratic strategy had support in the working class, and that most members of that class were not bothered by whether the system was socialist or capitalist. The working class was interested in its daily work and living conditions. The social democrats in power would improve those conditions. There was no radical longing for a new socialist society among the working class in 1945. There was approval for the idea of more public control of the capitalist economy, but there were no revolutionary demands. Nor can the large vote for the Communists in 1945 be interpreted as an expression of revolutionary aspirations, as their party programme in 1945 was based on the concept of "patriotic unity":

"It is not possible to document the statements that there existed "important revolutionary movements" in the population. The Communist Party got 12% of the vote (and the Labour Party 41%). But the Communist Party did not in any way advocate a revolutionary programme in 1945. Rather the opposite. It agitated forcefully for participation in the patriotic unity." (Bull, 1979:81).
There are not many studies in sociology or political science which attempt to describe the ideological and political tendencies in the working class in this period. Most studies concentrate on developments in the unions, in the political parties and in the elections. Still there are some data that counter Bull's thesis.

The Communist Party had support in the working class in 1945 and, even if Bull may be right that the party focused 'patriotic unity', it was still a party at odds with the Labour Party, for example on local trade union participation in the political process. It was also a party harshly attacked by the Labour Party, especially with Soviet expansion in Eastern Europe and the installation of a communist regime in Czechoslovakia. The Labour Party faced opposition in the working class when it accepted the bourgeois demand of no wage increases during the reconstruction period (see O.J. Olsen 1984, Lorenz 1974), and also when it tried to prevent boycott of ships from Spain in 1946 (Benum 1969).

Jens Arup Seip (1963) suggested that the Labour Party was a bureaucratic machine directed at using the state to manage and develop capitalism ("the programme of the Party's enemy"). Now, Seip may argue that capitalism did not contradict the interests of the working class. The class did not demand socialism. But even that does not solve the problem of bureaucratic power wielding by the Labour Party. If the party and the working class were in line ideologically in the early postwar period, it is rather difficult to understand the need for so much state and party power directed at controlling the political actions of the working class.\footnote{See the novel \textit{15. septemberplassen} by the Norwegian writer, Dag Solstad, for a vivid description of working-class longings for 'a new start' in an industrial city, Halden, just after the war.}
Torstein Hjellum (1987b) has suggested that 1945 ushered in a period of Labour Party decline, at least in the sense of popular, democratic activity in local party organs. Passivity at the local level may indicate that everyone was in agreement with the leadership. However, bearing in mind the project of winning over bourgeois economic power, we might expect that ideological unity between party and class on reformism would favour struggle for economic control in the private sector. But that mobilization did not occur. Thus, I choose to interpret corporative centralization in the Labour Party strategy as an indication of conflict between party and class, in line with Seip's suggestion that the Party had to use power to isolate and neutralize working class opposition.

The historical pattern of labour conflicts in Norway
Can data on the labour-capital conflicts from about 1900 to 1975 inform us on the Labour Party's relations to the working class?

From Figure 15.1(a) we see that the number of workers involved was intermittently high through the 1920's and 1930's. The period 1945 to 1955 saw a low number of workers in strikes. In 1956 the number was large and substantial numbers of workers went on strike up to 1964, with a new upsurge in 1974. Thus we see that workers were struggling to some degree against capital/corporative power from 1956 to 1964, when the Labour Party was advocating cooperation.

199 The study of Arne Fabrikker (Gran and Jensen 1978) demonstrated the passivity thesis. It was only at the very end of the struggle over integration into Norion that the union leaderships mobilized the workers. Even then, this focused more on giving information than on organizing workers' initiatives.
Figure 15.1 Labour conflicts, 1909-1975
(a) Wage earners involved, 1922-1975
Labour conflicts

Figure 15.1 Labour conflicts, 1909-1975
(b) Lost work days, 1909-1975
Compared with lost work days (Figure 15.1(b)) we see that in the 1950's and 1960's few work days were lost, indicating that strikes were shorter, perhaps more directed at influencing media and public debate than actually forcing capital to succumb for economic reasons.
From Figure 15.1(c) we can see that up to 1932 there was a rising number of lost work days over time, while after the War the
tendency was the opposite. Thus these data give some support to Bull's suggestion that the Labour Party and large sections of the working class were in agreement on the corporative strategy and that the bourgeoisie should continue owning and controlling the means of production.

We can distinguish three phases in the development of labour-capital conflicts: (1) the mobilization phase, 1900-1920, the will to struggle for better working conditions spread; (2) the ambiguous, transitional stage (1923-1939), when the number of conflicts was still rising, but participation was dwindling. This was the period when the labour movement was hammering out its strategy of reformism; (3) the postwar peace period, which was interrupted by some large conflicts between 1956 and 1964 and in 1974. This periodization parallels the distinction between the three stages of state development • the consuming state, (up to the First World War), the transitional state (1914-1945) and the managerial state (1945-1970)(cf. Figures 6.6. a-c). My thesis is that the two processes are related: corporative reorganizations of the state are closely dependent upon the development of reformism in the labour movement.

Why the passivity after the war? Was the welfare state the fulfilment of old working-class demands or did the social democratic leadership efficiently suppress radicalism in the class? Edvard Bull may be right: the ideological development in the social democratic movement toward entrenched reformism mirrored a parallel development in the working class. The state may have played an important role in absorbing (and changing) the labour movement: the Storting was open for working-class representation; gradually the Labour Party leadership attained legitimacy as government and agreements were made with the employers' organizations; The alliance with peasants was important, limiting the 'relevance' of socialist ideology. All these factors may have
influenced the ideology of the working class. However, what about the militant strikes that did take place at times in all three phases: workers gone astray under radicalist leadership, workers divorced from the normal working-class culture in the country? We do not have conclusive studies or convincing answers to those questions. As the 1920's passed, the discussions within the labour movement and in the media on the question of state organization and democracy as popular control of the state and the economy disappeared.

THE BOURGEOISIE ON THE DEFENSIVE IN THE PARLIAMENTARY ARENA

Wars are not congenial to laissez-faire ideologists. Wars require a strong state with the ability to regulate the economy internally and externally.200 During the Second World War the Germans expanded the state apparatus. During the war the new state profession, the social economists, reached positions of power within the Labour Party, influencing the party's views on the role of the state in the economy. The Norwegian economist, Erik Brofoss, one of the pupils of Ragnar Frisch, was instrumental in creating the new, conception of the integrated national economy and the state budget. In that concept the Labour Party had a new language for disseminating its ideas on a publicly planned economy. In the "Law on prices" it had an instrument for influencing the location of companies and on production, wages and technology in them. The liberals within the bourgeoisie were against such regulation, but they succumbed.

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200 See Tønnesson (1979) for a description of the state regulatory system during the First World War.
By the end of the 1940's the situation was changing for the bourgeoisie. The Labour government had accepted the principle of private ownership of the means of production. Under the reconstruction programme (*gjenreisningen*), capitalist industry and trade developed rapidly. In 1947 the Marshall Aid programme was introduced, at first with some reluctance on the part of the Labour government.

The bourgeoisie organized outside the state. Cooperation was established between employer organizations. Political propaganda for the free market and a *laissez-faire* state was disseminated aggressively by new interest organizations like Libertas.\(^{201}\) The Price Law and the power of the Price Directorate were contested. In that battle, which ended in 1957, the social democrats lost. They had to surrender their ambitions of direct state intervention in company management.

While the social democrats seemed to have a conception of state socialism in the first years after the war, the organized bourgeoisie, in coalition with American government interests and well aided by Soviet intervention in Eastern Europe, managed to defeat that concept and to initiate an integration of the social democrats into the bourgeois state elite. Several outcomes of political conflicts in the period we are studying indicate that such an interpretation is reasonable. After a harsh battle in the Labour Party, where

\(^{201}\) On the initiative of the Shipowners' Association, political cooperation was organized between that Association, the Bankers' Association, the Federation of Norwegian Industries, the Association of Craft Employers, of Employers in Trade and the Association of Insurance Companies. Their purpose was, according to Bull (1979), twofold: (1) to influence public opinion an in anti-socialist direction. Libertas was created for that purpose in 1946, although without direct participation from the six federations, and (2) to produce 'counter-experts' to the 'socialist' social economists and their national planning. For this purpose a research Institute (*Næringsøkonomisk Forskningsinstitutt*) was created. Libertas was publicly exposed by the social democrats as a propaganda machine for the bourgeoisie in 1948. Bull notes the lukewarm support for Libertas from capitalist leaders. As he puts it: "At least some of them probably felt quite at ease with the Labour Party government" (Bull 1979:105).
A new regime?

Historians have indicated that not only democratic means were used (Skodvin 1971, Eriksen 1972, Lundestad 1980), NATO membership was approved. In the battle over state ownership of industry the outcome was an industrial management system that included worker representatives, but where the management principle was traditional production/profit maximization. The Federation of Trade Unions (LO) accepted that the workers had some responsibility for increasing productivity in industry and that wage restraint and a hierarchy of wages could serve that goal.

The changing class structure can also help explain this integration process. The working class became more complex, with a large influx of administrative and technical workers from both private and public sectors. This made it more difficult for working-class parties to propagate a traditionally socialist programme and still hold on to the new class members (Esping-Andersen 1985). The capitalist economy was expanding in the 1950's and the 1960's, fulfilling economic goals set by the working class in the interwar period, while the growth of bourgeois wealth was increasing at a higher rate. The fact that the social democrats were responsible for policy-making in an ever larger and more complex state apparatus reduced the need and the time available for mobilizing initiatives in the local groups of the labour movement. The importance of extra-parliamentarian struggle seemed to diminish. So did interest in state theory and the debate on whether a proletarian or socialist state could and should be organized differently from parliamentary democracy.

Bull (1979) coined the phrase "the partnership of the elites in organizing capitalism", the elites being the top leadership in the labour movement, in the state and in the business community. Are all these elites members of the bourgeoisie? The policies produced within the labour movement and the Labour Party may support that interpretation. The state seemed systematically oriented towards
sustaining the capitalist economy, even if that meant an ever deeper penetration of political power into economic processes and relations. But has the government structure itself influenced the labour movement leadership in a reformist, pro-capitalist direction? In the following chapters I will develop answers to that question and attempt to define some organizational mechanisms that might have contributed to that integrative effect.

CONCLUSION

The studies of the social democratic project reveal a watering down of its class-specific character in postwar Norway. The socialist goal of the movement is not respecified according to experiences and changing conditions, but is gradually suppressed and finally taken out of the Labour Party programme. The party formulated its political and organizational principles in 1949. 20 years passed before they were revised. Government responsibility and the strategy of a planned economy integrated the social democratic leadership into a network of decision-making bodies where capitalist managers and leaders of bourgeois interest organizations were active. This integration process divorced the labour leadership from its base, from the members in the labour organizations, and gradually generated an action model among them focused on managing capitalism and worker interests within that system. The idea of liberating the working class (and everyone else) from the oppression, insecurities and crises of that system was dropped. This change can be a consequence of the labour leadership becoming involved in a complex, institutionalized government structure that gradually worked to transform the leadership into an active pro-state, pro-capitalist leadership within the bourgeois class, with its base in the state. That was, in case, of strategic importance for
the bourgeoisie. With a labour government the democratic character of the state was close to indisputable. It could also legitimate clandestine state actions against political opposition to the Labour Party, as such opposition could be construed as directed at the democratic state.

The Power Study produced a different theory about the role of social democracy in the Norwegian capitalist economy. It said that the labour movement was representative of wage labour interests. It was a democratic movement because it sought power within the democratic state. Thus, in the Power Study it is the representative state apparatus that guarantees democracy. The state organization is class neutral. Implicitly the means of production are seen as a resource for the bourgeoisie, as wages are seen as a comparable resource for the working class.

This theory of the democratic state is implied in Hernes’ theory about the state as mediator in conflicts. The concept of the organization state contains the same general theory: organizations have varying degrees of influence on state policy, but the main ones represent the two principal forces in Norwegian society, the wage-labourers and the employers. Their participation makes the organization state a democratic state.

The Power Study identified a number of problems in the realization of democratic rule. Hernes points to the distortion of democracy through the functions of the market and the bureaucracy. But the deviations are seen as marginal, transitory and correctable. Olsen and Lægreid have pointed to how organizational participation in administrative policy-making is skewed to the advantage of the organizations in the economic sector and the large organizations among them. Again the perspective is the same. The skewed representation is marginal and can in principle be corrected by more organization among the weakly organized and unorganized.
How the biases of the state organization in favour of capitalism and the bourgeoisie have developed historically was a minor problem for the NPS researchers. As suggested in the present study, the biases of the state organization, seen historically, may be connected systematically to the power differentials between the classes in the economy, differentials that might be changed if the state lost its oppressive character and capacity.

Let me now investigate the thesis of a bourgeois state in more detail through the workings of the Norwegian state under social democratic management and how the state organization, seen as both a formal structure and a decision-making system, has affected the social democratic leadership. First I will turn to the two salient features of the state apparatus; (1) the increasing differentiation of the structure of the public administration concomitant with its professionalization; and (2) the participation of interest organizations in decision-making. Then I will investigate the role of the Labour Party government under Einar Gerhardsen in the management of the Kings Bay Coal Mines on Svalbard.
Professionals in the state

"The philosophers and even all intellectuals often defend themselves and mark off their identity by drawing a nearly absolute distinction between the area of knowledge, which harbours freedom and truth, and the field of power. What strikes me is that when we consider the humanities, the knowledge developed there can in no way be seen as separate from the application of power in society."

Michel Foucault (Morgenavisen, 20 August 1984)

How do professionals and the professions affect the autonomy of the state organization? In this chapter two steps are taken to answer this question. First it delineates the development of the whole personnel structure in the postwar Norwegian state. Second it investigates some of the mechanisms and dynamics of professional functions within the state organization relative to the economic modernization process.

PUBLIC EMPLOYEES IN THE POSTWAR STATE

In 1973 the central government had about as many employees working in non-priced service work as in priced services and material production. If we include the municipal level of government the non-priced service activity dominates (Figure 4.3 and Table 4.2). The proportion of the state budget used for services was approximately equal to the part material commodities represented in the national budget (Table 4.2). In this sense the state was an inverse mirror of the capitalist economy. I asked if the increase in service work in the total economy represented an increased strain on the capacity of the economy to produce surplus values. Seen from the point of view of capital, state financing of necessary (reproductive) services has at least the advantage of being paid for by revenues from all classes.
As shown earlier the relative distribution of state personnel in the categories state administration, public commodity production and public services was about the same in 1950 as in 1900. (administration: 24/26%, commodity production: 50/47% and services: 27/27%, see Table 10.4). In the 1950's and 1960's these relations changed (Table 16.1).

**Table 16.1 Public employees, 1950–1970**

<table>
<thead>
<tr>
<th>Category</th>
<th>1950</th>
<th>1960</th>
<th>1970</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public administration and defense</td>
<td>23.9</td>
<td>23.6</td>
<td>23.4</td>
</tr>
<tr>
<td>Administration</td>
<td>17.6</td>
<td>18.3</td>
<td>19.2</td>
</tr>
<tr>
<td>Defence</td>
<td>6.3</td>
<td>5.3</td>
<td>4.2</td>
</tr>
<tr>
<td>Public commodity production</td>
<td>49.6</td>
<td>39.8</td>
<td>26.4</td>
</tr>
<tr>
<td>State banks</td>
<td>0.5</td>
<td>0.7</td>
<td>0.7</td>
</tr>
<tr>
<td>Post/tele/radio</td>
<td>11.7</td>
<td>10.8</td>
<td>9.8</td>
</tr>
<tr>
<td>Railways</td>
<td>15.8</td>
<td>9.6</td>
<td>5.7</td>
</tr>
<tr>
<td>Public transport/energy systems</td>
<td>21.6</td>
<td>18.7</td>
<td>10.2</td>
</tr>
<tr>
<td>Public services</td>
<td>26.5</td>
<td>36.6</td>
<td>50.2</td>
</tr>
<tr>
<td>Education</td>
<td>13.9</td>
<td>17.4</td>
<td>24.4</td>
</tr>
<tr>
<td>Health/social services</td>
<td>11.7</td>
<td>18.4</td>
<td>25.4</td>
</tr>
<tr>
<td>Religious services</td>
<td>0.9</td>
<td>0.8</td>
<td>0.4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
<tr>
<td><strong>Number</strong></td>
<td>195000</td>
<td>229000</td>
<td>311000</td>
</tr>
<tr>
<td><strong>As % of all employed</strong></td>
<td>13.7</td>
<td>16.3</td>
<td>21.3</td>
</tr>
</tbody>
</table>


From employing close to 50% of all public personnel in 1950, commodity production (as defined earlier) plummeted to 26% in 1970. The opposite development took place in the service sector: from 26% of all employees in 1950 to 50% in 1970. This demonstrates the expansion of the managerial state (see Figure 6.5c) and a movement from general administration to a service-producing state. The change indicates that the needs for public services in the care and reproduction of labour power grew and that the state increasingly supplied services to adults without wage-employment, to the unemployed, supported and pensioned parts of the population. The change represents a movement towards activities that are labour intensive.

Given that the services mainly benefit non-capitalist sections of the population, these data could support the democratic theory of the state. The managerial, service state demonstrates that the social democratic project has succeeded. A different interpretation is that the expansion of the service sector in the economy, and in the
state in particular, is a result, not mainly of democratic influence, but of increasing difficulties in reproducing and expanding the capitalist fund of surplus values, difficulties that result in greater pressure and tear on the employed wage-earners and in more people being excluded from wage employment. Factors behind the increase in state services would then be problems of capital circulation, demanding more service work in personnel and finance/banking administration, in advertisement/sales promotion and in communications and transport. Or the expansion is a response to a demand for more preparatory and repair work on the labour force (schooling, health care, socioeconomic support for the unemployed, etc.) This would, if it is true, support the crisis theory of state expansion. That theory does not contradict the view that services can meet popular needs and demands. But it suggests that the expansion of public services results from the pressure of problems experienced by representatives of capital (broadly defined) in the privately owned sector of the economy. The two variables, democracy and crisis, may be mutually reinforcing in explaining expanded services. The democratic influence of the working class may support a move toward service production, which - indirectly - serves capital accumulation.

I will return to the class content of the welfare state in Chapter 19. In the present chapter I will look more closely at the organization of the postwar state, and the distribution of state personnel in that structure, searching for the role of the professions in the state.

The expansion of the state
If we tabulate the total number of state employees over time, we see that the increase accelerated from 1930 through the war to 1970 (Table 16.2).

Table 16.2 Increase of public employees, 1930–1970

<table>
<thead>
<tr>
<th>Yearly Period</th>
<th>1930-46</th>
<th>1946-50</th>
<th>1950-60</th>
<th>1960-70</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of employees at beginning of period</td>
<td>94000</td>
<td>184000</td>
<td>195000</td>
<td>229000</td>
</tr>
<tr>
<td>Years of period</td>
<td>16</td>
<td>4</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Absolute increase</td>
<td>90000</td>
<td>110000</td>
<td>34000</td>
<td>82000</td>
</tr>
<tr>
<td>% increase over whole period</td>
<td>96</td>
<td>6</td>
<td>17</td>
<td>36</td>
</tr>
<tr>
<td>Mean yearly increase</td>
<td>5600</td>
<td>2700</td>
<td>3400</td>
<td>8200</td>
</tr>
</tbody>
</table>

Given the chosen time periods, these data demonstrate that there were two periods of expansion of the state apparatus: (1) the prewar and war period, and (2) the period 1960 – 1970. In the late 1940’s and the 1950’s the state expanded at a slower rate. Combined with the sectoral analysis, the first period of expansion was a general expansion of the state apparatus across all three sectors, while the second period was typically the expansion of the service sector.

This change in the character of the work of the majority of state employees, from infrastructural, commodity-producing work to more non-commodified services, may affect ideology among state employees. A hypothesis could be that with the welfare service expansion, middle-level and especially street-level employees (Lipsky 1980) come increasingly into contact with the social, psychological and material problems and demands of those who are eliminated from or never get into wage employment. This may affect state employees ideologically. We might expect that working in public material production would not condition workers and employees to any special type of ideology different from that in the private sector. The relatively radical social workers’ trade union (NOSO) may be one expression of this experience. The idea that the development of services expresses as much problems of capital accumulation as it expresses democratic influence on state policy would get some support from the phenomenon of radicalization of service-producing personnel. If the capitalist class has no need for the services, i.e. they express only popular, working-class influence over state policy and such service work radicalizes the state employees, we would expect more opposition against that expansion from bourgeois political circles and parties. But as Kuhnle and Solheim (1985) demonstrate, there was little opposition from the bourgeois political movement to the expansion of the welfare services.2

The wage structure in government

The wages people receive influence their way of life. They determine where in the class structure people exist as consumers. People living mainly off capital income and those living mainly off wages will most often belong to different social classes. If we divide the state wage-scale in 1969 into three categories - (1) wages for employees

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1 The details here would be interesting. What did the social democrats in power before the war do with the state administration? How did the numbers increase between 1935 and 1940? What effect did the German occupation have on the size of the state after the war? See Gran (1987) for a note on war settlement in Norway.

2 Edvard Bull (1982) cites Haakon Lie, the long-serving general secretary of the Labour Party: "The Labour Party wanted to introduce a five day week by 1970. We waited in suspense for the reaction. It was different from what we expected. John Lyng [from the Conservative Party] was positive - absolutely. And Per Borten [from the Agrarian Party]? Of course, he said, we should have a five day week by 1970, especially now that the Finns already had introduced a 40 hour week".
in top managerial positions, (2) wages for employees with higher education in middle-range positions and (3) wages for employees in technical/routine administration and manual work - we find the distribution of government employees among the three categories, shown in Table 16.3.

Table 16.3 Government employees according to wage, 1969

<table>
<thead>
<tr>
<th>Category</th>
<th>Formal wage group</th>
<th>% of all state employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group 1. Top state employees</td>
<td>S 1 and over</td>
<td>1.9</td>
</tr>
<tr>
<td>Group 2. Administrators</td>
<td>15 - 23</td>
<td>25.0</td>
</tr>
<tr>
<td>Group 3. Workers (widely defined)</td>
<td>4 - 14</td>
<td>73.0</td>
</tr>
<tr>
<td>N =</td>
<td></td>
<td>95317</td>
</tr>
</tbody>
</table>


All the means of production in the state are public property. As suggested earlier, this allows a freedom of decision-making relative to capital accumulation in the state that capital owners in the private sector do not have. However, it could be argued that being in top position in the state creates a form of responsibility in terms of the rational use of the public means of production which is parallel to the responsibility of top management in the private sector. Especially in the commodity-producing sectors of the state, the logic behind the administration of the means of production may be analogous to profit accumulation in the private sector (maximize production relative to production costs), with profits (maximum difference between income and production costs) as the primary management principle.

With three-quarters of all government employees on wage scales at or below level 15 (in 1969), we can say that the majority of state employees were then economically at the level of, or below, the mean wage in the industrial working class.  

What can these data tell us about the class structure within the state? Do all state employees, or important segments of them, belong together in a separate class,

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3 Although prices may be fixed, so that public managers have a kind of Smithian relation to the market - i.e. no market power.

4 In the 1980’s segments of the industrial working class received wages above even the highest-paid segments of state employees, a process influenced by the expanding, capital-intensive oil industry.
separate from the three main classes identified in Norwegian society?\(^5\)

Top bureaucrats (about 6 500 persons in 1970, if we take all in the top income bracket, or 2.1% of 311 000; see the preceding tables) are not identical in economic position, economic role and motivations to the private capitalists. However, changes that have occurred in the private sector, have reduced the differences between public and private managers. The typical family firm is less common in the private sector. More and more capitalists are a combination of capital owners in several firms and managers working in large, integrated organizations. Ownership and management of capital tend to flow together into the managerial (ownership) role. Bureaucratization in the private sector creates management systems requiring professionals, often without private ownership of capital.\(^6\) In this sense we could suggest that top managers are increasingly alike in the two sectors, with a comparable responsibility for the means of production, although maximizing company profits and responsibility for the state budget represent different types of goals and incentive structures. However, in commodity producing, public companies the difference from privately owned large companies is probably small. It might even be that state companies are harsher and more oppressive exploiters of labour than private companies.\(^7\) With pay at the level of private capital owners, positions in the top levels of the state may make the step into the modern bourgeoisie relatively short.\(^8\) We might speak of top level bureaucrats as part of the bureaucratic bourgeoisie, with their economic base in the state bureaucracy.

The public administrators in the middle layers of the state are a complex group with many internal variations. Here we find managers in the central, provincial and municipal administrations, but also many technicians/engineers in infrastructural

\(^5\) For discussions of aspects of these problems, see Carrillo (1977), Gouldner (1979) and Jens Hoff (1984). The debate on the state apparatuses in Eastern Europe and the Soviet Union is also interesting in this context (see Djilas 1957, Bettelheim 1971, Enerstedt 1973, Bahro 1978). Jens A. Seip's discussion (Seip 1974) of the bureaucrats in the Norwegian state in the nineteenth century is a contribution to that debate, although he variously describes the bureaucrats as a group, several groups, an elite and a class. See Fure (1984b) for a presentation and discussion of Seip's theory of bureaucracy and Ringdal (1981) for a comprehensive presentation and discussion of his state theory.

\(^6\) See data on the structure of the Norwegian economy in NPS (1982), Chapter 5: (on "Economic power groups"). Berge (1984) draws a somewhat different picture of the industrial economic structure in Norway, with more emphasis on the small and fragmented of structure that industry still has and that makes implementation of a policy for industrial development difficult. See also Meynaud 1968 on technocracy, and Galbraith (1967) on the technostructure.

\(^7\) I will investigate that possibility later, in Chapter 18 on the administration of the state-owned mines at Svalbard.

\(^8\) By membership in the bourgeois class I mean having a position in the economic, commodity-producing system that generates a 'capital accumulation orientation' and an identification with the capitalist production system.
activities (telecommunications, transport, statistical and geographical data production, research, etc.), many teachers in the secondary and tertiary school systems, doctors, lawyers, etc. The group as a whole can probably, most fruitfully, be seen as belonging to a petty bourgeois type of middle class, some middle layer between the bourgeoisie and the working class, a class segment which, as Eric Olin Wright suggests, may have many, relatively deep, internal contradictions (Wright 1979). We may identify the group as part of a middle class because they allegedly have one foot in the working class (or close to that class) in that they work for their main means of living and they earn it in the form of a wage, and one foot close to the bourgeoisie because of their career possibilities, their privileges, their relatively free and unsupervised work situation, and because, in contrast with workers, they often have many subordinates.

They do not, however, belong in the petty bourgeoisie, the class of small producers, producing for the market with none or only a few wage-labourers, in either industry, crafts, agriculture or small scale-trading. The owners work in production and, if successful, accumulate some capital. These owners have problems both ways: They fear the working class for wanting to socialize or nationalize their shops and the bourgeoisie proper for threatening to swallow them into their large corporations and chain stores.

Most of the low-paid public employees who do routine, manual and administrative work, who do not have subordinates, who are at the bottom of the pyramid and whose wages are at working-class levels, can appropriately be classified as part of the working class. There may be some ideological factors that set these employees apart from the working class in the private sector.

This way of thinking categorizes most state employees into the main classes under capitalism: the working class and the bourgeoisie have some of their members (many in the postwar period) in the state apparatus. Relatively few in public employment can be categorized in the petty bourgeoisie. As in the private sector, the state has employees that fall between the main classes, into middle classes or layers, people often on the move from one of the main classes to another (See Enerstvedt 1971 and Carchedi 1977).

The special characteristics of the state as organization

All the same, it is important to note how the state is distinctly different from organizations in the private sector. One difference has been mentioned already: public ownership of the means of production, a form of collective ownership of the infrastructural apparatus, state and semi-state owned companies, and public funds, leaving top managers without responsibility for the expansion of a limited amount of capital as is the case in the private sector. Secondly, there is a coherent state organization, a centralized management system for a whole territory, with absolute authority and with a monopolized right to use police and military force to implement
decisions within that territory. Top level-politicians and bureaucrats in particular have access to these potent means of control, a power that is as relevant in the control of production as it is in the control of the country's borders. A third element is the public election system for recruiting members to parliamentary organs. This process imbues the public sector with a public responsibility which the private sector lacks.

**Public capital - a basis for a statist social class?**

To what degree does state ownership of capital in industry and in infrastructure represent a potential base for a new class formation within the state? The state owns a substantial number of shares in Norwegian industry (1960: 15%, 1980: perhaps 60%). The Power Study produced the following picture of the economic position of the state in large industry in Norway (Figure 16.1).

![Figure 16.1 Firms where the state owned more than 50% of the shares](image)

The state is sole owner in large basic industry, in iron and steel production (1 and 2), in advanced electronics and weaponry (3 and 7), in oil (from early 1970's) (4), in mining (5) and in chemical industry (6). Except perhaps for oil, the state does not...

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9 The monopoly of the right to use force, is the most salient difference. However, many organizations and individuals without public authority have the right to use force for defensive purposes.

10 To what degree those norms actually impinge on politicians and administrators is another matter. What we can see is that the government administration prepares and suggests public measures after evaluating the political situation in the Storting and the possibilities there for support or opposition.
control whole branches of the economy. If it did, we know from other Western countries that it is difficult for state-owned companies to operate on anything but the traditional profit-maximization strategy. Any specific use-value considerations above and beyond the principle of profitability (for example, job security, workers' participation, etc.) easily put the state-owned companies into the red. The state companies often have access to a wider range of decision-criteria and different social use-value considerations. But the markets and institutional systems that the companies depend on limit the scope for applying the use-value criteria. The consequence is often that private industry gladly nationalizes industries which, under private tutelage, produce use values but at a loss. State companies have difficulty adjusting to market demands because entrenched union interests defend specific job structures more efficiently there than in the private sector. This also reduces private interest for the company.

The state bureaucracy, as argued earlier, is a structure that allows for differing management strategies from the private sector. However, tight budgets and public control pressure bureaucrats to apply rather strict economic criteria in decision-making. Professionals are subordinated a profit criterium in the private sector.

The analysis so far indicates that the state is systematically subordinated to the private sector in terms of capital. It is engaged in infrastructural investment and management, which - at best - plays a peripheral role as supplier of surplus value, requires large investments and gives returns over an extended period of time. State ownership in industry is substantial, but the market system strongly limits the state's possibilities of operating beyond the simple profit-maximization criterion. The state banks are, as we have seen, specialized institutions, at least originally serving special, relatively weak interests in the economy, making them dependent upon surplus accumulation in the productive sectors. The state welfare services are most clearly dependent upon successful capital accumulation in the private sector. Maybe we have a first delineation of a state mode of production here, one that does not produce a new class formation but rather is characterized by these three dependency traits: infrastructure, specialized service banking, and the supply of welfare services (dependent traits in the sense that they derive their rationale from the functioning/dysfunctioning of capitalism in the private sector). The state mode is characterized by use-value rather than exchange-value considerations. The state mode of production is closely connected to servicing the dominant capitalist mode of production through its dependency on surplus value created in the private sector.

11 This is a main point in the large article on state-owned industry in The Economis December, 1978. See also chapter 18 on state-owned industry.
PROFESSIONALS IN THE STATE - A BASIS FOR STATE AUTONOMY?

The professions can be seen as autonomous corporations in modern societies, groups constituted on a body of knowledge, monopolizing the use and development of that knowledge through privileged access to positions in the private and public sectors. Professions control admission of new members. They draw economic advantage from that control. They shield and develop the knowledge base and the economic and other privileges of the group. The professions carry models of reality and knowledge of means to ends (rationality) into the state, supplying decision-makers with specified ways of reaching or implementing goals.

On the other hand, the state generates professions. State tax extraction, law making, policing and war making through bureaucratic forms of organization demanded increasingly specialized knowledge within the state apparatus. Professions can be seen as mediations between state and society, corporations with the special, autonomous role of transferring problem/demand definitions and resources from society to the state (problem extraction) and transferring state policies back to society (policy implementation).

Dahl Jacobsen suggested that the influx of professionals into government has been an important source of state autonomy (Jacobsen 1964:8). What place and roles do professionals have in the postwar Norwegian government system?

Distribution of professionals in government
Professionals represent a relatively small part of the total population in public service. Lægreid and Roness (1983) have counted the professionals in ministries and directorates in 1975, and published the results in their "state statistics". We can distinguish three types of professions: management, technical and cultural. Lawyers, economists and social scientists belong in the management category, doctors, agronomists and engineers in the technical category and the humanities in the cultural category. Distinguishing between ministries and directorates, we get the distribution of professions in the state in 1975, shown in Table 16.4.

12 See Rueschemeyer (1983). Max Weber (1947:145) defines a 'corporate group': "A social relationship which is either closed or limits the admission of outsiders by rules, will be called a 'corporate group' (Verband) so far as its order is enforced by the action of specific individuals whose regular function this is, of a chief or 'head' (Leiter) and usually also an administrative staff." Do the professions meet this leadership/administration criterion? We could see the professional organizations, like the Association of Doctors (Legeforeningen), of Engineers (Ingeniørforeningen), of Political Scientists (Statsviterforeningen), in that light.
These data confirm the assumption that the ministries are designed to implement policy (often making policy), while the directorates are more technically oriented— they manage the more specialized, technical activities of state. While 72% of the professionals in the ministries were in the management category, 40% of the professionals in the directorates were in that category. Only 10% of the professionals in the ministries belonged to the technical category, while 46% of the professionals in the directorates were in that category. Look for example at engineers and architects: 42% of all in the directorates, and only 4% in the ministries.

The lawyers were by far the largest single category of professionals in the ministries, filling 45% of the professional positions. This underscores that the administration of rules and regulations is a dominant decision-making and regulating mechanism in the ministries. The lawyers were not a small group in the directorates either; they held 21% of the positions there.

The economists were a major group in both systems, 21% in the ministries and 16% in the directorates. Business economists (micro-economics) were more prevalent than social economists (macro economics). The social scientists were the smallest group among the management professions: 6% or 92 persons in the ministries, 3% or 72 persons in the directorates. There were about as many social scientists as there were professionals from the liberal arts/humanities (5% and 2%). The state
administration could obviously manage without many specialists in politics and culture...

Løgreid and Olsen (1978) have registered how professionals in the state administration interacted with the environment. It was the lawyers who primarily interacted with individuals, "with people who only represented themselves or their family" (p. 216). Neither economists nor social scientists had many such relations. The economists had (typically) contacts with well-organized interests at the national level. The social scientists interacted primarily with the political system (the Storting, the political parties and the media). Neither economists nor social scientists had much contact with regional and/or local institutions. Again the lawyers scored highest. The pattern is as we might expect, given the character of the Norwegian parliamentary/corporative system in the mid-1970's: the most rule-oriented profession was most in contact with individual citizens and the local institutions. The specialists in production and distribution (economists) interacted most actively with the corporative interest organizations, among which the economic organizations were the most powerful in state policy-making. The social scientists, the specialists in politics and social relations, were active in the political, policy-making sphere.

On the basis of these findings we can formulate the 'inverted access' hypothesis: Weak clients: controlled access, stronger clients: free access. Individuals and local institutions, often having the least knowledge of the rules, meet at first hand the rule specialists. Publicly employed lawyers helping peripheral clients to bypass legal barriers is not likely. The interest organizations, which often have good knowledge of the rules, meet the specialists in economics. Their chances of access are thereby augmented by the professionals they interact with. The social scientists, who may be best suited to help the peripheral clients, because of their ability to see political realities behind the rules and formal structures, are farthest away from them, engaged in advising the political institutions at the apex of the state system. If this model is correct, it reminds us of the Mathew effect: make access most available to the strongest who need that access the least.

Variations in professional structures:

Comparison between a ministry and a directorate

If we compare the Directorate of Highways and the Ministry of Social Affairs, are they examples of the differences between ministries and directorates identified above?

(1) In the Directorate of Highways there were nearly 100% engineers below top management. Roads at this level of government are thus defined as a technical affair. But in the top management of the Directorate we find a professional mix somewhat parallel to the general profile depicted for directorates in Table 16.4: 10 or 34% engineers, 8 or 27% lawyers, 8 or 27% economists and one psychologist, one agronomist and one from the humanities (State Calendar 1984).
(2) In 1965 there were 50 professional employees in the Ministry of Social Affairs: 38 or 76% of them were lawyers; only 4 had other kinds of higher education. In 1976 the number of professional employees had risen to 84. The number of lawyers was exactly the same as in 1965, 38, reducing the percentage of lawyers from 76% to 45%, which at that time also was the mean number of lawyers in the ministries.

Even if we take two extremes on the continuum of administrative organs, from the highly technical Directorate of Highways to the social service administration, the Ministry of Social Affairs, we thus find the same general structure. The lawyers and engineers are the largest groups, with the economists in third place. The social and human sciences are weakly represented.

The state is thus a rule-oriented system at 'street level' where most citizens meet the state. The politicians are sifted through numerous ideological screens before they reach the top positions in parliaments and government. The central state is rule-oriented towards clients and local communities, offering rich and varied sources of professional knowledge to politicians and leaders of interest organizations that penetrate into the top levels of the state.

Professions and state autonomy
With these data on professional structures in state administration, let me turn to the discussion of the relationship between the state and the professions. Is science, developed and administered by professionals, an autonomous force in the state, capable of changing paradigms at the base of public policy-making, or should the professionals mainly be seen as consultants working within value premises defined by governments and administrative leaders. Some case materials are available.

(1) Professionals and the EEC membership question
Gleditsch, Østergaard and Elster (1974) have demonstrated how the higher-level bureaucrats in the state systematically supported Norwegian membership of the EEC, and how they gradually took on an active political role, agitating for that membership. They stuck to the activist position all through 1972, even when it became obvious that opposition to membership was widespread in the population. EEC membership was a policy preference held by the bourgeoisie, at least the urban part of it. Large sections of the top-level bureaucrats and professionals in the state sided actively and publicly with that position. The political neutrality of the top bureaucracy evaporated in that sharpened conflict situation.

Torstein Hjellum (1987a) made a study of the stance on the EEC question among academics at the universities of Oslo and Bergen. Not that the universities are typical

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13 The plebiscite gave a majority against membership and led to the downfall of the Bratteli Labour Party government.
of the organization cultures of public bureaucracies, but the results even there, where
the formal structures perhaps are less strict in controlling the incumbents than
elsewhere in the administration, indicate a systematic relationship between position
in the organization hierarchy and support for membership. In 1972, the higher up the
incumbent was in the university hierarchy, the more likely he was to support mem­
bership.

Table 16.5 University teachers and the EEC question.
Stance on EEC membership, Universities of Bergen and Oslo

<table>
<thead>
<tr>
<th>Position in university hierarchy</th>
<th>'Yes'</th>
<th>'No'</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professors</td>
<td>59</td>
<td>41</td>
<td>326</td>
</tr>
<tr>
<td>Lecturers</td>
<td>26</td>
<td>74</td>
<td>470</td>
</tr>
<tr>
<td>Research fellows</td>
<td>11</td>
<td>89</td>
<td>438</td>
</tr>
<tr>
<td>Total N</td>
<td>362</td>
<td>872</td>
<td>1234</td>
</tr>
<tr>
<td>Total %</td>
<td>29</td>
<td>71</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Hjellum (1987a:1).

Hjellum registered the number of professors and lecturers across the disciplines who
took an anti-position on EEC membership. He found that a negative stance was
generally higher among lecturers than professors. He found that the common
assumption about social science radicalism did not hold (given that a radical stance
was an anti-stance). The data show that only 10% of the social science professors in
Bergen signed 'no' petitions, while the figures were 24% among arts professors and
22% among natural science professors. Social scientists were not more radical than
the natural scientists: both groups had 42% 'no'. Lecturers in the humanities were not
far behind, with 37% 'no'.

This demonstrates that moving up the hierarchy meant moving closer to the
bourgeois position on the EEC question in 1972. The data support the idea that higher
levels in public bureaucracies (widely defined) are closer to/ more influenced by
bourgeois ideology than lower levels. The data can be interpreted to support the idea
that the bureaucratic, hierarchic organization, through connections to the class system,
functions selectively to strengthen dominant values and modes of understanding. If
that mechanism works in university hierarchies it might be more active and powerful
in state bureaucracies, which are more involved in the management of the economic
system than are the universities.
(2) Professionals in the agriculture and fisheries administrations
Sigmund Vold (1968) demonstrated the same kind of mechanism at work in the central agriculture and fisheries administrations of the 1950’s and 1960’s. He disputed Knut Dahl Jacobsen’s findings (1965) that the agriculture and the fisheries administrations functioned differently relative to their clients. Jacobsen’s hypothesis was that a client group with a client-conscious profession in the state would be better served by the state than those groups without such a profession. The coastal, small fishermen in Norway lacked such a client-conscious profession and would therefore be less well served by public policy. Vold investigated the action models of the bureaucrats in the two administrations and found that, in both sectors, the higher in the hierarchy the bureaucrat was located the more likely he was to support large-scale, profit-oriented production in both sectors.

Per Otnes (1973) makes the same assertion studying the plight of small farmers and peasants in the nineteenth century, pointing to the fact that small-scale farming had as difficult material/economic conditions as coastal small-scale fishing. Small-scale fishermen met increasing difficulties as the capitalist mode of production expanded. So did small farmers. The number of small farms was drastically reduced (Table 7.4). That reduction and the expulsion of small farmers from the primary sector cannot easily be termed ‘in their interests’. The agricultural administration did not manage to defend small scale agriculture. Rather, it furthered that development. (Fisheries did not have a separate ministry until after the Second World War.)

THE RECRUITMENT OF PROFESSIONALS TO GOVERNMENT SERVICE

An additional socializing mechanism at work in the formation of professions is the recruitment system to them, i.e. the educational route a person has to pass through to become qualified as a professional and a candidate for government employment. Bureaucrats in public administration are required to have an academic education. University education was still in the 1960’s clearly biased in favour of males from the urban, bourgeois class.\footnote{There has been a gradual and marked improvement in the social and gender composition of the student body at higher educational institutions, as I will demonstrate later.} The class structure of the administration does show that a biased recruitment system has been at work. The NPS made a study of the sociological composition of the employees in state administration (Table 16.6).\footnote{Table 16.6 does not distinguish between decision-makers with and without higher education. But most of them have higher education. The data should therefore be representative of the professionals.}
Table 16.6 The social structure of government.
Class, gender and region in the central government

<table>
<thead>
<tr>
<th>Father's occupation of origin</th>
<th>Region of origin</th>
<th>Gender</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td>-----------------------------</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Government personnel</td>
<td>71</td>
<td>25</td>
</tr>
<tr>
<td>(N = 784)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Population</td>
<td>20</td>
<td>80</td>
</tr>
<tr>
<td>(N = 4 million)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Key:
1. Academic, company owner, higher level bureaucrat.
2. Farmer, fisherman or worker.
3. Oslo, the eastern region.
4. Other parts of Norway.


The overrepresentation of urban/central areas and males is clear: 71%, 67% and 85% respectively. It would not be surprising if the ideology of this group of professionals was positively oriented towards the general concept of organizing capitalism (not investigated in the Power Project). If they were, that would add support to the state elite thesis propounded in Higley, Brofoss and Grøholt (1975), and in Bull (1979), that there is a state elite, the sum of leaders in political, administrative, business and labour organizations, who all subscribe to the same societal values and agree on the political project of organizing capitalism. The elite researchers demonstrated how these leaders often were more in agreement with each other than with members of their own organizations.16

Surprisingly, the NPS researchers interpret these data on skewed recruitment differently. They claim the opposite of what I have suggested above. They claim that the organization structure in the administration neutralizes the effect of the bureaucrats' social/regional background and gender representation: "The bureaucrats fill complex roles, but our analysis illustrates an important point. Social background is important for who is recruited, but has little effect on what values and opinions they have as bureaucrats" (NPS 1982:53). The point the NPS is making is that sector-specific values and biases are embedded in the role and rule structure of each ministry. That the sectoral values could be bits and pieces of a larger, superordinate

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16 Indirectly this finding indicates that members and leaders in the large, national interest organizations are not always in agreement. That finding also contradicts the interpretations of democracy in the interest organizations set forth in NPS (1982), Chapter 5 on Organizations.
project of organizing capitalism is not investigated. Thus the NPS has the following conception of the formation of the professional action models:

(1) Social class, region and gender are important variables in the recruitment process. People from the upper classes and from central areas and males are recruited to the public administration.

(2) However, upon taking up an administrative position, the organization structure and the education of the bureaucrat neutralizes the background variables.

(3) Social class has for that reason little influence on what choices the professional bureaucrats make in their position in the ministry.

(4) Therefore the value orientations vary between ministries. There is no unitary state elite. "Bureaucrats do not have the same values and opinions" (NPS 1982:54).

On this basis the NPS concludes that the state administration is segmented and value plural, representing most regional, gender and group/class interests in society.

There is reason to believe that the role and rule structures of institutions and their links with society influence decision-making, as the NPS suggests. If you are an economist in the Ministry of Industry, working with production problems in state owned companies, or you work in the Ministry of Social Affairs with unemployment benefits, your work in these different positions will gradually produce different identities and action models. The economist is oriented to maximizing production; the social worker engaged in unemployment is oriented toward reducing unemployment. At this level of analysis, the influence of role and rule structures on action models is probably quite strong. Comparing data at this level between ministries will create a picture of segmentation and of value pluralism in the state.

But how are the role and rule structures in the ministries formed? Those structures favour the recruitment of persons of a bourgeois class, urban and male bias. That should mean that the role and rule structures imbue incumbents with exactly those values: bourgeois class, urban and male values. The different working class culture, the rural values of peripheral regions and female values are not represented.

There is an interesting methodological aspect to the investigation of institutional hypothesis. If we choose to study what the bureaucrats actually do and say in the decision-making process, the chances are that the critical data for testing the hypothesis about structurally embedded bourgeois/urban/male values will not appear. To test the structural hypothesis we would have to study what the ministries do, what policy choices are made in situations where class, regional or gender alternatives are present. This problem – the content of government policies and the degree to

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17 Jorun Wiik (1986) has related structural aspects of the political system to the contents of policy. She has produced a study of the role of the state structure in relation to demands for a more liberal abortion policy in Norway.
which the content is influenced by the bureaucracy and biased in favour of bourgeois class interests – is not present, not formulated in the Power Study. 18

PROFESSION-SPECIFIC ACTION MODELS

Value ambiguity and power

What do we know about the action models of the different professions in the state administration? The formation of professional action models is an important area for research on the role and the autonomy of the state administration in the political process (Johnson 1992).

Eckhoff and Jacobsen (1960) suggested that bureaucrats in the Norwegian system are confronted with three partly contradictory value systems: applying science to decision-making; applying existing law and decision-making rules; and, being loyal to the majority in parliaments and to government decisions. The norms are the basis for different types of criticisms of administrative decision-making and they can be mobilized alternately by the bureaucrats to defend their autonomy. If they are criticized for incomplete knowledge, they can mobilize the norm of loyalty to government decisions. If they are criticized for taking political stands they can mobilize scientific arguments etc. The autonomy of the professional bureaucrats is enhanced when it is expected that all three norm sets are valid and relevant. The role of the bureaucrat becomes complex and unclear. The scope for decision-making in the bureaucratic administration is expanded and the bureaucrats can avoid specific forms of criticism by subsuming their decision under other norms than the one applied by the opponent.

Eckhoff and Jacobsen call rational decisions of the scientific type (where means are chosen because it is expected that they will lead to the chosen ends) consequence-oriented decisions. They compare consequence- and rule-oriented decisions and suggest how the distinction can increase autonomy:

"To sum up: in respect to rule-oriented decisions the public servant is free from criticism referring to the consequences of the decision, and with respect to consequence-oriented decisions he is free from criticism in relation to the activities leading to the decision. It is possible that this connection between type of decision and type of criticism stimulates the unintended growth of rules in public administration. Decisions planned to meet

18 See Østerberg (1979) who first put forward the criticism that there were 'no politics' in the NPS study. Alford and Friedland (1974:79) level the same criticism against Stein Rokkan’s analysis in Rokkan (1970): "Very little of the content of politics appears in the key categories of analysis. The various thresholds of legitimation, incorporation, representation, and power refer to degrees of participation, of access and of influence, but they say nothing about the nature of the issues over which groups and elites have been struggling."
consequences turn into rule-oriented decisions, with the result that the decision-maker is protected against self-criticism. On the other hand, the fact that the decision-making process cannot be criticised in the case of decisions that are declared as consequence-oriented, has the effect of protecting the official against criticism from the outside. The situation thus offers ideal conditions for the public servant wishing to avoid criticism, but is not quite so advantageous either from the point of view of the clientele or with regard to the implementation of declared goals." (Eckhoff and Jacobsen, 1960:33)

Eckhoff and Jacobsen’s analysis suggests that members of professions in the state administration have the freedom to choose and structure their strategies and their action models. Even if they are educated within a specific profession, their situation allows them to choose between legal norms, political values and scientific knowledge as the basis for decisions.

Research within NPS argues that the administrative institutions limit professional manoeuvring. As Lægreid and Olsen (1978:9) put it:

"Our main finding is that the bureaucrats neither represent the social group they are member of nor are they neutral experts. Our interpretation is that they primarily are defendants of the institutions they work for, those goals, tasks, means and target groups they are set to serve. Bureaucrats [in the Norwegian ministries] are to a high degree influenced by the organizational structures at their workplaces." (my translation from Norwegian).

They demonstrate that newcomers to the ministries who are critical of the established programmes, the pattern of client relations and/or the methods of work in the ministries often and quickly resign. They are not fired, they are frozen out. If this is correct, we see a professional autonomy based on a complex set of expectations, but severely limited and controlled by organizational structures (established rules, values, expectations etc.) of the state. The problem then - of course - is who has given form to the organizational structures?

Allen Barton on the political role of the Directorate of Industry

An aspect of the relationship between professional autonomy and institutional control of professional action is brought out in Allen Barton’s study (1963) of the licensing of imports in the Directorate of Industry in the 1940’s and early 1950’s. Even though it is a study of decision-making in one specific organ in the turbulent period just after the Second World War, the materials gathered and the analysis of them support the hypothesis suggested above, that the professions have autonomy but that the stable, bureaucratic structure of the administration limits that autonomy. Barton specifies how the limitation manifests itself and some its consequences in the case of import licensing.

Just after the war the demand for import licences outstripped the resources available to meet the demand. In 1947, for example, demands totalled NOK 866 mill.,
while the government had suggested that licences be given for NOK 458 mill. worth
of imports. So the problem in the Directorate was one of selection between applicants.

The Directorate was organized with a director at the top, with department and
office heads, with consultants and secretarial staff at the bottom. The Directorate had
three departments - a law department, a statistics/information department and the
licensing department. The licensing department had its own division of labour. The
model chosen was to structure it according to the branches of industry. The
organization was related to the ambitious, social democratic programme of industrial
democracy, where a hierarchy of democratically elected, cooperative organs should
serve democratic control within each branch of industry (Bergh 1983).

The government did not furnish the Directorate with clear criteria for evaluating
the requests for import licences. The policy was that licences should be given to those
firms which best served the reconstruction programme. Therefore the Directorate had
to specify its own criteria for licence allocations and investigate how the applicants
met those criteria.

Barton found that the decision-makers responded rationally to the organization
structure. That is, the applications were sent directly to branch offices. There they
were to some degree compared. But comparison and coordination of decision-criteria
between the branch offices hardly occurred. Decision-making went on in the
Marchian style: the applications were reviewed sequentially and those applications
which met some reasonable standards that had been agreed on among the decision-
makers were accepted (Cyert and March 1963).

The Directorate had to gather information about the applicants to be able to argue
decisions. However, because the purpose of the licensing was unclear, the criteria for
data collection were unclear. Data collection was therefore experienced as a cumber-
some and frustrating exercise. The Directorate was therefore compelled to search for
information where it was most easily available. And, of course, that was in the large
companies, whose staff knew the kind of information the Directorate needed and
could supply it.

The Directorate was continuously under pressure. The employees worked under
conditions of uncertainty, not necessarily because they had uncertain knowledge about
means – ends relationships, but because the decision-criteria were unclear. Demands
exceeded supply, the Directorate had to make selective decisions. The outcome was
that decisions were made in favour of the largest firms. Their importance in
reconstruction was taken as given. Giving licences to smaller firms required more
work and implied more uncertainty, more chance of criticism - especially from the
large firms.

In this situation of insecurity the professionals in the Directorate (typically an
engineer or economist) organized buffers against uncertainty:
(1) The decision-maker concentrated his attention on the allotted branch or sector. He avoided any attempt at evaluating an application against decisions in other branch offices.

(2) The decision-maker developed some simple criteria for accepting/rejecting applications.

(3) The decision-maker sought meaningful information where it was available, i.e. in the secretariats of the large companies. When small companies passed the threshold to a licence it was often because the decision-maker knew the firm manager and therefore felt he knew the company and could argue for the license.

(4) The loyalty of the bureaucrats was directed inwards, towards the Directorate. They identified with and defended the autonomy of the Directorate. Criticisms of it might disclose the tenuous criteria that were being applied.

Barton suggests that the professional bureaucrats were autonomous because goals and decision-criteria were not defined by the external authorities. However, the organization of the Directorate conditioned the decision-making and guided the outcome selectively in favour of the large companies, the strong and rich clients.

That result was not dependent upon any normative/political identification with the large firms either in the government or among the professionals. It seems more reasonable to say that the organizational structure set certain decision-rules and generated, through professional intervention, action models which systematically put the Directorate in the service of the strong clients.

**STRUCTURAL CONTROL OF PROFESSIONALS?**

Postwar Norway experienced an expanding state apparatus, engaged in the administration of welfare services to the population and regulatory and allocative services to the capitalist economy. Both, I suggest, are necessitated by structural breakdown tendencies in capitalism, in the form of a diminishing base for surplus-value production in the population (more necessary capital-unproductive service work, structural unemployment etc.). The new service state has a relatively small elite of professional bureaucrats at its apex (2.5% of all state employees) and a large base of workers and service personnel with varying degrees and kinds of vocational education, paid at or below the level of the industrial working class. The main finding is that the state organization has embedded in it decision-rules which (a) to a large degree orient state administrative policy toward strong clients in the environment and (b) generate professional action models that adjust professional actions to the values and orientations in the organization structure. The leading professionals in the state have autonomy, but that autonomy has structurally been limited to the major project of organizing capitalism in the period studied. Thus the state organization emerges
as a crucial variable for understanding the content of state policy and the value orientation of the professional action models.

The expansion of the state, and the greater use of professionals within it, may represent an absorption of competence from local communities, from wage-labourers in private production and services, and a concentration of competence in the state. Through their specialization, the professions transform common knowledge into a language foreign to common people. The state administration concentrates power and becomes more accessible to strong, professionalized organizations in civil society and much less accessible to smaller organizations, common people and their social and political movements. In that way the state is continuously organized and reorganized in relation to the demands of strong actors in society. As the state becomes an organization itself, it gradually acquires autonomy and the ability to intervene in society on its own premises, premises formed historically, embedded in the formal structure of the state, but also premises formed by opposition movements, like the bourgeois opposition to the bureaucratic elite in power in nineteenth-century, and like the labour movement opposition to the parliamentary, bourgeois state in the first half of the twentieth century.

The structure and the accepted tasks of the state also affect institutional developments in the civil society. The government’s demand for professional knowledge affects the development of the educational and the scientific institutions. 19

The expansion of the state generates middle classes, groups of people who cannot easily be subsumed under the old class categories relevant in the nineteenth and early twentieth century. And through its intervention, the state politicizes the social classes, in the sense that implementing their interests increasingly becomes a question of state policy and state power. The direct class-to-class relation is severed by state intervention. Through that process the classes themselves, as sociological phenomena, change, become fragmented because the state allocates resources unevenly within the classes and interacts with different elements and sections of the classes in different matters. To the degree that such mechanisms are at work, the management or service state becomes an autonomous entity at the class level, expanding the scope for autonomous professional intervention in society and breaking up (or at least contradicting) the assumed predominance of the economy in giving form to classes and

19 Peter Wagner (1989) has an interesting analysis of how political science in the Western world changed between the interwar and the postwar period. From studies of state-society relations and normative studies of the state seen from the point of view of different classes and different cultures, political science increasingly became organized around policy studies and studies of policy making in specific sectors of public activity. His suggestion is that this was a response to pressing government demands. The question of the macro structure of the West European state was finalized with the democratic parliamentary state. The problem taken on by political science was to define policies within each sector, with increasing intensity - and research funds, as the problems of efficient state intervention cropped up.
institutions. A statist society, a society that generally conceives itself as state, emerges.
Corporatism: the political ideal of the social democratic movement

"If what I have said about depoliticization is correct, corporatism and the ideology of cooperation mean a suspension of conflicts, or put another way: it means that conflicts between groups are transformed up into the bureaucracy - where they are harmonized away."

Osterud (1972:69)

PROFESSIONS AND CORPORATIONS

The economic sectors represented in society by interest organizations can be seen as corporative formations, that is, groups of people with an autonomous economic-functional role in society, groups that create organizations (leadership) to defend the interests of the group and/or sector. If we look at the large national federations of employers and trade unions in Norway, they were originally formed on a class basis. But the member organizations on both sides were grouped according to sector and, as the twentieth century wore on, the trade unions in particular became increasingly sector responsible, that is, they felt responsibility not only for workers’ interests but for the work-places and branches of industry. This encompassing responsibility developed most clearly after the Second World War, when social democracy took on responsibility for the expansion of the capitalist economy as a basis for building a welfare state.

Corporatism can be defined as a political system of sector-specific corporations with representatives for the corporations, and especially the employer and the working-class organizations, cooperating with representatives of the state inside the state. In this sense the economic and professional interest organizations are elements in a corporative system, given that admission to the system is regulated and the
organizations have the right to participate in policy-making within the state apparatus and especially within the bureaucracy, on a par with representatives of the state.¹

Little in the foregoing analysis suggests that the corporations and interest organizations as such dominate the Norwegian state. In this sense concepts like the organization state or the corporative state are misleading. The Norwegian state in 1970 was still a parliamentary bureaucratic state with policy-making authority rooted in political movements and parties, however, a state with strong corporative traits.

This difference between the Norwegian parliamentary state and corporatism becomes more obvious if we accept Schmitter’s strict definition of corporatism (1979), that is: (1) that the circle of corporative organizations is closed and there is no internal competition between the organizations; (2) membership in those organizations is obligatory; and (3) the state authorizes and in practice has decisive power in the organizations.² Using this definition even the corporative traits are weak in the Norwegian state. The system is still plural and open. The circle of organizations is in principle open to new members³ and there is competition between the organizations. The state does not formally authorize the organizations. But if we look more closely at corporative development (in the weaker meaning of the term) since the war, the corporative traits were strengthened during the 1960’s and 1970’s.

What role has the corporative system had, and how has the social democratic movement related to it? Is corporatism an extra channel of influence open to all, in addition to other influence channels (cf. Figure 4.6) or is political power invested in the corporative channel an expression of strong class interests seeking forms of control more advantageous to them than that offered through the parliamentary forms of government? In other words, does the corporative system strengthen the democratic aspects of the modern Norwegian state or weaken democracy and strengthen the

¹ Formally the participating organizations are not allotted state authority. However, corporative organs, like boards for public institutions, can have public decision-making authority. Being represented on commissions and boards appointed by government does in practice often mean being included in the administrative planning and decision-making processes on a par with other public institutions. In practice the representatives of the organizations become a semi-official part of the public administration.

² Or in Schmitter’s own words: “Corporatism can be defined as a system of interest representation in which the constituent units are organized into a limited number of singular, compulsory, noncompetitive, hierarchically ordered and functionally differentiated categories, recognized or licensed (if not created) by the state and granted a deliberate representational monopoly within their respective categories in exchange for observing certain controls on their selection of leaders and articulation of demands and supports” (Schmitter 1979:13).

³ The development of trade unions not affiliated to the Labour Party in the 1970’s and 1980’s attest to this openness.
power of the bureaucracy? Or how has corporatism functioned relative to the main actors in the modernization process in the 20th century?

**INTEREST ORGANIZATIONS IN THE STATE**

As mentioned earlier, it is the large economic interest organizations on both sides, the employers' federations and the labour federations, that, among the organizations, play the dominant role in state policy-making. This dominance is documented in the NPS. A typical NPS description of the organized society is given in Skare (1979): Most interest organizations (88%) were created after 1900. The largest and most influential organizations were created earlier. In 1975 there were about 1200 registered national interest organizations, that is, including every kind, from organizations representing a particular sport to employers’ federations. Together they have 7 000 - 8 000 persons permanently employed in their secretariats, but only 8% of them have large secretariats (31 or more people employed). Nine out of ten secretariats are located in the capital, in Oslo. They produce a myriad of publications. One-third of the organizations have companies as members, the rest have individual members. But not all Norwegians are organized. One-third of the Norwegian population in the mid-1970's had no formal or practical contact with any of the interest organizations.

A rationale for the existence of the interest organizations is to influence state policy-making. NPS asked the secretariat leaders about their membership on public commissions. Table 17.1 gives the answers, distributed among five types of organizations.

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4 Katzenstein (1985) distinguishes between authoritarian and democratic corporatism and between corporatism in the economy, in the system of interest organizations, and in the sphere of the state. Such taxonomies are useful for classificatory, comparative purposes. Their weakness can be that, once a system is classified, variations and developments of that system are seen as movements within each category. Transformations from one to another category can become difficult to discern. Therefore, when analysing the Norwegian political system, I will limit the definition of corporatism to the character and role of corporate groups in the political system, as above, and leave it to the empirical analysis to define the degree of democracy.
Table 17.1 Secretariat members on public commissions, 1975
Distribution between types of organizations, %.

<table>
<thead>
<tr>
<th>Type of organization</th>
<th>Two or more</th>
<th>One</th>
<th>None</th>
<th>Total</th>
<th>%</th>
<th>No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>LO organizations</td>
<td>35</td>
<td>26</td>
<td>39</td>
<td>100</td>
<td>107</td>
<td></td>
</tr>
<tr>
<td>Labour federations outside LO</td>
<td>6</td>
<td>18</td>
<td>76</td>
<td>100</td>
<td>78</td>
<td></td>
</tr>
<tr>
<td>Cooperative organizations</td>
<td>21</td>
<td>21</td>
<td>58</td>
<td>100</td>
<td>62</td>
<td></td>
</tr>
<tr>
<td>Employers’ organizations</td>
<td>16</td>
<td>19</td>
<td>65</td>
<td>100</td>
<td>240</td>
<td></td>
</tr>
<tr>
<td>Farmers’/fishermen’s organizations</td>
<td>31</td>
<td>13</td>
<td>56</td>
<td>100</td>
<td>45</td>
<td></td>
</tr>
</tbody>
</table>

N = 532


This table demonstrates how the commissions are primarily policy-making arenas for the labour federations and big capital. LO and employers’ federations had 347 out of 532 persons or 65% of all members in the commissions. The employers had close to half of the total number of secretariat members (240). Although the percentages in the first column indicate that unions and organizations in the primary sector dominate, when we compute the actual number of secretariat members engaged in commissions, LO and the employers’ federations clearly take the lead. For LO, 37 secretariat members are in more than two commissions. The number for the employers’ organizations is 38. The number for the three other types of organizations is 32 secretariat members.

Who were the secretariat members that typically represented the organizations in the state? They were people with university degrees, often from an urban background and males, that is, they are sociologically quite similar to their counterpart group in the government administration (see Table 16.6). Hallenstvedt and Hoven (1974) state that

A closer investigation of about 1800 members [of government committees] in 1966 demonstrates that 8% were from farming and 1% from a fisheries background. Somewhat over 1% were industrial workers... Among the members of the committees in the transport sector between 1961 and 1968, 78% had university degrees.

The authors conclude that through the commission/committee system the public administration adds a substantial amount of professional resources to its ranks. In 1968 the state commissions had about 4 000 members with a university education. These people were mostly appointed by the government. For that reason alone we might expect that both the professional and the ideological profiles of the two groups, the bureaucrats and the commission members, will be comparable. In this way the bureaucracy is able to select large sections of the professional community in Norway.
to serve in the decision-making process in government. It is a closed, bureaucratic selection process in which the interest organizations have some say.

In the Norwegian political system, popular democracy is invoked on one day every other year to vote alternately for some 30-100 members of municipal and provincial parliaments and for all the members of the Storting, with the public voting on party lists. Not that the 4000 commission members have the authority of these elected people. But in defining what the parliaments shall decide on (the political agenda) and which solutions to choose among, the parliaments are probably heavily influenced by the knowledge and problem conceptions of professionals in government at work in the corporative channel, be they permanently employed there or engaged in commissions as representatives of the interest organizations.

Whom do the representatives of the interest organizations meet in the commissions? Primarily state bureaucrats, often bureaucrats from the top echelons of the administration. Some details of the corporative system can be discerned if we look more closely at the corporative organs in one ministry. I have investigated the social and organizational composition of commissions under the Finance Ministry in 1973/1974. I have distinguished between: boards with decision-making power and advisory commissions; between members from parliaments, from public administration, from employers' federations, from labour federations, managers in private firms, farmers, and workers.

**Table 17.2** The composition of boards and advisory commissions under the Finance Ministry, 1973/1974

<table>
<thead>
<tr>
<th>Members</th>
<th>Boards %</th>
<th>Advisory commissions %</th>
<th>All %</th>
<th>No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parliamentarians</td>
<td>10.6</td>
<td>5.6</td>
<td>8.7</td>
<td>24</td>
</tr>
<tr>
<td>State bureaucrats</td>
<td>40.6</td>
<td>53.3</td>
<td>45.5</td>
<td>126</td>
</tr>
<tr>
<td>University academics</td>
<td>2.4</td>
<td>8.4</td>
<td>4.7</td>
<td>13</td>
</tr>
<tr>
<td>Representatives of employer federations</td>
<td>6.5</td>
<td>7.5</td>
<td>6.9</td>
<td>19</td>
</tr>
<tr>
<td>Representatives of trade union federations</td>
<td>5.9</td>
<td>6.5</td>
<td>6.1</td>
<td>17</td>
</tr>
<tr>
<td>Business leaders</td>
<td>18.8</td>
<td>11.2</td>
<td>15.9</td>
<td>44</td>
</tr>
<tr>
<td>Lawyers/professionals</td>
<td>5.9</td>
<td>2.8</td>
<td>4.7</td>
<td>13</td>
</tr>
<tr>
<td>Farmers</td>
<td>2.9</td>
<td>2.8</td>
<td>2.9</td>
<td>8</td>
</tr>
<tr>
<td>Workers</td>
<td>2.9</td>
<td>0.0</td>
<td>1.8</td>
<td>5</td>
</tr>
<tr>
<td>Home workers/housewives</td>
<td>3.5</td>
<td>1.9</td>
<td>2.9</td>
<td>8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100.0</td>
<td>100.0</td>
<td>100.1</td>
<td>277</td>
</tr>
<tr>
<td><strong>N=</strong></td>
<td>170</td>
<td>107</td>
<td>277</td>
<td></td>
</tr>
</tbody>
</table>

*Source: St.meld. no. 7 (1974-75:9-20).*

Table 17.2 shows that the majority of the members of the commissions and boards under the Ministry were state bureaucrats and business leaders. The trade union federations had a surprisingly small number of representatives (17 in all). That the
number of workers, farmers and housewives on the boards was small, should not cause surprise any longer (21 in all, out of a total of 277). How were the occupational and organizational categories represented on the permanent commissions under the Finance Ministry?

**Table 17.3 Full and alternate members on permanent commissions under the Finance Ministry, 1973/74**

<table>
<thead>
<tr>
<th>Category</th>
<th>Full members</th>
<th>Alternates</th>
<th>All %</th>
<th>No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parliamentarians</td>
<td>10</td>
<td>11</td>
<td>11</td>
<td>18</td>
</tr>
<tr>
<td>State administrators</td>
<td>46</td>
<td>31</td>
<td>41</td>
<td>69</td>
</tr>
<tr>
<td>University academics</td>
<td>3</td>
<td>2</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Representatives of employer federations</td>
<td>7</td>
<td>6</td>
<td>6</td>
<td>11</td>
</tr>
<tr>
<td>Representatives of trade union federations</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>10</td>
</tr>
<tr>
<td>Business leaders</td>
<td>16</td>
<td>23</td>
<td>19</td>
<td>32</td>
</tr>
<tr>
<td>Lawyers/professionals</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>10</td>
</tr>
<tr>
<td>Farmers</td>
<td>2</td>
<td>5</td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td>Workers</td>
<td>2</td>
<td>5</td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td>Home workers/housewives</td>
<td>3</td>
<td>5</td>
<td>4</td>
<td>6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>101</strong></td>
<td><strong>100</strong></td>
<td><strong>101</strong></td>
<td><strong>170</strong></td>
</tr>
</tbody>
</table>

Source: Stmeld. no. 7 (1974-75:9-20).

A striking feature of Table 17.3 is the prominence of representatives of private firms and the comparatively minor position of the interest organizations. Although the NPS in no way covers up the direct participation of business managers/capital owners in government (NPS (1982) Chapters 5 and 6), the message from that study has been that the interest organizations play the front role relative to the administration. This may well be the case for the corporative system as a whole. But in the Finance Ministry the managers and owners of firms take 1 in 5 positions (32 out of 170).

Where do we find the few people from the working class in the commissions under the Finance Ministry? We find them in the administration of the National Pension Fund. Looking at the Pension Fund’s management in relation to the membership of all the commissions, there is a marked over-representation of both politicians and workers there (Table 17.4)
Table 17.4 The composition of the boards managing the National Pension Fund

<table>
<thead>
<tr>
<th></th>
<th>Full members</th>
<th>Alternates</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parliamentarians</td>
<td>7</td>
<td>3</td>
<td>10</td>
</tr>
<tr>
<td>State administrators</td>
<td>4</td>
<td>8</td>
<td>12</td>
</tr>
<tr>
<td>University academics</td>
<td>1</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Representatives of employers federations</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Representatives of trade union federations</td>
<td>3</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>Business leaders</td>
<td>5</td>
<td>7</td>
<td>12</td>
</tr>
<tr>
<td>Lawyers/professionals</td>
<td>3</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>Farmers</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Workers</td>
<td>2</td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td>Home workers/housewives</td>
<td>3</td>
<td>3</td>
<td>6</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td>29</td>
<td>28</td>
<td>57</td>
</tr>
</tbody>
</table>

Source: St.meld.no.7 (1974-75:9-20).

The parliamentarians are prominent, with 10 members in all. But the business leaders have 12 members. In general the representation of groups seems to be broader on the boards of the Pension Fund than is typical for all commissions and boards under the Finance Ministry in 1973/74. The problem is: do they play an important political role there, or are they show pieces, used to give the administration a democratic, representative look? An answer to that question would require a study of the political and administrative power of the management system of the Pension Fund relative to other parts of the corporative structure under the Finance Ministry.

CORPORATIVE ORGANS IN THE SOCIAL DEMOCRATIC PROJECT

We mentioned earlier how corporative ideas of state organization were peddled within the labour movement in the interwar years by Colbjørnsen and Søhme (Chapter 11). How did the Labour government after the war conceive of democracy? What roles were the corporative, the administrative and the parliamentary channels assigned by that regime?

If we study the Labour Party programme as it was decided upon in 1930, that is, well before the 1935 Labour Party government under Nygaardsvold, there is a striking message in that programme: The debate on the socialist state is over. The existing state apparatus is acceptable. The problem is working class influence in the state.

The model in the 1930 programme (Hjellum 1987b) can, I suggest, be rendered by the following five points:

1. The labour movement’s political goal is to subordinate the bourgeoisie to the power of the working class and working people generally, "to develop the struggle
all the way to the situation where working people control the land and the industrial means of production and where exploitation no longer exists”.

(2) The primary weapon of the working class is its own organizations. Therefore the "class needs organizations that can help it seize state power".

(3) The primary arena for the struggle is the existing parliamentary state. Through the parliamentary organs the working-class representatives defend the economic interests of the class. But they simultaneously struggle for the ultimate goal: "the labour movement wants to seize state power and use it to implement the interests of the working classes".

(4) When the bourgeoisie uses force to defend itself, the defensive weapons of the working class are its own organizations. The working class must meet bourgeois violence "by strengthening its own organizations".

(5) When representatives of the working class reach a majority, it is possible, through legal channels, to change the constitution and the state organization to better serve working-class/popular interests. The political and administrative organs of capitalist society are not good enough to serve the interests of the working class. "From the base of the economy workers, fishermen and farmers must create a new constitution and the organs that the new class relations require and that give room for popular participation and for individual initiative and responsibility".

The statement in the programme that alludes to the need for a new type of state is the last point (new constitution, new organs). But, I contend, the message of the text is clearly reformist - this reorganization should take place after parliamentary state power has been conquered and the reorganization shall follow the legally established rules for such reorganizations.

Thus already in 1930 the Labour Party had accepted participation within the established, constitutional rules. The organization of the state was accepted as a given starting point for political participation. Working-class power was to be attained by winning votes and positions in the parliamentary arena. This conception of the social democratic project is the basis of the political strategy and the concrete organizational measures taken by that movement after the Second World War.5

5 Per Maurseth (1986) suggests that the Labour Party’s opinion on parliamentary democracy was ‘unclear’ in the early 1930’s and that a united, pro-democratic position was first established in 1939. He cites the 1939 program: "The Labour Party is against dictatorship in any form. An effective democracy is the best guarantee for a peaceful development and for the working people to gain government power. Democracy can best represent the will of the people and safeguard political freedom under responsibility and discipline." (Maurseth 1986:13, my translation).
Organizing capitalism

What were those organizational measures? Specifically, what place did corporative organs have in the scheme of the Gerhardsen regime? I contend that the idea of state in the Gerhardsen regime and the Labour Party in the immediate postwar period was deeply corporative. The idea was that state power should be wielded by the social classes as they were constituted in the economy, through cooperation between their interest organizations and the state. That would give the working class the upper hand.

The political parties had a subordinate place in the model (Bull 1979). Even the Labour Party was not conceived of primarily as a representative organization. Its role was to organize cooperation between the state, labour and capital corporations. The assumption was that democratic corporatism would realize working-class interests through open and democratic competition and cooperation with representatives of other social classes.

This model justifies using the party and the state apparatus against specific radical and conservative tendencies in the working class. Keeping the cooperative process going was more important than short-term advances for the class, advances that the bourgeoisie might use as pretext to exit from the corporative system.

This interpretation of the model is supported by several facts. The Labour Party engineered the "Common Political Programme" of 1945. The first drafts had already been made in August 1940. The political parties were hardly mentioned. The idea was an all-encompassing cooperative society:

"Rational, planned exploitation of the country's human and material resources, in a loyal cooperation between all interests. All sectors of the economy should be given equal opportunities for development" (Bull 1979:73).

The programme was built on that idea. It represented a compromise between the bourgeois parties and the social democrats: The bourgeois parties got approval for the continued existence of the private sector in the economy; the social democrats got acceptance for the idea of a state-managed economy. Generally the programme expounded the idea that increased production and increased capital and labour productivity were a condition for increased wages and welfare services.

The Labour Party in government set about building a complex system of corporative bodies, from the firm level, through sectoral or branch organs, to the national level. All the bodies even at the level of the firm (the production committees), were given advisory status, as mentioned. It was not long before the production committees
Corporatism proved to be rather subordinate to the power of the owners and their "right of management". At the sectoral level, the corporative bodies were somewhat more successful. The reason may have been that their existence was less dependent upon the cooperation of workers. They planned the reconstruction of the main sectors of the economy. The Labour government had accepted that reconstruction meant leaving private capital in control of most of production and distribution.

At the national level the apex of the corporative system was the "Economic Cooperation Council" (Samordningsrådet). The employers' federations had 6 representatives on it. The state, the Federation of Trade Unions and the representatives of home workers (mostly women in unpaid housework) together had 13 representatives. The Committee functioned until 1952, when the employers withdrew, arguing (internally, according to Bull: 1979) that participation represented too many ideological concessions to the Labour Party. But Bull documents that the employers' organizations were interested in such cooperation with the trade unions and the state if it could only be shielded from public attention. A representative of the Shipowners' Federation put it this way after the Council had been formally dissolved: "How important this cooperation has been for the shipping trade and will be for that trade in the time to come, is understood by only a small circle [of our members], and I think it is best it stays that way" Bull (1979: 106). Corporative cooperation continued after 1952 - in an inconspicuous form - in meetings within the ministries, through working lunches between representatives of the state, organized labour and capital.

Historians in Bergh (1977) suggest that the corporative ideas were introduced into Norwegian political thinking during the Second World War by the labour movement. The aim was to plan the economy through a vertical structure, putting representatives of the state and the private economy together in cooperative planning units. But the leaders of the labour movement knew that their ideas could be criticized as reminiscent of fascist ideology. They therefore, as mentioned, explicitly distinguished their position from the fascist model:

"The labour leaders pointed out that the suggested corporative system - in contrast to the fascist model - was democratic, among other things because the economic interest organizations would have access to the state in those matters that really are important for them and because the economic interest organizations should participate with other democratic organizations (the Storting and the parties) so that they did not become power instruments for a small economic elite." (Bergh 1977:38)

6 "The enthusiasm of 1946, when over 600 'production committees' were created in industry, soon disappeared. Many of them hardly functioned at all. And in several cases it was felt that the owners were the only ones to benefit from them" (Lorenz 1974:117-118).
The historians suggest, in accordance with this author's interpretation, that labour leaders in the party and the unions conceived of the corporatist system as a way to a planned economy serving the working class. Capital cooperated. But, "when profits started accumulating, capital wanted out of the cooperative system" (Bergh 1977:39).

**Accepting the enemy's programme and keeping the working-class vote**

Studies support Seip's thesis that the Labour Party used bureaucratic power to suppress opposition to its programme in the working class. As I have argued, the use of power could logically be defended within the corporative strategic model. The outcome was improved living standards for the working class. The cost was the possibility of strengthening private capitalism. However, state nationalizations of industry and large private firms was a way of counteracting that increase in bourgeois power. The class benefit was the welfare state. That was no poor benefit. The welfare state met salient economic and social demands of the working class.

The conclusion is that the Labour Party corporative strategy was, if not in every detail, consistent with the strategic thinking in bourgeois circles in the early postwar period. The welfare state was implemented with only weak and uncoordinated opposition from the bourgeoisie and its organizations. The reason is, I suggest, that the bourgeois elite at that time understood the need for political intervention in the distribution and control of the wage fund.

Olsen's and Aubert's thesis about the division of power in Norway, with the bourgeoisie having economic power and the working class political power is, I suggest, in the main wrong. The Labour Party became the political manager of the capitalist economic system in Norway, a manager that served the strategic interests of the bourgeoisie, but at the same time utilized state autonomy in the capitalist system to adjust the wage structure to increase demand and secure income to people outside the labour markets (the welfare state). Given the reformist perspective, the Labour government was an efficient regime for the capital-owning bourgeoisie because it had confidence in and controlled the working class. The Labour Party’s suppression of working-class radicalism supports the idea that state power was wielded within the confines of capitalism. Through that suppression, and through the regime’s focus on corporatism rather than class struggle, the Labour Party revealed its strategic subordination to bourgeois society. Professor Seip (1963) says, rightly I believe, that the Labour Party basically adopted the political programme of the bourgeoisie, but at the same time managed to keep the loyalty of the working class. Or, as Professor Edvard Bull says: the Labour Party leadership was, through a complex of mechanisms, co-opted into the state elite, an elite united in the project of organizing and defending capitalism.

Given that this theory of co-optation is valid, it suggests a high degree of institutional stability and power. The state organization stays the same, unswayed by
the tumults of the class struggle and the German occupation. The Labour Party was transformed, from an extra-parliamentarian, activist movement struggling for a new conception of both the economy and the state, into a ruling party within the parliamentary bureaucratic state structure, adding corporative traits to it, but using all its resources to manage and modernize capitalism and developing a welfare state to meet working-class demands within that economy.

It seems that the social democratic project of corporative economic cooperation, motivated by the idea of a publicly planned economy and a bourgeois interest in a planned capitalist economy coincided in the corporatist organization of the Norwegian state after the war. The Keynes-inspired national economic accounting, proposed by the social economists after the war, was the language in which this planning exercise was to be formulated. It was a coincidence of forces, the social democratic labour movement and a statist tendency in the bourgeoisie, which pushed in the same direction, towards active state intervention in the economy. And it was an efficient language the economists worked out in their equilibrium theories of the national economy, a language that on the one hand articulated with the socialist idea of a democratically planned economy and, on the other hand, accepted the continuation of the capital-labour relationship, moving as that language does at the level of products and prices, supply and demand, assuming that both labour and capital make their contributions to the total fund of economic values.

Votes count, resources decide

Stein Rokkan (1966) developed an important insight into the state – society relationship in Norway in his article on numerical democracy and corporative pluralism. He studied the relationships between the three main economic formations in the country, which he named labour, business and agriculture. He asked why the opposition against social democracy did not mobilize to defeat it and established a "bourgeois regime". His thesis: because social democracy did not threaten the bourgeoisie.

"Clearly if voters in the established block really felt oppressed by the Labour regime, they would forget their traditional differences and rally to the defence of their cause in a broad antisocialist front. But so far there have been few signs of such a development. The explanation is very simple: The opposition may have been losing in the fight for votes but the interests it represents and the causes it stands for can still be defended through other channels of influence on government decision-making. Votes count in the choice of governing personnel but other resources decide the actual policies pursued by the authorities." (Rokkan 1966:106)

In his now classic statement "Votes count, resources decide" (1975b), his position on state autonomy can be interpreted as similar to Poulantzas' relative autonomy. The state-specific processes, the electoral processes, among others, count. They select and
give form to the problems to be attended to in the political institutions. The numbers decide the party profile and thus the composition of the Storting and the government. But resources decide. The distribution of resources – material and ideological resources, ownership and control of capital and the ability to produce hegemonic ideas – decides much of what the state does with the defined problems. Thus the resources the working class control decide in Rokkan's view how far the working-class representatives can get in formulating and influencing state policy. We can put it this way: it is the resources the classes control, and mainly the control of the means of production (including labour), that determine who has state power. We might expect that, when a policy threatens that control, state power will be used to defend the existing order. Rokkan's formulation allows for the interpretation presented earlier, that the labour movement changed the government personnel, but because the bourgeoisie kept control of the means of production it also kept a basic grip on state organization and policy-making.

Rokkan's studies in the 1960's and early 1970's led him to see interest organization participation in state decision-making as an expansion of representative democracy. In his 1966 article on numerical democracy he viewed the "corporate channel as a supplement to the parliamentary channel, opening new arenas for participation". But he was not sure. At that point he could see the democratization of the corporative channel as a possibility, but not an established fact. When writing again in 1975, the optimism was no longer there. The system was ossifying there is evidence of a trend towards a closing of membership markets and the establishment of clearly delimited circuits of corporative negotiators controlling all major units in the distributive as well as the productive system (Rokkan 1975b:220). Rokkan saw a concentration of power (cf. Jacobsen 1964) in the corporative channel. The process of democratization, if it ever was part of the corporative process, had been halted and even reversed. But Rokkan leaves the question open: "The modern industrial state is constantly torn between these two poles of plebiscitarianism and corporatism" (Rokkan 1975b:219).

Corporatism, the system of tripartite cooperation in the state administration, can be seen as a democratization process: a new channel for political participation and influence, generally open to organized interests. The social democrats saw it that way from the early 1930's and into the postwar period. The idea was that corporative economic planning should function democratically in the service of working-class interests. But the opposite interpretation is also possible. The corporative system limits and undercuts representative democracy. The expansion of corporatism weakens the representative, parliamentary system. Or, put another way, the corporative channel is primarily used by the bourgeoisie to bypass a bothersome parliamentary democracy. Rokkan (1975b) can be interpreted that way. The corporative system was closing its boundaries and limiting participation to those large organizations that controlled
capital resources and that were loyal to privately controlled capitalism. It excluded movements and individuals that argued for a transformation of the economic system. The support for corporative cooperation within the state, among employers and among the social democrats in Høyre (Bull 1979) supports this hypothesis.

This anti-democratic interpretation of corporatism is even stronger if the social democratic cooptation thesis is correct. Olsen in the NPS demonstrated how selective the organization state was: one-third of the population was not represented by the organizations at all, and only the large economic organizations played an important role in the state. But, Olsen implicitly assumed that, since both labour and capital were among those strong organizations, the system still had a basically representative character. If the labour leaders have lost the ability to represent deeper working-class interests, then that premise in the Power Study is negated.

THE ASYMMETRY BETWEEN POLITICAL AND ECONOMIC DEMOCRACY

This wider corporative system (including the language of the social economists) had consequences beyond bringing labour and capital leadership together on organizing capitalism. The participation of interest organizations in the administrative policy-making process probably reduced the political power of the Storting and the parliamentary channel. But the interest organizations, enmeshed in state policy-making, also fragmented the working class and made the corporative divisions in the class more important politically. The unions were politicized. Politics became increasingly a question of the ability to participate in the dialogues in the corporative organs and to influence a number of questions on the public agenda simultaneously. The Labour Party drew the unions into the corporative process. In that process the union leaders met a control-oriented, statist Labour Party more interested in pacifying the working class and getting it to increase its contribution to productivity, than in representing it directly and efficiently in the struggle with company owners and the state.

This alienated leadership function, this 'labour leaders as police' (Seip 1963), was also present in the leadership of the national federations of trade unions. They became participants in state administration, an administration with many irons in the fire, irons that the union leaders had to attend to all at the same time. So, while labour leadership previously had been a question of defining the most important questions affecting the union members at any one time, formulating them as demands to the state and to the bourgeoisie, and struggling in an organized, collective fashion for those demands, the leadership role changed. The unions became testing grounds for specific state policies on questions that often were of minor interest to the working
class at large (Solvang 1974). A democratic, representative leadership is thus, through corporative participation, transformed into an alienated management, working to get the union members into line on questions generated within the state and to suppress all and any form of extra-corporative, extra-parliamentarian activism.

The idea of economic democracy has historically been an important labour demand. The "Common Political Programme" of 1945 suggested an advance in that area. However, even with the Labour Party in government the production committees were a limited success, if not a direct failure. The analysis of the many attempts at introducing more democracy in the economy goes beyond what can be attempted here. Both the social democrats and the explicitly bourgeois parties acclaim the importance of democracy in the political realm, but have worried little about the lack of democracy in the management of capital in the private sector. If the Labour Party could use state power to give wage-labourers and their organizations power over capital at the firm level, that would support the hypothesis that the parliamentary state is an open structure that can be utilized in the service of long-term working-class and popular interests.

Given that socialization of private capital has been abandoned, how did the state and the Labour Party as government manage one of the state-owned companies? Did the Party use its government position to introduce 'economic democracy' and 'worker participation' in state owned companies? How, if at all, was the management system different from a privately organized firm? Does the management system support or weaken the hypothesis in the present study that the state has had a powerful role in mobilizing and organizing the bourgeois class and integrating a reformist labour leadership into the state? The management system of the Kings Bay Coal Mine is a case at hand. In 1962 it was hit by an explosion killing 21 workers. The investigations into the accident produced a detailed material on the organization and the management of the firm.
The privately owned Norwegian coal mine at Ny Ålesund on Svalbard became state property in 1931, four years before the social democrats came to power. It had been a private company since its inception in 1917. We could for that reason expect that it would be relatively easy for the new Labour government to reorganize the mine, if it for example wanted to introduce workers' democracy. No statist, bureaucratic interests were entrenched in the Mine organization.

How did the Labour government intervene in the management of the mine? Specifically, did the ideas of economic/working-class democracy affect the management of the Kings Bay Mine Company, so that the management system at Kings Bay became more democratic, more open for introspection and more directed to the public good than comparable mines in the private sector?
To answer that question, I will first present some data on state ownership of industrial firms globally, to indicate how common this form of industrial organization is. My brief report on that point will be abstracted from *The Economist*, December 1978. I will describe the system of state-owned industry in Norway. Then I will investigate materials on the Kings Bay administration produced in connection with the drastic accident in the mine on 5 November 1962. I will search for the characteristics of the management system and how they compare with characteristics of mine managements in the private sector.²⁰² I will draw on Alf Inge Jansen's study (1971) of the organization of the Ministry of Industry, using it to clarify the contributions and the limitations of organization theory in studying state structures and policies.

Even if we should find that the social democrats did little to change the administration of state-owned companies in democratic direction, that in itself does not prove that the Social Democrats were prisoners of a bourgeois state structure. It may be argued that they concentrated their political efforts elsewhere, struggling to acquire firms from the private sector and creating a corporative planning system at the policy-making level of government.

What kind of administration of the Kings Bay Mine would we expect to find, if the theory of the alienated state and the theory of bureaucratic power wielding are correct? We would expect to find a management without much understanding of workers' interests and

²⁰² The accident instigated a number of investigations. One was the Tønseth report, produced by the commission the government set up immediately upon hearing about the accident. The Board of Kings Bay Mines produced a response to the Tønseth report. This response, together with the government's evaluation of the accident, was published in the parliamentary document Stortingsmelding no. 86 (1962-63). The accident happened at a time when a number of other questions concerning state management of industry were being discussed. A commission was set up in the autumn of 1963 to make a more general investigation of the management system in the Ministry of Industry. It was named the Fleischer Commission, after its president, Carl Fleischer. It is data produced by these public inquiries that will be used in the following analysis.
heavily focused on maximization of production. We would expect the mine management to consider economic democracy, a thriving local community and stable production to be beyond its responsibility. We would also expect a hierarchic and top-down type of management, with barriers against bottom-up and horizontal flows of information.\textsuperscript{203}

\begin{flushright}
\footnotesize
\textsuperscript{203} Margalef (1968) has some interesting hypotheses about energy and information flows in biological systems. He suggests that there is always some exchange of energy between subsystems and that the stronger subsystem normally 'exploits' the weaker: "There is some energy exchange between two subsystems (arbitrarily chosen), in the sense that the less organized subsystem gives energy to the more organized, and, in the process of exchange, some information in the less organized is destroyed and some information is gained by the already more organized".
\end{flushright}
STATE-OWNED INDUSTRY: AN INTERNATIONAL OVERVIEW

Looking at state-owned industry globally, we might intuitively expect a relatively low level of state ownership in the USA and Japan, and relatively high levels in third world countries like Brazil and India. We might also expect state ownership to be highest in infrastructural kinds of activity and lower in the field of consumer-type industry. Both of these expectations are born out by the data (Table 18.1).

Table 18.1 State owned production. International comparison within four sectors, %.

<table>
<thead>
<tr>
<th>Region</th>
<th>Telecom-</th>
<th>Rail/air</th>
<th>Energy</th>
<th>Industry</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA/Canada</td>
<td>56</td>
<td>44</td>
<td>16</td>
<td>0</td>
<td>24</td>
</tr>
<tr>
<td>Japan/Korea</td>
<td>100</td>
<td>50</td>
<td>17</td>
<td>13</td>
<td>39</td>
</tr>
<tr>
<td>Australia</td>
<td>100</td>
<td>88</td>
<td>50</td>
<td>0</td>
<td>58</td>
</tr>
<tr>
<td>Europe</td>
<td>98</td>
<td>94</td>
<td>75</td>
<td>42</td>
<td>72</td>
</tr>
<tr>
<td>Brazil/Mexico</td>
<td>100</td>
<td>69</td>
<td>100</td>
<td>46</td>
<td>78</td>
</tr>
<tr>
<td>India</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>58</td>
<td>89</td>
</tr>
</tbody>
</table>

* 94 79 61 34

* % state ownership in all four sectors

The variations in this table are quite systematic over both countries and types of production. In each case (except for Brazil and Mexico), the percentage of state ownership declines as we move from left to right in the table (from infrastructure to industry). In most sectors of production the percentage of state ownership increases as we move from top to bottom of the table (from USA and Canada to India). Industry is the sector with lowest degree of stateness. We might expect the opportunities for profits for private
owners in the short run are greater in that sector than in the infrastructural sectors.

If we look at the ownership of the largest industrial firms in Europe, we find that they usually are private. Of the five largest in 1978, Shell, Unilever and Philips were totally private and represented 59% of the total employment and 65% of total production of the five firms. IRI ITALIA was the fourth largest and totally state owned, while British Petroleum was second largest and 60% state owned. Among the 50 largest firms in Europe, *The Economist* found the same relationship: 31 all private, 10 all state owned, and approximately 60% state ownership in the rest. So there is no question: state ownership of industrial-type production is a common element in most modern capitalist societies.

Can one of the reasons be that state ownership generally has left the internal social relations and management processes in the firms untouched, so that state-owned firms could not be used positively in the political struggle of the left? Several things suggest that. It seems that the reason for nationalization in many capitalist countries is either that the firms are operating at a loss and/or that they play an important part in the labour and/or commodity markets, delivering important use values to the economy. *The Economist* reported that in 1978 the 50 largest firms in Europe had a large net surplus, while the wholly state-owned firms made a loss of GBP 0.8 mill.

**STATE-OWNED INDUSTRY IN NORWAY**

In Norway, state ownership of key industries was one of the ideological banners of social democracy after the war. The state took over large industries established and run by the Germans during the occupation (Årdal Aluminum, 1946, Årdal at Sunndalsøra, 1951). The government established state-owned
industries, Jernverket in Mo i Rana (1946), Norsk Koksverk (1961) and Sørøra at Husnes (1962). The state also involved itself as a minor or major shareholder in private companies (Siemens, AEG, Telefunken, Norsk Hydro and Sydvaranger).\(^{204}\)

We can distinguish between state companies (\textit{statsbedrifter}) and administrative companies (\textit{forvaltningsbedrifter}). The first function by definition as private firms, regulated by the same laws and free to use the surplus after taxes as they wish. The administrative companies (like the railways, the post and telecommunications) have their economies integrated into the state budget and are formally controlled by the government and the \textit{Storting}. The relative distribution of real capital between the public and the private sector and the subordinate position of the state has been described earlier (Tables 6.3 and 10.2). Norway was comparable to other European states: most state-owned capital in infrastructure, a limited position in machine investment and consumer-type industry.

\(^{204}\) In the study by Gran and Jensen (1978), mentioned earlier, on Arne Fabrikker, we investigated the merger of Arne into the holding company Norion. The state, through the Ministry of Industry, had the initiative in creating Norion. But the project was far from any general reorganization of the textile industry from private to public management. In Norion the state settled for 40\% of the shares while the majority of shares stayed with Peter Jebsen, private owner of the textile mill Høye outside Kristiansand. If you asked the workers and the unions at Arne who gained and had control of the merger they would quickly respond Jebsen. In other words, the state organized a merger that mainly benefited the largest private capitalist. The consequence of the merger for Arne was an almost total shutdown of production.
THE GOVERNMENT SYSTEM FOR MANAGEMENT OF INDUSTRY: 
THE EXAMPLE OF KINGS BAY

The Ministry of Industry

A salient feature of the management system for the state-owned companies is that the Ministry of Industry is *general assembly* for all the 100% state-owned companies. Under the social democratic regime the old system was continued: the minister for industry was general assembly in all the state-owned companies. The Labour Party did not appoint larger, more representative assemblies for the companies. On this point therefore management systems in the larger privately owned industrial firms are more democratic. Their general assemblies are often large bodies of shareholders and their composition, notwithstanding duplications (same person in several assemblies), varies across firms.

How was the management of the state-owned Kings Bay Mine organized? Figure 18.1 (next page) presents the formal structure. The figure demonstrates the complex structure of the Ministry of Industry in 1957, a structure evolved over time, each new unit solving particular problems at specific points in time. The result is a sedimented structure, one layer of units created on top of the earlier layers. The two departments were the early elements. The Directorate was created in connection with the management and licensing problems after the war. The General Office had an independent position relative to the Ministry with more general planning and evaluation functions.

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205 State companies are regulated by the law on shareholder companies (Lov om aksjeselskaper, no.59 of June 4, 1976). It defines the general assembly (generalforsamlingen) as the supreme authority where all shareholders can meet and where both person and number of shares count. The general assembly elects the board of the company.

206 Alf Knag (1971) has produced a brief history of the Ministry. Industrial affairs was part of a Ministry for Social Affairs up to 1916. Then Social Affairs was separated out, leaving behind
a Ministry more focused on industry. Knag does not describe the creation of the directorate or the general office. Both organs are postwar creations. It was only in 1955 that water transport was taken out of its sphere of responsibility. This long time melange of industry and other affairs in the same ministry may support Dag Magne Berge’s thesis that Norwegian industry was fragmented and poorly organized as an 'interest group' right up to the 1970's (Berge 1984).
Figure 18.1 depicts the large number of companies that the Ministry and the top administrator, the counsellor (departementsråd) were responsible for (administratively reporting to the Mining Office and the Legal Office). The diagram shows how the Kings Bay Company was subordinated to dual authority, the Ministry of Industry and the Ministry of Municipal Affairs - the latter with responsibility for control of working conditions, labour safety, etc. The whole system was highly hierarchical with about 13 levels in the administrative ladder.

The State Calendar for 1957 tells us that the Mining Office, administratively responsible for Kings Bay, had a complex set of tasks. It had to control the companies allotted to it. It had to control scientific institutions like The Geological Research Institute and the Materials Research Laboratory. It had to prepare industrial laws and regulations concerning Svalbard and it was the secretariat for the Commission of Mining, a corporative body for policy advice to the government.²⁰⁷

²⁰⁷ Nils Christie (1964) demonstrates some consequences of having a complex set of tasks in a welfare agency. Parliamentarians of all political shades find some 'legitimacy' in the agency, however differently they may define state responsibility for welfare. It creates ambiguity as to what the task of the agency is, making external criticism of the agency difficult and increasing the agency's freedom to define what it should do. The role of the unclear goal definition was in practice to allow strong pressure groups outside the agency play a dominant role inside it. Aubert argues that the control dimension rather than the service dimension became dominant in the agency’s practice, quite in contradiction to what parliament explicitly intended. The agency, as he puts it, worked more as a section of the police, than as an assistant and supporter for clients in need. The complex tasks of the Mining Office might have some of the same consequences. Complex goals make rational organization difficult, make the organization liable to diverse forms of criticism, put the employees on the defensive and make it tempting to adjust to and accept dominant values in the organization's task environment. We would therefore expect that administering the Kings Bay Mine according to goals of public service, workers' interests and economic democracy would require a specific and explicit focus on such goals in the administratively responsible organs in the state.
What professional profile did the Ministry have? Three central administrators in the Ministry in 1960 were lawyers (Harry Lindstrøm, Egil Hammel and the Counsellor, Karl Skjerdal). The lawyers had a strong position. According to the State Calendar, 1957 there were 62 people in decision-making positions: 33 of them were lawyers, 9 were economists, 12 engineers, 1 military and 7 without a specified higher education. We might expect this structure to produce a strong focus on legal control and less focus on processes of administrative, technical and economic innovation and workers' and customers' interests. We might well expect a rule-oriented administrative organization (see Eckhoff and Jacobsen 1960).

KINGS BAY: THE ACCIDENT AND PUBLIC INVESTIGATIONS

On 5 November 1962, in the deep, cold winter of Svalbard, there was a large explosion in the mine, setting the mineshaft Esther I on fire, and killing 21 workers. It was not the first fatal accident in the mine. In December 1949 an explosion killed 15 workers. Three years later, in January 1952, an explosion killed 9 workers. One year later, in March 1953, 19 lost their lives in the mine. In addition, from 1948 to 1962 12 workers were killed in individual accidents. Thus 76 workers lost their lives in the mine between 1949 and 1963.

The accident in 1962 led to two critical investigations. First, it instigated an examination of the government system responsible for state-owned industry. Secondly, the accident initiated a political evaluation process which led to a vote of no confidence toward the Einar Gerhardsen government in the summer of 1963. Thus the bourgeois parties plus the Left Socialist party in the Storting put an end to the social democratic government. A bourgeois, four-party,
coalition government under Prime Minister John Lyng was installed. That government lasted for three weeks, from 27 August to 20 September 1963, when it was defeated during the inauguration debate in the Storting. A new Gerhardsen government was appointed a couple of days after the municipal elections. The political process has been analyzed in detail in Karmly (1975) and will not be a matter for analysis here. I will study the administrative management of the Kings Bay Company.

The Tønseth report
Immediately after the accident the government sent a commission of investigation to Svalbard. It did not get down into the mine because of a blazing fire and had to leave after just 15 days of interviews and investigations. Ice and snow were closing in on the island and threatening to block the exit back to the mainland. Still, the Commission managed to gather a substantial amount of information.

Management of the Kings Bay Mine was not an easy task. The harsh winter climate has been mentioned. During the six winter months the mine was completely isolated. The coal was difficult to get at: the coal layers were slanted at a 15 degree angle, making transport and movement cumbersome; the layers were of varying thickness, so that in certain parts there were only a few feet of coal between hard rock. However, the Tønseth Commission found that these harsh conditions could not excuse the death toll experienced in the mine: "There are few mines in the world that have had four major explosions over a period of 14 years and where coal dust was implicated in two of them." The Commission presented an analysis of the processes leading to the accident. Its main criticism was that questions of safety had been blatantly overlooked by the mine management over a long period:
(1) Stone dust, to keep the coal dust from mixing with air, had not been spread in the Esther I shaft. The ventilation system was inadequate. The technical administration did not become alarmed when concentrations of gas were registered in the shaft on 5 November. Generally the Kings Bay management had been "completely passive" in the field of work safety.

(2) Open wick ignition was widely used in the mine at the time, contrary to the rules.

(3) Newly employed workers were not given any on-site training before entering the shafts.

(4) Shafts taken out of production were not sealed off as they should have been.

(5) Dynamite ignition materials were openly accessible to all workers in the shafts. These materials should have been under the control of a foreman. The electrical system was not routinely controlled.

On 15 July 1963 the board of the company made its views on the Tønseth report public. It criticized the Tønseth Commission for being too sure about its conclusions. But, looking more closely at the board's response, none of the criticisms set forth by the Tønseth Commission were refuted. Nor did the board suggest any alternative explanation of the cause of the explosion.

The board responded that it had been active, but "that it is not the board's responsibility to control work safety in the mine". It argued that there were advantages in using wick ignition and that the board had applied for the right to use such a method. However, it had to admit that it had not received authorization for using wick ignition.

The board's conclusion was that the cause of the explosion had not been fully clarified. It argued that: (a) the amount of gas registered was not sufficient for such a large explosion; (b) ignition seemed unlikely at the place the Commission assumed it had taken
In the board's reaction we can discern two main arguments: one is that the board has limited responsibility for the practical management of the mine; the other is that the Tønseth Commission's analysis was hypothetical rather than definitive. The first argument is formalistic: if the board had wanted to expand its area of responsibility, it would have met little opposition. The other argument at best weakens the Tønseth Commission's conclusions. The mine was, as mentioned, administered under the same law as private owned firms (Aksjeselskapssloven). The social democratic government had not widened the responsibility of the boards in state-owned firms. The idea in the existing law of the limited management responsibility was also peddled by the government when it was criticized for passivity in management of state-owned industry.

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208 According to Karmly (1975), the board's rebuttal of the Tønseth Commission represented a turning point for the Labour Party leadership. From being rather discouraged and defensive, the Gerhardsen government gained renewed political confidence in its struggle against the bourgeois parties.
Management of the company
How did the board manage the company? The Tønseth Commission is critical: in a period when plans were approved for major expansions of production the technical management at the site in Ny Ålesund was reduced from three engineers to one. As the Commission says, the government had already been criticized in the 1950's for operating with a technical management that was too small.

"Against the advice of earlier commissions, the board planned for a production of 110 000 tons during the winter of 1962. The plan for 1962-63 was increased to 200 000 tons with only one mining engineer on site. We state that one should never start a production of that magnitude with such a limited technical management." (Tønseth Commission 1963:17-18)

The Commission argued that the Kings Bay Mine was managed well below normal standards in privately owned mines, in terms of both production safety and size of technical management.

THE ROLE OF THE GOVERNMENT

Continued production
The Gerhardsen government decided in those November days of 1962 that production should continue in the mine shafts not hit by the accident. On November 15, while a first investigation commission was looking into the accident, the government sent the following telegram to the technical management at the mine:

"It has been decided today that production should continue in Vestre Senterfelt this winter as planned. It is requested that special attention be given to safety. The government will later consider the question of continued production in Ny Ålesund. Boger is informed. (Tønseth 1963:6)
This decision was probably influenced by the plans for starting a coal-processing plant in Mo i Rana (Norsk Koksverk) by the summer of 1963. That project required increased production of coal from Kings Bay. The bourgeois parties had criticized those plans. A successful start in the summer of 1963 was therefore of high political priority for the Gerhardsen government.
The composition of the board
The boards of state-owned companies are selected by the government. The board consisted of three people. The leader was Karl Skjerdal.\(^{209}\) As top administrator in the Ministry he was the central bureaucrat in relation to the general assembly of the Kings Bay Company. Skjerdal was a lawyer. He had no technical training in the field of mining or mine management. The second member of the board was the general manager, Larsen, from Oslo. He had some practical experience of mining on Svalbard, but, as he said to the Tønseth Commission: "My experience of the mines at Longyear town had little relevance for work at Ny Ålesund, where the conditions were quite different." The third member of the board was Consul Odd Berg from Tromsø. He was an economist, also without any experience of mining. As it is dryly stated in the Commission report: "The board usually visited the Mine at Svalbard once a year. He was the one who consistently never joined the others when they went down into the shafts for inspections."

The composition of the board is at the discretion of the government. Although it might be difficult to evaluate the quality of the chosen board, it is possible to reflect on what it lacked, given the general ideas of industrial democracy propounded by the labour movement.

(1) The workers and the unions had no representatives on the board.

(2) There was no representative of the political side of the labour movement

(3) There were no representatives with specific, relevant technical expertise, either in management, mining or work safety.

\(^{209}\) Skjerdal wrote a long defence of his activities in the Ministry, criticizing the Labour government for blaming him and other bureaucrats (among them Harry Lindstrøm) for the mismanagement of state industry (Skjerdal 1967).
Why not? Why had the government not used its prerogative to select people who could have attempted to implement good working conditions and economic democracy? Looking at the composition of the board, two criteria seem to have been activated in the selection process: appoint people who will secure direct and strong government control of the mine; appoint people who are knowledgeable about laws, rules and business aspects of company management. An investigation of the selection process would probably show that political considerations had hardly come into the choice of board members.

Limited political responsibility
When the question of responsibility was raised in the Storting in the summer of 1963, Einar Gerhardsen defended the government with the same arguments that the board of Kings Bay had used earlier: he cited the law regulating the responsibility of boards of private companies (Bergh 1977:163). That law limited the responsibility of the general assembly (composed in the private sector of stockholders). The Labour Party faction in the Storting also cited the limited responsibility when criticized by the bourgeois parties. As the faction said: "When not otherwise decided, a member of government - or the general assembly of a firm - has no obligation to ensure that a state-owned company actually abides by its safety rules" (Karmly 1975:91). But, as Karmly points out, that argument is flawed, as the Storting already in 1956 had decided, after noting the number of fatal accidents in the Kings Bay Mine, that "everything possible should be done to prevent further accidents" (Bergh 1977:162, Karmly 1975:91).

The double role of the mine controller on Svalbard
The government had responsibility for the public control of mining on Svalbard. The mine controller on Svalbard (bergmesteren) had a
specific, politically important, double function. He was mining controller, responsible for all mining in the archipelago of Svalbard. As such he was subordinated to the Ministry of Industry. On the other hand, he was the Regional Inspector of Works and as such responsible for work safety in companies on Svalbard. As Inspector of Works he was subordinated to the Ministry of Municipal Affairs. In both these positions he had the authority to require remedial action by company managements. But, in suggesting such action in the Kings Bay Mines, he would confront his main employer and superior, Karl Skjerdal in the Ministry of Industry, who was Counsellor and head of the Kings Bay board. As the Tønseth Commission puts it. "There is reason to believe that the mine controller in such situations would not feel completely at ease." All the same, the Commission criticized the mine controller for inaction on the question of safety measures at Kings Bay.

The most likely explanation for this ambiguous administrative structure is that it arose by default (non-decision). The system developed gradually, over time, without any specific intervention from the government - the result being unclear lines of authority, conflicting definitions of tasks and concentration of power in the hands of the Counsellor. The administrative structure, so to speak, had a life of its own, quite independently of the political colouring of the government. However, the system does indicate that the

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210 Svalbard is a Norwegian protectorate. Norway and the Soviet Union are engaged in economic exploitation of the archipelago.

211 The Fleischer Commission points to another such dual role for one of Skjerda's confidants, the head of the Mining Office, Harry Lindstrøm. The government had a commission for policy issues on processed coal, 'Koksutvalget'. Skjerda was the head of that commission and Lindstrøm was appointed its secretary. Koksutvalget sent recommendations to the Ministry of Industry. There Lindstrøm as head of the Mining Office received and processed the recommendations he had just participated in making as secretary to Koksutvalget (Fleischer Commission 1964:45).
Labour government was not overly engaged in limiting the power of top bureaucrats.

That safety matters were ignored becomes increasingly irrefutable as we move up the administrative structure. The government did not offer much attention to safety in state companies. The Directorate for Work Inspection (Arbeidstilsynet) had approached the board of Kings Bay, suggesting safety regulations. But the company had not responded. The Tønseth Commission found that the suggested rules were never put before the board. The Kings Bay manager in Oslo (Boger) sent the proposals directly to the technical management at the mine in Ny Ålesund. A technical expert who had visited the mine for an inspection, told the Tønseth Commission that he had never seen any such proposals there. The proposals just disappeared. Why the Directorate did not request a response to its suggestions is not clear.

According to the Tønseth Commission, even the safety commission set up by the trade union at Kings Bay was inactive. The few initiatives taken to improve safety routines were swallowed up and neutralized by the administrative system. The goal of the company seems to have been maximum production at least possible cost. The union was wage-oriented and seems to have ignored security questions. The workers acquiesced.

*The Storting - to be avoided*

It is well documented that the government attempted to withhold the Tønseth report from the *Storting* until after the summer recess. On 13 June the report was put on the government table. The contents of the report were a hot potato for the Gerhardsen government. On 19 June the *Storting* discussed further budgetary allocations to Kings

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212 It has been suggested that the wages were relatively high for work on Svalbard. The mines therefore attracted many young workers who were happy with the wages and relatively uninterested in work conditions.
Bay, without the report being mentioned by any member of the government. The Storting was scheduled to adjourn on 21 June. On 20 June information about the existence of the report was leaked to the Storting. Adjournment of the Storting was postponed and a heated political battle over government responsibility could not be avoided.

When the Gerhardsen government was forced to defend itself in the Storting, it argued that the report was delayed because of technical difficulties of reproduction. However, it seems beyond doubt that the government was playing for time by trying to suppress the report until the adjournment of the Storting. It was perhaps a smaller sin than the Berge government's withholding of information on budgetary allocations to the Trade Bank (Chapter 13), but it was a decision in the same vein: the Storting was seen as a hindrance in the political process, not the natural and superior decision-maker in the system. It would in this case seem that the government operated within a corporative, rather than a parliamentary action model.

CHARACTERISTICS OF THE STATE ADMINISTRATION OF KINGS BAY

What emerges, then, is an administrative system characterized by a high degree of centralization of power, especially in the position of Counsellor in the Ministry of Industry, and by ambiguous lines of authority. The board of the company was oriented to maximizing production at the least possible cost and with a concomitant lack of interest in work safety. What seems likely, given the sources I have had access to, is that the Labour government had not invested much political energy in organizing the administration of state-owned industry. What was at stake for the Labour government was not
economic democracy but a conflict with the bourgeois political parties over the efficiency of state-owned industry. That can explain the stark government focus on output from the mine on Svalbard. In this sense the state organization limits and conditions government action models.

The structure of the administration reinforced a capitalist-type relationship between management and workers. As Schattsneider put it: "Organization is the mobilization of bias. Some issues are organized into politics while others are organized out" (Schattsneider 1960:69). In the case of Kings Bay under social democratic management, maximization of production was organized into the management structure, while economic democracy and workers' interests were organized out. The interventions of such an administration take on the form of bureaucratic power wielding: centralize power, suppress popular participation, avoid marginal matters (like work safety) and act forcefully to maximize production.

THE GENERAL SYSTEM OF STATE ADMINISTRATION OF INDUSTRY.
THE FLEISCHER COMMISSION

By November 1963, after the parliamentary battle was over and the Lyng government had its brief session in power, the new Gerhardsen Government was ready to put the question of state administration of industry to a commission. The Fleischer Commission was appointed on 15 November 1963, with Carl Fleischer as chairman, and with the Ministry counsellor Agnar Kringlebotten and Supreme Court lawyer Finn Arnesen as members (all three were lawyers). The government mandate focused on the internal workings of the Ministry of Industry and said that the...
Commission should not raise the question of parliamentary or government responsibility. The result was a study of the formal system of management in the Ministry and how and to what degree administrative practice diverged from the formal requirements embedded in rules and regulations. The assumption was that following the rules would eliminate many of the weaknesses revealed in the management of state-owned industry.

What did the Fleischer Commission (FC) find? It found what it was looking for: on a number of points the administrative practice was at odds with the rules and regulations. The standard operating procedure is case oriented. When a question arises it should be allocated to that part of the organization considered most competent to handle it. Then the case should be sent to the bottom of the decision-making pyramid, each decision-maker adding his or her comments as it passes upwards. The final decision is made at a predetermined level, although with the possibility of sending the case higher up if that is deemed necessary by the decision-making unit or a higher authority.

The FC found that in the Ministry of Industry:

(1) cases were often not sent to the bottom of the pyramid, but dealt with and decided upon at intermediate or higher levels. FC points specifically to Harry Lindstrøm, and says that he often decided questions in the Mining Office without consulting subordinates;

(2) when cases and suggested decisions were sent upwards in the pyramid, particular bureaucrats in the formal line of authority were bypassed, when or if it was considered necessary by certain other powerful bureaucrats;

(3) when Harry Lindstrøm considered it appropriate, dossiers would not be sent horizontally to offices that by formal definition should have had a say in the case;
(4) the rules concerning dual roles were unclear and should be standardized for the whole public administration, so as to avoid one person dealing with the same case in several positions within the administration.

**Skjerdal's reaction to the Fleischer report**

Karl Skjerdal wrote a book on the Commission's evaluation of the Ministry. In it he is highly critical, making basically two points: (1) the government mandate forced the FC to study the internal workings of the administration when the problem was government responsibility; and (2) therefore the FC had to put the blame on particular bureaucrats, i.e. himself and Harry Lindstrøm. Thus, he suggests, the Gerhardsen government appointed the FC so as to evade its own responsibility.

The FC report is remarkable for its explicit evaluation and criticism of named bureaucrats. It makes specific and conclusive statements about decisions made by Lindstrøm, decisions that later were to be tested in the courts.²¹³ Lindstrøm's internal notes are exposed as statements unfitting for a government employee. For example:

"It was in 1962 that Lindstrøm's notes really became unfitting. In a note of 17 August he wrote that a representative of the Working Men's Union at Svalbard (Norsk Arbeidsmannsforbund på Svalbard) was a paid agent of [the mining company] Store Norske... In a note of 7 October Lindstrøm characterizes two government representatives on the board of a [state-owned] company as "worthless" and "sheepish". (FC 1964:48)"

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²¹³ FC says that Lindstrøm kept to himself information that made it possible for him to engage in economically dubious transactions when Kongsberg Sølvverk was dismantled.
Skjerdal suggests that FC missed the main point in its focus on formal procedures and questions of control. In his opinion, an understanding of the problems in the Ministry could not be achieved by comparing practice with formal rules and regulations. It was rather necessary to analyze the government goals for industrial development and the problem of the appropriate organization for implementing those goals (Skjerdal 1967:73). Skjerdal refers to an article by Høye, the editor of the newspaper *Vårt land*, supporting his own views. Høye states that the FC report is a hodgepodge of politics and administration.

"The focus is on internal matters when it should have been on political responsibility. What one should have asked was whether ministries and directorates, as they were organized by government, could reach the level of efficiency, autonomy and decision-making ability that the development of an industry competing in international markets requires." (*Vårt land*, 12 February 1965, referred to in Skjerdal 1967:170-171)

THE ORGANIZATION OF THE MINISTRY OF INDUSTRY, SEEN FROM THE POINT OF VIEW OF MODERN ORGANIZATION THEORY

*The theory of innovation in formal organizations*

Alf Inge Jansen (1971) adopts the same perspective as Skjerdal and Høye in his analysis of the FC report. The problem, as he sees it, is precisely: was the Ministry organized to manage the new industrial development projects that were on the political agenda in the 1950's and 1960's? He suggests that the Ministry should be considered a political organization: "The Ministry of Industry was the central development organization in the country in the 1960's. It was an organizational instrument for industrialization and modernization. Its primary tasks and functions were therefore of an eminently political character" (Jansen 1971:239).
The problem with the Ministry, according to Jansen, was that its organization structure was not fit to that political task. The FC analysis was mistaken because it defined the task as one of administrative implementation of externally defined policies. The FC developed a model for routine administration, i.e. a classic bureaucratic model, focused on a rigorous, one-dimensional division of administrative labour and on ensuring that existing rules and regulations for classifying tasks and for problem-solving were followed.

*How should the Ministry be organized? A normative model*

How should a political ministry be organized? Jansen suggests that the studies of innovation within modern organization theory contain some guidelines. He refers specifically to the rational, open system models of organization developed by James Thompson (1967). They question how organizations become conscious of new tasks and how they develop new programmes and administrative structures for solving those tasks. Theory suggests that innovation depends on a number of specific characteristics. Innovative organizations have the ability to evaluate and revise their own goals; understand their relationship to the environment; and choose organizational forms that actually serve goal implementation in the specific task environment. Such an innovative organization requires an action model among its policy-makers that goes beyond the application of rules. It has to have personnel imbued with knowledge about the consequences of decisions and chosen strategies. A critical variable is the ability of the decision-makers to identify with and understand the interests of those groups or clients that they are meant to serve. An innovative organization should have the ability to drop bureaucratic procedures and engage itself normatively in the implementation of the clients' own values. Political tasks require a politicized administration, one that defines
specific groups as clients and that abandons the abstract bureaucratic idea of serving everyone. Jansen agrees with Jacobsen: groups that want to succeed in Norwegian politics have to have professionals, in interest organizations and public administration, that identify with the interests of the client groups.

The idea of a politically defined administration alludes to a classic axiom of Marxist political theory: if the working class wants to realize its interests in capitalist society it has to build a state organization that is normatively and organizationally set to serve its interests, that is, a state that identifies with the interests of the working class against the exploitative interests of the bourgeoisie.\(^\text{214}\)

The idea that administrative structure should vary with political values suggests that the Labour Party leadership might have underestimated the importance of changing the structure of government, the system of recruitment to the administration, and the relationship between parliamentary and administrative organs if it wanted to develop a new type of society, a socialist society. The Gerhardsen regime limited its reorganization to the corporative channel, assuming that the combination of labour movement and labour government in cooperation with private capital would give the working class the upper hand also in the economy.

Jansen assumed, on the basis of historical knowledge, that strict bureaucracies were beneficial primarily to the bourgeois class, interested in controlling industrial innovation and in limiting the state to infrastructural activities serving the expansion of capitalism. Thus, to implement a more democratic industrialization policy, Jansen suggested:

(1) the Ministry should be reorganized on a political and consequence-oriented professional basis;

\(^{214}\) Marx added, quixotically perhaps, the assumption that such a class state would also take care of a general societal interest in development and, eventually, lead to the elimination of classes and state altogether.
(2) the bureaucrats should be trained in the process of politics and policy-making, in addition to being trained in the formal routines of administration;

(3) they should work in teams within a flat, non-pyramidal organization, with active, problem-oriented communication;

(4) they should identify normatively with their clients, and participate in developing client organizations.

If such an organizational model had been implemented in the management of Kings Bay, what would have been the likely consequences? Would the mismanagement reported in FC have been avoided? Would it have been an administration more identified with workers' interests and working-class/popular interests in society?

Jansen assumes, rather surprisingly, that a politicized administration, according to the model, would serve what he calls "the interests of low-status clients". But why low status? Why should an innovative politicized, professionalized administration as such serve low status clients? That question is sidestepped in Jansen's analysis.

It is an important sidestep. On the one hand Jansen's model is normatively appealing: it is a model directed at increasing the power of low-status clients. But, would a politicized administration have worked that way in the existing Norwegian administration of the 1960's? The evidence and interpretations of the Kings Bay administration presented here suggest that the structure of the administration systematically favoured bourgeois values and identifications and that the state administration already was politicized. There was an elite in the industrial administration, with connections across institutional boundaries that identified with the project of state management of firms that should compete with the private firms. Would not new identifications (in casu: with working class interests) at the top of the Ministry of Industry require both a
reorganization of the ministry and a professional education that imbued potential bureaucrats with those values, and with action models that could serve working class mobilization?²¹⁵

Karl Skjerdal was a politically conscious administrator. Skjerdal worked in a team of chosen, loyal bureaucrats. He saw the political nature of the task (efficient state industry as an alternative to private) and focused on strategic planning of that task. Skjerdal was a member of a number of policy-making commissions in the latter part of the 1950's. The top administration was politicized.

Organization theory in both the Jacobsen and the Thompson versions has produced insights into the prerequisites for innovative organizations and public administration in modern industrialized societies. It raises the problem of how organization structures influence the attitudes and character of individual and group decision-making (the formation of action models). It poses the empirical problem of how bureaucracies function politically. However, it seems that organization theory has to go one step further, into the analysis of social relations in the economy and how they influence the formation of organizations and state structures if the contents of the innovative activity is to be understood. Avoiding that exercise, organization theory can exaggerate the degrees of freedom that exists for realizing new class interests through the existing state organizations.

²¹⁵ That the Labour Party managed an educational policy that put relatively more women and youngsters from the middle and working classes into higher education certainly led to the possibility in the long run of a broader representation of class identifications in the ministries. However, the selection process, as mentioned earlier, from high school, through university and into government positions was in the 1960's still highly skewed against people from the working class. The socialization effect of passing through that highly structured educational system may well for a long time still condition candidates to a bourgeois rather than a working-class identification.
CONCLUSION

The Kings Bay affair demonstrates that the Labour Party, by choosing to develop socialism primarily by top-level, corporative cooperation, left large sections of the state administrative apparatus unchanged. The administration of the Kings Bay Mine was alienated from popular and working-class participation. It was that elite orientation, reproduced and developed within the administrative structure, that explains the lack of identification with workers' interests and the safety. The Kings Bay administration did not pay any more attention to safe working conditions or economic democracy than other comparable firms in the private sector. Perhaps less. It was a bureaucratic administration. The government or the central administration made no attempts at making the legally defined, representative elements, like the general assembly or the board, more democratic. The Gerhardsen regime seemed to allot more power, not less, to the top administrators, both inside the company and in the Ministry of Industry.

The centralization of power in the Ministry of Industry produced a management system for Kings Bay that - at best - maximized production. On most other dimensions, like democracy, work safety, technical competence, etc., the mine seemed to fall well below an accepted standard for the privately owned mining industry.

The administrative elite in the Ministry was a politically conscious elite, an elite that had little or no motivation in terms of personal/family accumulation of capital. Rather its motive was to strengthen the position of the labour movement leadership against the elites in the private sector. Karl Skjerdal's book is permeated with criticism of the Gerhardsen government and its handling of the Kings Bay affair. But behind that critique persists a strong identification with the project of public responsibility for economic and social development. However, Skjerdal reveals a concept of
social development which does not question the capitalist mode of production or the existing bureaucratic/representative state.

The Labour government had the freedom to intervene in the composition of the board. It did not use that freedom. It could have used public funds to develop safer work procedures and rules in the mine. It did not use funds for that purpose. The organization structures developed historically in the Ministry and in the mine administration were biased against the values of economic democracy. In this sense the state organization severely limited the actions of the Labour government in the Kings Bay affair.

Let me now turn to the last step in this analysis of the role of the state in the modernization process: the welfare state. In the preceding chapter I analyzed the development and the functioning of the corporative channel in the Norwegian state system. The integration of the labour movement organizations and the leaderships of the central employers' organizations into the state apparatus was important for two developments in the postwar period: the politicization of the capital-labour struggle over wages and working conditions, and the development of the welfare state. On the one hand the welfare state can be seen as a fulfilment of economic demands of the labour movement. On the other, it can be seen as an expression of the historical compromise between capital and labour on organizing capitalism, a complex statist system for a more workable way of distributing and regulating the wage fund in society. No evaluation of the role of the state in the development of class relations after the war in Norway would be complete without a study of the welfare state, not least because the welfare state is the prime proof of the social democratic regime's identification with the working class.
The welfare state: a new type of state?

"An obvious reason for the wave of public welfare contributions [after the SWW] is that there was money available as the reconstruction of the economy was completed. When political strife over the contributions was moderate it is because their organization and contents were well adjusted to a social order where competition, careerism and inequality were central values."

Edvard Bull (1979:346)

The area of state activity that most clearly supports the theory that social democracy has represented working class interests within that state is the development of the public welfare services. Is the postwar welfare state a manifestation of a new class basis of the Norwegian state, that the state is no longer a bourgeois state, perhaps a new type of social democratic state, based in a compromise or a common interest between the bourgeoisie and the working class? Or is the welfare state a new set of programmes based in state control of the wage fund (variable capital), making the distribution

Inspired by Arvidsson and Berntson (1980), I suggest that a state of a new type concerns the class basis of the state. The form of state concerns the various forms of state organization that can occur within a type. Regime denotes the political conceptual and organizational profile of the government or the political class, the group occupying the central positions of government.
of that fund part of the political process and thus substantially increasing the power and the autonomy of the state in the economy?

To answer this question I will review some recent theories on the genesis of the welfare state in modern European societies, extracting their positions on the role of the state and the effect of regime. I will present the cornerstones of the welfare programmes and the welfare situation in the 1970's for those sections of the population with the lowest allotment of economic resources. I will place the Norwegian welfare programmes in a Nordic and European/OECD comparison, testing the hypothesis that Norway is an exceptionally positive case of welfare state allotments. I will attempt to define the role of the state in the establishment and development of welfare services, looking both at the role of the increasing numbers of welfare administrators, especially at the "street level" and the role of the accumulation of pension funds within the state economy.

In the present chapter, I will attempt to defend the hypothesis that the welfare state should primarily be seen as a response to problems of capital accumulation, but that it becomes through its service production, an organization with employees increasingly conscious of the limits and the problems created by mature capitalism. That is, it generates sections and/or sub-organs of the state which in no simple sense are functional only for bourgeois, pro-capital interests. I will also suggest that, through its financial funds and administrative apparatus, the welfare state is part of an economic base for a state elite that, as mentioned earlier, we might call a bureaucratic section of the bourgeoisie.

**REGIME-PAUPER RELATIONS OVER TIME**
The data on the development of the Norwegian social service state\textsuperscript{217} make it possible to return briefly, to the historical development of class-state relationships and state autonomy in the modernization process. The data depict what the governments did to meet specific needs in the poorest sections of the population. The data on welfare services are important in any attempt to contradict the theory of the Norwegian state as a bourgeois state, closely linked to capital expansion and reproduction. Substantial welfare services reduce the scope of capital's exploitation of labour.

It seems that in mid-eighteenth century, with the law on "workhouses" (\textit{tukthus}) being approved in 1741, taking care of the poor became acknowledged as a public responsibility, not only in Denmark, but also in Norway. What the motivation of the ruling circles was is unclear: humanitarian concern or concern for bourgeois public order in the streets and villages. Nakken (1980:63) assumes the latter to be the case. Given the Danish colonial rule in Norway, which probably considered poverty as a natural phenomenon, this is perhaps the most likely hypothesis. But several public organs had some kind of responsibility for poor and sick people expelled from private households. Each church district in the countryside and each town had to have its "poor commission", with the church minister or chief of police as its leader.

Changes in the Poor Law mirrored the process of gradual democratization. Under pressure from the liberal farmers' movement in the nineteenth century and the strengthening of the local government apparatus (from 1837), the poor commissions increasingly became elected organs. At the same time the commissions were subdivided into districts and subdistricts (\textit{roder}) within the municipality, making it easier both for the clients to find the commissions and for the commissions to find the paupers.

\textsuperscript{217} I will use the descriptions given in Kluge (1973), in Anne Lise Seip (1981 and 1984) and Nakken (1980), on the early poor relief administration in Larvik on the east coast.
With the change from the mercantilist economic policy of the Danish government in the eighteenth century, to the liberal, laissez-faire policy of the bourgeois farmer/bureaucrat coalition in the nineteenth century, the state limited its involvement in social welfare. Budgets were cut. The commissions' use of public money was curtailed. The poor commissions at subdistrict level (roder) were done away with. Again, whether this was to save money and give the municipal representative organs more power over pauper care, or whether it was to remove local organs which became more loyal to the paupers than to a restrictive budget policy, is hard to say. Kluge (1973:40) indicates that the latter interpretation is likely.

This first phase of state responsibility for the poor seemed to be motivated primarily by a ruling class need to suppress or hide a problem through control and sanctions. As Kluge says, the 1863 revision of the Poor Law put more emphasis on the use of sanctions against paupers who did not comply with the rules than on the positive benefits that should be distributed. The focus was on the paupers and the seriously ill at the bottom and most destitute level of society. There is hardly any social responsibility discernible in the poor policy of this time. In the Storting in 1873 it was even suggested that the condition for receiving help should be that the client own or earn absolutely nothing - a suggestion, however, that was voted down. In 1896 this control orientation was strengthened: the state should assist only the absolutely destitute, where the likelihood of improvement without aid was close to nil. The argument was that assistance to the only temporarily destitute "would ruin personalities" and "people's ability to take part in the normal [sic] struggle for existence" (Kluge 1973:49).

A change in the character of public social policy was initiated around the turn of the century. The definition of the clients changed, from paupers as a natural phenomenon to paupers and workers with needs that could be alleviated. In the Storting it was decided that
people in temporary difficulty could get aid. The right of public authorities to use physical sanctions against paupers was curtailed. The buoyant economy before the First World War may have played a role. It made an expansion of public assistance possible. But the rise of the organized labour movement, both in Norway and in Europe more generally, had its effect on the understanding of social policy in ruling circles. A number of initiatives were taken, especially by the Liberal Party (Venstre). State support for workers' unemployment schemes and public accident and sickness insurance were introduced.

Anne Lise Seip identifies this change towards state responsibility for the economic situation of poor and sick people in her definition of the "social state" that took shape around the turn of the century. She says that already in the 1890's "all politically engaged were into the social question ... Those public programmes that were established became a general system, making it reasonable to talk of a new type of state, "the social state". It was a transcendence of the liberal, laissez-faire state, a transcendence furthered by the social responsibility of, among others, the bureaucratic elite at the time." (Seip 1984:281).

Edvard Bull (1982) points to the fact that, while the early public insurance schemes were directed at the workers in industry, those sections of the working population were not the worst off. Problems were more rampant among wage workers and peasants in the primary sector.

"The industrial workers were not those who had the most dangerous work. Neither were they the poorest. Rather the opposite. Industry attracted workers by offering better conditions than labourers had elsewhere. But the industrial workers were conceived of as a potential danger to the establishment... But were they conceived of that way in the latter part of the previous century, before the national trade unions were even created, before even a single social democrat had been elected to the Storting? Yes. But the conception expressed a European phenomenon. Its source was the Paris Commune, with ideological effects even in distant Norway." (Bull 1982:17).
The early public schools and the first hospitals were organized within the Poor Law. Gradually the functions of these institutions expanded so that they lost their specific connection to the public administration of poverty. The idea of social responsibility worked its way gradually into the public sphere.

That this responsibility developed slowly and was dependent on the economy became obvious in the crisis-ridden 1920's and 1930's. Instead of a broadening of the services as poor people's problems increased, the Poor Law was again interpreted by government and parliament in a restrictive manner. As Kluge says: (1) the paupers' right to refuse assigned work at an allotted place was reduced; (2) the state's right to use force and confinement in workhouses was reintroduced; (3) an attempt was made to remove those members of the poor commissions who themselves had received assistance; and (4) increasingly the government tried to introduce aid in kind instead of aid in monetary form.

In the early administration of social services there was no idea that the state could change or eliminate pauperism. Therefore the primary orientation was control. The project was to integrate the poor into institutions and markets, without concern for the specific needs of the poor people, without any attempt at changing the conditions that produced poverty.

Then in periods of economic expansion and when there were public demands for specific services, there was room to implement social services over and above what was required to keep the poor population under control. Assistance to the poor was expanded and reduced as the cyclical movement in the economy seemed to demand, with cost reduction being a base line of the social policy of both the conservative and liberal democratic political movements. It seems that the new idea of taking the needs of the poor as a starting point and expanding programmes as needs increased was brought
into the debate by the socialists in the labour movement. By 1945 all the political movements in the country supported the following formulation of what social policy was about.

"Social policy has the overriding goal of making any specific assistance to the needy superfluous. All the social security systems should be integrated into one national insurance system covering sickness, disablement, unemployment and old age. State support to families with small children should be considered and sailors should receive a public pension at a reasonable age." (From the "Common Political Programme")

This statement indicates a change from a particularistic to a universalistic social policy, from assistance to specific needy groups to assistance to everyone with specific problems, a change from a social state to a welfare state. However, the Programme was mute on the relation between capitalism and social policy. It was assumed that an expanding capitalism was a basis for the resources needed to meet social goals.

If social policy up to 1900 was oriented toward control of paupers, towards changing them from an anarchic and potentially dangerous mass to an ordered category of individuals, from 1900 up to the Second World War it was in addition oriented to integrating the new working class into the economy as participant wage-labourers and into society as a class positively accepting an existence within capitalism. Social policy after the Second World War was oriented in the same way. But now the expanding economy allowed a major expansion of programmes, thus fulfilling a goal of public regulation of the labour market.

The main changes in social policy were universalization of earlier particularistic programmes, integration of the disparate organs at the municipal level into one "social commission" and integration of the disparate social security/insurance systems into one national scheme (The Peoples' Pension).
LIVING STANDARDS AS A MEASURE OF WELFARE

What do data on living standards tell us about the welfare state in Norway? Living standards are high, but income distribution is skewed: Kuhnle and Solheim (1985:131) show that in 1979 the 40% of individual income recipients at the bottom of the income scale took 12% of all income, while the 10% at the top took 27% of the income. The difference was somewhat smaller when comparing households: the bottom 40% took 18% of the income, the top 10% 21% of the income.

The government programme for 1982-1985 presents the following picture of living standards in Norway: The Norwegian population nearly doubled between 1900 and 1980, increasing from 2.2 million to 4.1 million people. The growth rate gradually slowed down; in 1900 it was 1%, in 1980 it was 0.34%. That worried the government: "This low growth rate will result in an absolute reduction of the population after the year 2000." Fertility in 1980 was the lowest ever: 1.7 children per woman. For a constant Norwegian population the fertility rate had to be 2.1. This low growth creates a certain short-term welfare gain for those presently living in the country (fewer children drawing on family incomes). On the other hand, there are several negative welfare consequences: strong relative growth of the oldest sections of the population and a smaller workforce. The mean life-span increased between 1900 and 1980: for men it increased from 53 to 72 years, for women from 56 to 79 years, a good indication of better welfare. The reason was the near-elimination of neonatal infant deaths: in 1900 1 in every 10 newborns died; in 1980, 1 in every 100 newborns died.

In 1920 housing was overcrowded. There was on the average one person per room in 69% of all dwellings. That meant, at least for the working class, several people sleeping in the same room and regular use of living rooms as bedrooms. By 1970 the situation had
improved. There was then one person per room on average in 18% of all dwellings. In 1973, 400 000 or 10% of the population still lived in houses without running hot water, and 60 000 lived in dwellings without any running water. A substantial number of people had only chemical toilets. 200 000 people reported that they were seriously bothered by traffic noise in the area where they lived.

The success of the welfare state is limited: unemployment was over 70 000 in the early 1980's (150 000 in 1992), affecting especially young people; large numbers of poor people with money incomes under the minimum pension level and no other form of income; strenuous and boring jobs; large groups of patients who are waiting for simple, but important treatments (like hip surgery), the proliferation of alcoholism and drug use, etc.

Kuhnle and Solheim (hereafter K/S) give a somewhat different synopsis: "The welfare state has met all fundamental needs for social and economic security in our society." It has created more equality, although with one qualification: "The old age pension however, reproduces inequalities. Position in the labour market when employed still determines the level of pension payments."(K/S 1985:133).

According to the statistics some 400 000 members of the population visited health care institutions every year in the 1970's. Larger numbers received some kind of state support for education, health and social services. These are ambiguous indicators of welfare. On the one hand, they testify to a service system that alleviates some problems. On the other hand, they testify to the existence of problems: Health care means health problems. Educational services are generally valuable but the need for education may equally well express demands generated within a changing and alienating production system. A large social service administration testifies to the existence of social problems.
The proportion of the population in school has increased: in 1980 about 20% were working/studying full time in schools and universities. Women have gradually gained an equal place in the school system. They increased from 13% to 30% of enrolment from 1900 to 1917. In the 20's and 30's there was stagnation, but after 1935 an even increase of women took place, up to the 50% level of secondary school enrolment by 1975. In the universities developments were slower, but the distribution between the sexes has changed: 16% women in 1952, 30% in 1972 and 49% in 1987.

The data demonstrate an increase in the living standards of the working class as a whole. However, they show that at the beginning of the 1970's there were still significant sections of the population, parts of the working class, the unemployed and pensioned who had not reached the standard. Ownership of the means of production and finance capital has been redistributed in the opposite direction. Taking capital wealth in general, including both private houses and shares in companies, K/S demonstrate massive inequality: 40% had no registered capital wealth and the top 20% of owners of capital owned 80% of it all (K/S 1985:132). This suggest the continued relevance of the concepts of class, class relations and class contradictions in the analysis of modern Norway and a basic factor limiting the development of the welfare state, both in economic terms and in terms of decision-making power to working-class and popular movements.

CONFLICTING CONCEPTS OF FREEDOM AND SECURITY

Some studies go directly into the processes producing the welfare state, without asking what the welfare state is (Alestalo 1985). Other studies raise the conceptual question. Korpi, for example,
suggests that the welfare state should be termed welfare capitalism, at least when looking at Sweden. Welfare capitalism is a "combination of capitalism and political power used to regulate the capitalist market and to distribute resources according to a norm of justice" (Korpi 1978:15). In 1983, Korpi says that "It is the degree of equality in living standards that is the crucial variable" (Korpi 1983:185). Korpi's definition suggests that the welfare state is a political regulatory mechanism in a capitalist economy. It is focused on securing everybody a minimum living standard and reducing differences in living conditions.

In a study of the Norwegian welfare state a definition is taken from Anne Lise Seip (1981): the welfare state has an explicit goal of securing welfare for everyone; it is an active state and uses its power to reach that goal (Kuhnle and Solheim, 1985:19).

Even if the Norwegian state has intervened in the life of the poor and destitute over the centuries (A.L. Seip 1984), the involvement was, at least before the rise of social democracy, motivated by the need to control threatening, potentially anarchic elements in the population. The legally based, representative state introduced a new dynamic concept of equality and responsibility which was unknown in earlier discourse on the character of the state. But the basic idea of that state was still that individual liberty and the right to individual acquisition of capital through market transactions should, gradually and autonomously, produce equality.

With the rise of the working-class movement, the "social state" ideology gradually developed in many European societies. That ideology defined the purpose of the state in other terms than those liberalists had used. The state should not only defend individual freedom in market systems. It should defend and implement a social goal: it should create a more equitable and just society. The state should not just defend a certain type of society (read: economy), it should actively change it. Solidarity was the key word of the
emerging labour movement. To implement change the state needed not only specialists in law, public finance and religion, but professionals who could organize the production of material infrastructure (engineers) and who could investigate causes and define solutions to social inequalities (social scientists).

This ideology developed in Norway in the nineteenth century, as both A.L. and J.A. Seip have shown us. Liberalism was on the rise in the first part of the century, guiding the elimination of economic privileges in markets, focusing on the need for competition and the individual right to accumulate capital. The laws limiting the freedom of poor people were revised, increasing their freedom of action. Putting people in repressive workhouses was criticized. Paupers were given the right to migrate across county and province borders, etc. However, the budgetary support to social programmes and the interest in reforms varied with the economic cycle.

Both the liberal and the social concept of the state put the focus on individual freedom, but they differed on how that freedom was to be attained. Liberalists saw the market as the arena guaranteeing freedom. The labour movement saw individual freedom as dependent on the existence of a cooperative (planned) economy and a public consciousness of solidarity. The difference appeared in the debate on how to finance the welfare state. The liberals wanted to employ the insurance principle, while the socialists wanted to invoke government responsibility and finance welfare through taxes. In that way the rich population would be forced to add some of its income and wealth to public, popular welfare.

This conflict between individual freedom and collective solidarity, as far as I can see, dissolved in a class compromise in the interwar years, a compromise that during and after the Second World War ushered in a general consensus on the need for
economic development within the capitalist economy as a basis for continued welfare services.218

THEORIES OF THE GENESIS OF THE WELFARE STATE

The discussion of the welfare state in Skocpol (1984) centres to a large degree on its origins. A question addressed there is to what degree it should be seen as a functional response to imbalances and contradictions in the capital accumulation process, and/or to what degree it should be seen as a product of working-class and labour movement influence within the state. The welfare state is at least a service state in development, a state that increasingly intervenes in the distribution of consumption funds and organizes the production of services to broad sections of the population. The character of this state is contested. On the one hand it can express working-class and popular political advances. On the other, it can be a politicization of the distribution of consumption funds in the population, a distribution that is basically formed by the bourgeois criteria of profit maximization in privately owned industry and trade.

Although Theda Skocpol and Edwin Amenta (1986) do not raise the problem of what the welfare state is, relative to the laissez-faire state, the bourgeois state and the socialist state, their discussion of the different theories of the development of the welfare state is a fruitful starting point for understanding the Norwegian case.

They present four theses about the generation of social policy, called industrialism, capitalism, social democracy and crisis.

218 "In the period 1945-1980 there is little relationship between social reform activity and the political colour of government ... Especially it cannot be said that Labour governments were more active or had higher budgets than non-socialist governments. Our data support the consensus thesis: in the whole period there has been political consensus on the development of the welfare state" (Kuhnle and Solheim, 1985:102, my translation).
(1) The *industrialization thesis* says that the generation of social policy is closely related to the expansion of industry, a system that severed the bonds wage-labourers had to local self-sufficient communities (Gellner 1987) and at the same time created systematic forms of destitution (unemployment). The state could absorb people into national development programmes and use taxes to prevent absolute destitution.

(2) The *capitalism thesis* says that public welfare policies should be seen as functioning within the cycle of capital accumulation. Welfare contributions affect demand for commodities positively in periods of slump, possibly reducing the depth of the downturn in capital accumulation. Welfare contributions ameliorate the condition for unemployed, reducing frustrations created by the slump both among employed and unemployed. Welfare bureaucracies, however, are unproductive employment seen from the vantage point of accumulation, drawing on the total fund of finance capital, being labour that does not contribute to accumulation. Here we find an economic logic behind the demand for reducing the size of the welfare state.

(3) The *social democracy thesis* falls within the idea "government matters". Social security policies are a product of social democratic influence. The labour movement in government creates more equal living conditions by increasing government income through taxation and using the resources to implement a redistributive social policy. The strategy is dependent upon a surplus producing economy.

(4) The *crisis thesis* says that public social security systems develop in periods of socioeconomic breakdown or when the population in general experiences insecurity.

Skocpol and Amenta's view is that the first two theses, the industrialization and capitalism theses, receive little support in cross-national surveys. Both marxist and neo-corporative forms of
the capitalism thesis "have come up against strong criticisms from scholars who regard both the state as organization and democratic political forces as more causally significant than monopoly capitalists or state managers acting as executors for capitalists" (1986:8). Identifying the capitalism thesis with the idea of "capitalists in control" leads, as I have argued earlier, to an empirical refutation. But specifying it as a generation and reproduction of the welfare state within a (crisis-ridden) system of private accumulation of capital makes refutation of the thesis more difficult.²¹⁹ Giovanna Procacci (1989) suggests an explanation within such a capitalism thesis: (1) wage labour is the overriding most important source for common people's welfare within capitalism, (2) capitalist society typically does not make wage labour a legal right, (3) the social state through a concept of public responsibility and the organization of public service institutions of diverse kinds, administers support to people who fall outside the labour markets. Thus support is administered without infringing on the capitalists' management and sacking right in the firm.

Dryzek and Goodin (1985) develop the crisis theory of the welfare state. They suggest that in crisis periods (economic crisis, war etc.), personal life paths are insecure and that inspires an involvement in collective social security arrangements:

"The aim of this article has been to explore the motivational bases of moral behaviour. Our thesis is that rare moments of deep and widespread uncertainty - war being only the most dramatic example - provide one such basis. Under such conditions, anyone's future might be one's own. That forces each of us to reflect impartially upon the interests of all. Welfare states and such like constitute the appropriate institutional response." (Dryzek and Goodin 1985:31)

²¹⁹ K/S (1985) find some relation between the development of GDP and total social budgets in the period 1973-1980, but they are sceptical of a long-term correlation.
When the basis for effective individual insurance mechanisms breaks down, the population is willing to finance and participate in collective social security systems. This ideological support for social policy in the population then spurs government to develop and finance a public social security arrangement. Taking "transfers to households" in Figure 6.6 as an indicator, this thesis would hold for (a) the First World War when there was an absolute increase, (b) the crisis around 1930, and (c) the immediate post-Second World War period. But what about the expansion of welfare services in the 1950's and 1960's? In this period the private/personal insurance system was working. An argument could be the Stinchcombean one: once established, an administrative system is stable and reproduced even when ideological support dwindles or when new problems requiring new organizational forms arise (Stinchcombe 1965).

Despite the expanding economy and the acceptance (however passive) of capitalism in the labour movement, the crisis theory may have some explanatory power. The attacks on the welfare state in the 1970's and 1980's may indicate that state policy was changing because the populations in western societies increasingly saw markets rather than states as problem-solving institutions. Korpi turns the Dryzek/Goodin thesis around. Since the social democrats are the driving force of progress, they are the cause of social policy. He says: "Since such a social policy benefits the vast majority of households in one way or another, it can be expected to generate relatively strong political support among voters" (Korpi 1983:207). In the same way he sees a process in which social democrats initiate the programs, people gradually find them advantageous and then the bourgeoisie finds the welfare programs acceptable.

The crisis theory is interesting in three ways; (1) it indicates that in crisis situations public authorities, independent of class base, will be oriented towards expanding social assistance because of the
precariousness of the nation's economy and the need for strengthening its competitiveness; (2) in crisis situations individual insurance systems break down, leading to widespread ideological support for state-sponsored social security; and (3) a necessary condition for a reduction in social security programmes is anti-statist and pro-market sentiments in the population.

THE SOCIAL SECURITY PROGRAMMES

The first elements of the Norwegian "social state" were the Laws on Industrial Company Inspections and Accident Insurance for Workers in Industry approved in 1892 and 1894 respectively. Since then the following cornerstones of the social security system have been established:

• Health Insurance introduced in 1909, first limited to low-income groups of wage-earners, gradually expanded to include every resident in Norway.
• Unemployment Insurance was introduced from 1938
• Family allowances were introduced from 1946.
• In 1958 all public insurances were put into one system, soon after also including military personnel.
• Old age pensions were introduced in 1936. The scheme was based on a means test until 1957 when old age pensions were given to all who had reached 70 years of age. Since then the age limit has been reduced to 67, a relatively high limit compared with other western states.
• Disability pensions were made available in 1960, having already been introduced for specific groups in 1936.
• Survivors' benefits for children were introduced in 1957.
• The main innovation, the National Pension Fund, came into force on 1 January 1967, integrating all the previous security schemes.

"The purpose of the national insurance is to provide benefit in cases of sickness, infirmity, pregnancy and childbirth, unemployment, old age, disability, death and loss of breadwinner. The scheme also provides support for unmarried mothers. The national insurance covers - with few exceptions - the entire population." (CBS 1978:581)

This welfare system has been successful relative to a goal of stabilizing the social and economic relations in the capitalist economy in Norway, at least up to the early 1970's. However, wage differentials have not been substantially reduced (Noack 1973, Bull 1979). The social service state has not eliminated the process whereby those clients who are best off and have the least problems get the most from the public service institutions.220 The welfare services have reduced but not eliminated the differences in living standards mentioned earlier. The social service state has in no way changed or eliminated the class differences based on the private ownership of the means of production. The welfare state never set out to eliminate those differences. It has, therefore, not changed the bourgeois character of state power, that is, a state structured and (indirectly but efficiently) controlled by bourgeois class interests, oriented toward reproducing and expanding capitalism. But it has managed to reduce tensions and the most blatant social inequalities in the field of consumption. That is no poor feat. On the other hand, as the following evidence will show, the Norwegian welfare state is not very different from other small, industrialized, capitalist countries. What does this 'not very different thesis' say about the influence of the labour movement and the autonomy of the state apparatus in the development of the Norwegian welfare state?

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220 The Mathew effect, substantially documented in studies of the distribution of public goods and resources. See, for example, Thor Øivind Jensen (1981).
THE NORWEGIAN SOCIAL SECURITY SYSTEM IN INTERNATIONAL COMPARISONS

Norway is among those nations in Europe with the highest GDP per person and a country that channels a relatively large part of the total economic product through the state.

Table 19.1 Public expenditures in the western world, 1975
% of GDP. Rankings.

<table>
<thead>
<tr>
<th>Country</th>
<th>Public consumption and investments</th>
<th>Public income transfers</th>
<th>Total public expenditure</th>
<th>Taxation and social insurance (% of GNP 1978)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sweden</td>
<td>29.0 (2)</td>
<td>22.0 (5)</td>
<td>51.0 (2)</td>
<td>53.1 (1)</td>
</tr>
<tr>
<td>Denmark</td>
<td>29.3 (1)</td>
<td>18.3</td>
<td>47.6 (3)</td>
<td>43.2 (4)</td>
</tr>
<tr>
<td>Finland</td>
<td>23.0</td>
<td>14.2</td>
<td>37.2</td>
<td>38.9</td>
</tr>
<tr>
<td>Norway</td>
<td>21.5</td>
<td>25.0 (3)</td>
<td>46.5 (4)</td>
<td>47.3 (2)</td>
</tr>
<tr>
<td>Netherlands</td>
<td>21.8</td>
<td>32.5 (1)</td>
<td>54.3 (1)</td>
<td>46.7 (3)</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>27.6 (3)</td>
<td>19.1</td>
<td>46.1</td>
<td>35.2</td>
</tr>
<tr>
<td>France</td>
<td>17.9</td>
<td>24.5 (4)</td>
<td>42.4</td>
<td>39.4</td>
</tr>
<tr>
<td>Italy</td>
<td>16.9</td>
<td>26.2 (2)</td>
<td>43.1</td>
<td>34.5</td>
</tr>
<tr>
<td>West Germany</td>
<td>25.1 (4)</td>
<td>20.5</td>
<td>45.6</td>
<td>38.0</td>
</tr>
<tr>
<td>USA</td>
<td>21.6</td>
<td>14.6</td>
<td>36.2</td>
<td>30.4</td>
</tr>
</tbody>
</table>

Ranking in ().

Table 19.1 shows that Norway ranks just below Sweden in taxation and social insurance costs relative to GDP. It ranks high on public income transfers and total public expenditure. However, Norway is closer to the middle ranks in public consumption and public investment. Computing the means for the four variables and comparing Norway to the mean demonstrates both the differences and the similarities between Norway and the OECD mean, presented in Figure 19.1. The striking difference is in taxation,
where Norway was significantly above the OECD mean.\textsuperscript{221} The Norwegian state was high on taxation and on transfers. This might reflect the priority given by the Labour Party to labour market regulation and the power of the private sector in the field of infrastructure and capital investments.\textsuperscript{222}

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{public_spending.png}
\caption{Public spending \% of GDP, Norway and OECD mean, 1975}
\end{figure}

\textsuperscript{221} The variation between lowest and highest percentage between the 10 countries is 12\% in consumption and investments, 18\% in public income transfers and total public expenditure and 23\% in taxation.

\textsuperscript{222} See Jonas Pontusson (1983) for a comparison between social democracy in Sweden and France in which he demonstrates that the Swedes have given priority to labour market regulation while the French have put more importance on the control of capital and investments.
If we look at social security coverage over time, defined as the percentage of the labour force that is covered by social security arrangements, Norway does not differ very much from other western countries (Alestalo 1985). Figure 19.2 shows that up to the installation of the Nygaardsvold government in 1935, Norway lagged well behind the European average for social security coverage. But then Norway reached a very high score just after the war and held that position, although with the margin to the European mean gradually becoming smaller.
How does Norway compare with the other Nordic countries? In Lågergren et al. (1984), we find a detailed comparison between the Nordic countries on several social security dimensions (see Figure 19.3).
We see that Norway quite generally is below the Nordic mean. Only in general health services and pensions does Norway score above
the mean. In this sense there is little reason to consider Norway a leading welfare state among the Nordic states.

We can also use Alestalo's data to make comparisons with other Nordic countries over time (Figure 19.4). These data demonstrate how the Nordic countries from about 1965 to 1975 all cluster at a high level of coverage. But at the other end of the diagram, in the 1920's and 1930's, there are some significant differences. Finland and Norway were considerably below the rate of coverage in Denmark and Sweden. Both countries made a leap forward from 1935, but Finland only about half as far forward compared with Norway. Then Finland lingers on at the 40-50% level until the 1960's, while Norway joined Sweden and Denmark in a continued, gradual increase of the coverage rate toward the 90% mark. Then by 1965 Finland caught up.
Why these differences before the war, and why are they erased in the course of the 1960's? Alestalo and his co-authors address the explanation of the Finnish case, finding that differences in economic structures between the countries, and relatively slower industrialization in Finland, may explain part of the difference. In addition: "The social democratic hypothesis is right in emphasizing the active role of the Social Democratic Party and trade unions, but the party and the unions have been too weak in Finland to make the welfare state alone, partly because of the split of the left into Social Democrats and Communists" (Alestalo 1985:34).

For Norway these comparative data give some support to the social democratic thesis. A major expansion in social security took place from 1935 and into the postwar period. Social security coverage was improved throughout the stable Labour Party reign after the war. The social democrats in Sweden gained power earlier than in Norway, explaining the higher level of social security earlier there. However, according to Korpi, the early social democratic governments were without much influence in Sweden. It was only with Per Albin Hansson's government in 1932 that social democracy was institutionalized in the Swedish government system. Thus, as Alestalo indicates, we need more variables to explain the
differences between the welfare state systems, more than industrialization, capitalism and the social democracy theses.

It may be important to expand investigations of the capitalism thesis, starting from a labour market model of the welfare system: public welfare services are an administered wage, an intervention that becomes increasingly important as: (a) the strength and militancy of at least parts of the labour movement in wage bargaining increase; and (b) larger parts of the working population are "decommodified" (taken/pushed out of capital-labour exchange, Offe 1985), and thus in potential danger of unemployment, a no-wage destitution in an unregulated labour market. The active role of the welfare state in income redistribution can increase the government's autonomy. An administrative system has to be built to administer income distribution. This function can make employers more tolerant of state intervention as the state covers necessary wages to decommodified, capital-unproductive people.

If we turn back to Figure 6.6, the category "transfers to households" is an indicator of the size of the social service state. In this sense, the welfare state was established in the 1920's. The 1930's saw a retardation, with transfers at a low point just after the Second World War, but moving briskly upwards in the 1950's.

In 1970 education and welfare services took about 50% of the budget. All the other sectors were decreasing at the end of the 1960's - expenditure on the military and police, infrastructural investments, support to private commodity production and administration costs. This can be interpreted in the same direction: the welfare state expanded and the budget was being subordinated to this new social responsibility and redistribution of income through state policy-making.

The government payments for welfare services after the war (Table 19.2), excluding education, demonstrate the increasing
weight of these costs in the economy as a whole, from 7.2% of net domestic product in 1948, evenly rising to over 19% in 1974.

**Table 19.2 Welfare services 1948-1974**

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>% of net domestic product</td>
<td>7.2</td>
<td>7.8</td>
<td>9.2</td>
<td>11.4</td>
<td>12.3</td>
<td>13.0</td>
<td>13.2</td>
<td>15.7</td>
<td>17.1</td>
<td>18.4</td>
<td>19.4</td>
</tr>
</tbody>
</table>

*Source: CBS (1978), Table 319.*

There was a steady expansion from 1948, with a marked levelling-off in the mid-1960's, with a new surge from 1966, and a weak tapering off towards 1974. We lack a good explanation of the levelling-off between 1964 and 1966. In 1963 a bourgeois coalition government took over for a short time, as a consequence of a split in the Labour Party and the creation of the Socialist People's Party. The Kings Bay affair led to a serious parliamentary crisis. This may have affected social security budgets.

The three social service areas that took the largest parts of the public budgets - health, pensions and transfers to families - are presented in Figure 19.5.
Figure 19.5 demonstrates how old age pensions took the number one position early in the 1960's, the jump being explained by the elimination of a means test in 1957 (K/S 1985:48), with health expenditure tapering off at the same time (the two are perhaps
related), but then increasing again from the end of the 1960's. Family allowances tapered off in the 1960's, but made a jump upward around 1970 because families at that time received child allowance also for the first child. They then fell to around 10% of government expenditure in 1974.  

By 1974 the government-financed welfare services were accounting for about one-quarter of the net domestic product. The data show that health and family allowances took a constant share, but that old age pensions were on the increase all through the postwar period. The pensions to elderly people not receiving wages, and to people who could not get wage labour when they wanted it, can be seen as a compensatory, state-administered wage when family structures are no longer capable of or geared to taking care of elders and unemployed.

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223 The three other welfare services that are not included in the diagram are: work injuries, payments to disabled military personnel and tax reductions for childcare. They are left out because even combined they represent a small part of the welfare budget.
WELFARE SERVICES AND STATE AUTONOMY

Capitalism and social democracy

The welfare state can be explained: (1) as a political response, mediated by powerful elites, to shortcomings and crises in the capitalist economic system (the breakdown theory); and (2) political intervention into the distribution of the wage fund in the population as a whole, promoted by the labour movement and its allies, diverting funds from accumulation to popular welfare (the democratic theory). That welfare services are internal to mature and crisis-ridden capitalist economies is supported by (1) the spread of welfare state arrangements in most central and northern European states; (2) the increased focus on how faltering and skewed demand creates problems for mature capitalist mass production; and (3) the correlation between welfare budgets and the cyclical movement of the capitalist economy.

The exact form and size of the welfare state arrangements are influenced by the type of regime and popular ideology. The welfare state is essentially, I suggest state management of variable capital, political management of the consumption fund, a consequence of the market mechanism's tendency to concentrate those funds on the most capital-productive labour. In societies like Norway, with a strong labour movement and a relatively weak bourgeoisie (without allies in strong aristocracies), political control of the consumption

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224 Note that Titmuss (1974) poses more or less the same problem, distinguishing between 'residual' and 'institutional' welfare systems, the first adjusting to market irregularities like unemployment, unacceptable wage differentials, overproduction of commodities, etc., the second being welfare institutionalized as a superordinate goal for public policy, the system functioning outside the market mechanisms, on the basis of explicit, political, normative decisions (also cited in Tvede 1979). In his classic work of 1963 Titmuss includes a third model in his analytical repertoire: "the industrial achievement-performance model", in which, according to O'Connor, "welfare policies are designed to reinforce capitalist discipline" (O'Connor 1984:216).
fund is perhaps more likely than in societies with strong bourgeoisies.

**Radicalization of welfare administrations**

Given that we have correctly defined the relationship between capital-functional aspects of the welfare state and the role of politics, how can the organization of the welfare administration help explain the development of the welfare state?

At "the street level" (Lipsky 1980), state personnel come into contact with a large number of clients, people who have substantial social and economic problems, and who have been expelled from labour markets, or at least are marginal there. This interaction can develop an understanding among social service employees of how social problems are generated and left unsolved. This experience creates a state-internal pressure for welfare services.

The street-level personnel usually have low wages. Many of them belong to the exploited classes. The mechanisms in the state bureaucracy that draw personnel away from the lower classes and create identities with middle and higher echelons in the social structure, may for these reasons be less effective among welfare state personnel.

The welfare state institutions may themselves be highly bureaucratized, with strict mechanisms of both decision-making and ideological control (Stjernø 1983). This can strengthen the working class and popular identifications among street level welfare service personnel. They have low wages and bureaucratic power hampers their work, hampers their possibilities for flexible and problem-oriented responses to client demands.

In Table 4.1 we saw that 18 300 or 15.1% of state employees in 1973 were engaged in educational and health services. At the municipal level, teachers accounted for 29%, and health care workers 42%. Thus the welfare sector employed 71% of all
personnel at the local government level. In this sense, it is the municipal level of government that carries the main burden of distributing welfare services in Norway. This large involvement in practical welfare work and interaction with clients may strengthen identifications with the clients, with those who are not successful in the markets for labour and other commodities.

The national accounts and Lægreid and Roness' work from 1983 depict the development of the group of welfare state personnel, defined as personnel in health and education at all levels of government (Table 19.3).

<table>
<thead>
<tr>
<th>Sector</th>
<th>1962 No. '000</th>
<th>1968 No. '000</th>
<th>1974 No. '000</th>
<th>1980 No. '000</th>
<th>% increase 1962-80</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health and social services</td>
<td>44</td>
<td>58</td>
<td>90</td>
<td>126</td>
<td>186</td>
</tr>
<tr>
<td>Education and research</td>
<td>47</td>
<td>65</td>
<td>82</td>
<td>98</td>
<td>109</td>
</tr>
<tr>
<td>Transportation</td>
<td>48</td>
<td>48</td>
<td>51</td>
<td>59</td>
<td>23</td>
</tr>
<tr>
<td>Defence</td>
<td>41</td>
<td>46</td>
<td>45</td>
<td>49</td>
<td>20</td>
</tr>
<tr>
<td>Administration</td>
<td>26</td>
<td>30</td>
<td>38</td>
<td>45</td>
<td>73</td>
</tr>
<tr>
<td>Miscellaneous state activity</td>
<td>5</td>
<td>6</td>
<td>6</td>
<td>7</td>
<td>40</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>211</strong></td>
<td><strong>253</strong></td>
<td><strong>312</strong></td>
<td><strong>384</strong></td>
<td><strong>82</strong></td>
</tr>
</tbody>
</table>

**Sources:** National accounts and Lægreid and Roness (1983:7).

Health and welfare services increased from 21% of total government employment in 1962 to 29% in 1974 to 33% in 1980. In 1974 there were 90 000 employees in health care and social work and 82 000 in education, totalling 172 000 or 12% of the total workforce (of 1,41 million in 1970).\(^{225}\) The increase in numbers

\(^{225}\) The 172 000 social/health/education workers compare for example with the 130 000 totally employed in agriculture in 1970, 130 000 in the construction industry, 200 000 in retail trade. The total employed in industry at this time (manufacturing and construction) was 520 000, treble the size of the social service group (CBS 1978:37).
employed in the welfare sector over the whole period was the highest of all sectors, 186%. The increase in the group of employees in education was also large, 109%. How did this rapid growth in size influence ideology in the welfare group? I suggest, tentatively, the following set of factors. If the wage hierarchy in the group is parallel to the hierarchy in the state in general, then 70% to 80% of them have wages at or even below the level of the working class in industry. Their separation from any, even petty ownership of the means of production, their exposure to statist ideology through the public institutions they work in, and the fact that entrants to the group probably come from even lower levels of the class hierarchy, might well lead to underclass/working-class identifications.

*Taxation and state power*

Accumulating taxes for social services leads to large financial funds in the state. As mentioned earlier, the different programmes were combined in the National Pension Fund in 1967. The Fund's balance sheet in Figure 19.6 exposes its financial strength between 1968 and 1975.
The Fund's financial balance (its investment basis) has increased exponentially from 1970, reaching over NOK 12 bill. in 1975. These resources have for the most part been channelled into public investments, but smaller shares have been deposited in accounts in private banks and lent out to the private sector. As the percentages at the top of the bars indicate, that orientation towards the private sector increased from 8% in 1968 to 27% in 1972, but then it dropped to about 16% in the mid-1970's.

How were these financial resources managed? What criteria were used in their placement? Is there reason to believe that any other criteria than maximizing capital income have been applied? We see from the diagram that a large part of the accumulated funds is invested in the public sector. If the receiving institutions pay interest on those investments, we can compare those rates with rates in the private sector. I would expect that state investments give smaller financial returns to the Fund than private investments. If that is the
A new type of state

...case, the idea of using the funds to strengthen the state economy has been prevalent. If so, this supports the hypothesis that state economic management is guided by a somewhat wider set of criteria than comparable private investment decisions.

Is the Pension Fund economically important, relative to financial resources in the private sector? Let me compare it with net investments in the economy as a whole over the same period.

Figure 19.7 The Pension Fund, 1968-1974
Size of the Fund relative to net investments in the economy (NOK bill.)

Source: CBS (1978), Table 246 and Statistisk rik 1975 and 1980
Figure 19.7 depicts a stronger state up to 1972, when the Fund reached 27% of total net investments. The Fund held that position for the next two years. At the end of 1972, a bourgeois coalition government took over from the Labour Party government, after its loss in the plebiscite over Common Market membership. Given that the Fund is only a part of the capital that the state controls, and remembering that government investment is included in the comparative measure, we can say that the state over this period had a substantial independent economic base in the Fund.

A NEW TYPE OF STATE?

The welfare services made the Norwegian state a larger and more complex organization. Welfare programmes demand use-value considerations in state decision-making: which types of services will alleviate which problems? The exchange value of welfare services, for example to the unemployed and sick people, is difficult to specify. The welfare state absorbs a large part of the domestic product, channels it through the state and returns (parts of) it to the population in the form of welfare services. The public welfare system is not easy to change because of its size and the substantial administrative system connected with it. The welfare function increases the autonomy of the state relative to the social classes. People in welfare organs become involved in the negative consequences of the competitive, capital-oriented market economy and might for that reason develop political identifications with working-class interests. The task of the welfare administrations,
A new type of state even though they are organized according to the classical bureaucratic model, swamp them, specially at the street level, with social considerations. The welfare state, once established, does not in any simple and uniform way serve the reproduction and expansion of capitalism.

However, is the welfare state "a new type of state"? In 1970 the power over the means of production in society was still overwhelmingly in the hands of the bourgeoisie in the private sector. The Pension Fund has not changed that. The welfare state channels large parts of the created exchange values, a large part of the consumption fund, through its offices. But the bourgeoisie has direct power over the means of production and finance capital. The bourgeois approval of the welfare state, at least after an initial period of ideological opposition, attests to the relevance of this theory. If it threatened bourgeois economic power more opposition to the welfare state would be expected.

The genesis of the Norwegian welfare state seems to have two sources. On the one hand, both the bourgeois farmer/peasant movement and the labour movement have influenced its development. The bourgeois movement was crucial for the institutionalization of parliamentary democracy, that is, for opening a part of the state system to influence from popular movements and local communities. That was advantageous, perhaps a condition for later welfare state developments.\footnote{As can be seen in countries in southern Europe, where both the parliamentary system and the welfare state, have been slower in developing than in Scandinavia (see Senghaas 1985).} The parliamentary state both allowed popular demands to be voiced at the political centre of society and made realistic, situation and context-specific policy-making possible, in addition to being a mechanism for ruling class control and guidance of the bureaucracy. The labour movement was important in that it voiced specific demands and pressed for their realization: a shorter work-day, better insurance against accidents in
the work-place, pensions, health and sickness programmes, etc. The full-blown welfare state of the 1960's can be seen as a fulfilment of the idea that the state should control the imbalance between wages and investments created by the autonomous workings of the commodity markets (including the labour market).

The welfare demands were put forward by the working class, beginning in the last part of the nineteenth century. These demands were to a certain extent met by the bourgeois liberal governments. In particular, the demands for equal rights within the parliamentary system were met at that time. The demands were also absorbed and developed within the labour movement. The question in the interwar years, was how working-class demands should be implemented: through the organization of a new type of socialist state against the will of the bourgeoisie or by winning government position within the existing state apparatus and implementing the demands one by one through the established parliamentary and bureaucratic mechanisms. The latter strategy was chosen.

The bourgeoisie and the state laid down strict conditions for Labour Party participation, conditions that were accepted in the reformist labour movement, leading the way to stable government position in 1935. This acceptance of the reformist path by the Labour Party was more important for the Norwegian bourgeoisie than hindering the expansion of public welfare services. Rather the opposite. Once reformism was an established fact, the way was open both for a labour government and for a welfare state. That state, as I have shown, was acceptable to leading circles among the bourgeoisie. It was a way of regulating the wage structures so that productivity would stay high and radicalism low in the working-class.

The welfare arrangements are political and willful interventions into the distribution of the consumption fund in the population. But the welfare state also expresses how the 'private economy' is
increasingly public, how politics and economy are increasingly intertwined. The welfare state, through its mass of welfare workers at the municipal level introduces practical, context-specific use-value considerations broadly into the essentially bureaucratic state apparatus.
The role of the state in the modernization process

"Harold Rosenberg remarked, in The Tradition of the New, that if an artist is in a given situation it doesn't follow that his consciousness will be there with him. Instead of exemplifying its conditions, he might choose to question them."


What role did the Norwegian state have in the modernization process, in the transformation of the Norwegian economy from a subsistence agriculture to a surplus producing, industrial economy? To develop an answer I have compared knowledge on processes of state and class formation with knowledge on the effects of state intervention into the economy and into the formation of organizations in the civil society (firms, interest organizations and political movements). In that interactive study of relations between state and society it is possible to avoid overly deterministic or voluntaristic theories. In that way it is possible to understand how action and action models are given form and influenced by institutions and how individual and group actions influence and change institutions.

Political science has long left the workings of the economy to the economists. That has led political science to intensive studies of political power and decision-making and economic theory to be reluctant to look into how institutions and organization affects and
limits economic production and distribution. Political science has been overly voluntaristic because the economic processes have been left out. Economic theory has been overly deterministic, in the sense that the economy has been seen one-sidedly as a market system with uncoordinated actors acting on demand and supply of price-set commodities. Widely accepted norms and politics has not been part of the economy. The present study suggests some possibilities for transcending that 'academic' division of labour: study capital as a social relation that gives form to relations between organizations and movements; study how political decision-making is limited by class relations and professions and how individual and collective action impacts both actors and their environments.

The thesis of the present study is that the state has played an autonomous and powerful role in the modernizing of the Norwegian economy, but that it in the whole period has been a bourgeois state. The state has been a central organizing agent in the modernization of an agricultural economy to industrial capitalism in a dependent, peripheral European state with weak feudal/aristocratic traditions, with a weak bourgeoisie and a strong, independent peasantry. The state was an arena for organizing the national liberation movement, it was a powerful organization in building infrastructure for a modern capitalist market economy, it played a role in the political organizing of the bourgeoisie, and through the postwar welfare state, became a manager of imbalances and crisis tendencies in the capitalist economy. The so-called 'market economy' in Norway was thus eminently a product public policies and dependent for its success on a strong and professionalized state. The study counters the idea that the development of the market economy

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227 How the fragmentation and perhaps dissolution of the class structure after 1970, generated by the impact of the international economy and technology, changed the state organization and how the (many-centered) state influenced political actors in the deeply politicized civil society, are questions for future study.
in Norway depended on pushing back and avoiding the state. The problem for the rising bourgeoisie was not to avoid the state, but to organize it to serve its interests without provoking too much social and political opposition. It was state actors, governments and professional bureaucrats that were the subjective, intellectual elements in this reorganization process. Thus institutional analysis and studies of decision-making are important for understanding both the modernization (change) and the sclerosis (crisis) of the economy. Through a new reorganization from 1930 to 1950 the state became an efficient manager of the crisis tendencies in the capitalist economy, so that after the war up to about 1965, in the expansive phase of capitalism globally, the state-organized capitalist economy in Norway expanded briskly. In the 1980's it can seem that both systems had reached their efficiency limits: the huge state apparatus no longer managed to absorb unemployed and otherwise debilitated and 'decommodified' labour power through the administration of welfare services to them, and the capitalist economy, once detailed state interventions into the firms are curtailed, does not have the capacity to overcome the structural crisis tendency, the structural unemployment and the concomitant development of culture-specific poverty in large sections of the population.

The academic field of political economy has moved from economics, studying the statistical relations between price-set demand for and supply of commodities (Samuelson 1964), into the study of how institutions affect transaction costs (North 1991). The present study suggests that the institutional analysis should be taken a step further, to the study of how constitutions (state organizations) codify class and power structures in society, open for certain changes, but close for others, and why the labour movement's radical project of political and especially economic democracy could not be implemented within the existing constitution.
THE ECONOMIC TRANSFORMATION IN NORWAY: 1850 - 1970

The bureaucracy has been an important elite and political class throughout the modern period. Its position has roots in Danish colonial rule of Norway. The ruling bureaucratic elite was not removed from the top echelons of the state before the last decades of the nineteenth century. But then it took on a new and powerful role through the public administration, managing infrastructural projects, a role that did not diminish with the social democratic regime after the Second World War. But it was a political class with learning ability. From the prevalence of paternalistic ideology in the Danish period it learned (through internal and external struggle) the ideology of national independence and the free market economy. In the interwar period social economists taught the growing bureaucracy Keynesian models of state intervention into the economy, and the bureaucracy taught the social democratic movement the same.

The bureaucracy was an elite and a political class. In the early period (to the 1880's) it had connections into the economy (as owners of farms and trading firms), but it was not, as far as I can see, an economic class, with an interest in economic exploitation of "foreign labour". But it was economically important in the sense that it organized the economic arena, the 'space' where the bourgeoisie and the working classes could act and organize. So, if Norway has not had a strong feudal aristocracy, it has had a strong bureaucracy, an elite in the state, a political class, with basically conservative bureaucratic interests (pay, subordinates, status, power), but open for government guidance, with connections into the economy and with a learning capacity (perhaps because of its close connections to
intellectual and cultural circles in the country) and an interest in state expansion.

The bourgeoisie, in the sense of a class of capital owners exploiting labour to expand capital, has in the modern period been the dominant class in the economy. The state and the state bureaucracy has been a subordinate capital owner, with capital mainly in not very capital-productive infrastructure, through the whole modern period. The social democrats did not manage to change that relationship (through nationalizations of industry). But the bourgeoisie rose slowly to the status of an autocentric economic class. In the last part of the nineteenth century the bourgeoisie was busy transforming shipping from sail to steam engines, forestry to machine based industry and foreign owned firms to Norwegian controlled firms. In agriculture the transformation to farming developed slowly. In the financial sector and in industry the Norwegian firms were small and the few large undertakings were heavily dependent upon foreign capital and professional knowledge. Thus also the national academic institutions developed slowly, with the University in Christiania (Oslo) not very supportive of the natural sciences during the nineteenth century, with the establishment of a technical college first in 1911 in Trondheim and a business college in Bergen, formally in 1915, but with teaching activity first in the 1936 (Waaler 1961).

With the labour movement under state control and with the social economists as the movement's economic ideologists, the bourgeoisie grudgingly accepted the Labour Party as government in 1935 (the Hornsrud government of 1928 was not accepted). But the social democratic regime did not change the basic position of private capital and the bourgeoisie in the economy. The bourgeoisie kept its dominant and exploitative position, being in control of the investments in the private sector, however, increasingly dependent upon cooperation with the government and the state for
accumulation of profits. Important sections of the bourgeois political leadership adopted a form of social democratic thinking (organized capitalism), opening for a new political elite, including the leaders of Social Democracy, the top leaders in the public administration and the leaders of the bourgeoisie in the private sector.

THE CHANGING CLASS STRUCTURES

1970 can perhaps be termed a turning point in the development of the bourgeois class in Norway. The period of expansive (if increasingly state supported) industrial capitalism was over. The new capital expansive sectors, like shipping, oil production, media and electronic technology had radically different ownership structures from the typical Norwegian form, the small family company.

The working class, the class of exploited wage labourers without subordinates, working in material production and services, without ability to accumulate any production capital (but some consumption capital), developed as an economic appendage to private capital and to state productive activities. In a European and even a Scandinavian perspective, the working class in Norway was a latecomer. It was recruited largely from independent and dependent peasantry in the nineteenth century. It expanded quickly with the industrialization around the turn of the century. Its close connections to the peasantry probably supported reformist thinking among workers. Their lack of a social and cultural basis in towns, the isolated, quite rural locations of much of the new big industry, and the unity and power of the Norwegian bureaucracy were all factors that made parts of the class open to radical political and organizational ideas.
The independent ownership in agriculture and the large public institutions (in administration, education and science, and infrastructure) made the middle classes important in the Norwegian economy. The middle classes are typically people with characteristics of other classes: owners of land who work that land themselves, managers with no capital ownership who have some subordinates and organize for maximization of profit. Middle classes are people torn between the main classes in the economy. It has been difficult to identify middle classes from the available statistics on occupations, wages and capital ownership. With the expansion of the public sector institutions after the Second World War, the middle class has expanded. Middle class members are often volatile, split between main class interests, pressured both ways and often on the move in the class structure (trying to move upwards, often pushed downwards). Stable middle class elements will typically not be engaged ideologically. Under pressure members of that class can develop ideas in many directions, and recruit to populist movements, both on the right and the left of the political spectrum. The middle classes in Norway can thus be part of the explanation of the basic stability in Norwegian politics (social democracy, reformism, a low degree of open class confrontations, little violence) and of the extreme radicalism that the country has experienced, both within the labour movement and within the bourgeois political movement.

In Norway in the nineteenth century the class structure was dominated by petty bourgeois formations rurally and a bureaucratic political class in the (small) urban centres. The main classes in the capitalist economy, the bourgeoisie and the working class took form only slowly up to 1900. The state influenced that class formation process through laws favouring the market economy, through infrastructural projects and through its opposition to working class organizing. Around the turn of the century both classes were
established in the Norwegian economy, the bourgeoisie heavily influenced by international capital, the working class torn out of the petty bourgeoisie and landed labour. The social democratic movement worked to 'normalize' and ameliorate the relations between the main classes.

After the Second World War the many parts of the working class were integrated into the state through different types of education and welfare programmes. The bourgeoisie was fragmented and integrated into the state, centrally and at the municipal level, through the corporative channel. The distinction between state and society became less clear as class members became dependent on state programmes and as the state increasingly intervened into business management. A public management system for an expansive capitalist economy ossified in the 1960's. As the economy went into depression, with investment possibilities dwindling, with new technology demanding new organizational forms and less labour, with increasing international competition and unemployment, the public management system was pressured for reorganization without being able to respond. The tripartite relations between the organizations of the bourgeoisie, the working class and the state were ossified with heavy vested interests in the established structure, making major reorganizations difficult.

THE STATE

In the present study the bureaucratic elite emerges as an eminent state organizer. It organizes the state independently, but not primarily on the basis of its own economic or political interests. The elite was typically split, but the dominant part of it identified with the rising bourgeoisie and organized conditions for the expansive capitalist economy and played a role in developing collective
organizations in the bourgeoisie. The elite had an autonomous role relative to the classes, but identified gradually and with increasing administrative knowledge with the bourgeois industrial capitalist project.

The formation of the parliamentary state in 1814 was a key to independence. The politically conscious Norwegians, whether powerful or peripheral could identify with the Storting as a power centre. Up to 1884 there was a struggle in the bureaucratic elite between traditionalists and modernizers. The latter were a minority and an alliance between the up-coming bourgeoisie and the liberal farm and urban intellectual movement managed to oust the conservative bureaucratic elite from power in 1884. The representative parliament gradually got control of the political composition of the government and through it the public administration was put under political control and guidance. With that unification and centralization of political power, based in a bourgeois political programme of a market economy and profit oriented production and trade, the state was organized to enter actively into infrastructure. Gradually the new professions from the natural sciences managed to permeate into the public administration and establish administrative power centres in the directorates. As the turn of the century approached infrastructure was developed in most of the modern sectors of the economy (new technology in agriculture, fish production and forestry, railways, roads and telegraphs, new systems for distribution and control of medicines, for measures and weights, etc.). The basis for this modernization process was the political alliance between the independent owners of land and the new bourgeoisie. Thus the political consciousness and the organizational innovativeness of the bureaucratic-professional elite and the centralized parliamentary form of government (based in the right to 'private' ownership of the products
of foreign labour) seem to be the crucial organizational variables in the modernization of the Norwegian economy.
THE SELECTIVITY OF STRUCTURES

The parliamentary state, established in Norway in 1814 and changed during the crises of 1884 and 1905, was conducive to the bourgeois project of an autocratic, industrially based market economy in Norway. Parliament opened the way to a political alliance between the market-oriented farmers and the new industrially-oriented bourgeoisie, an alliance that was strong enough to dismantle the bureaucratic regime. After that the national independence movement gained strength towards the end of the century, the liberal movement allowing for a broad coalition including people from the authoritarian right (the state should operate above party politics) and from the labour movement. That coalition succeeded in 1905 in establishing national independence with a state organization adjusted to organizing infrastructure for an expanding market economy, guaranteeing the bourgeoisie the right to accumulate capital and supporting bourgeois economic interests internationally.

In the interwar period the reformist labour movement was coopted into Parliament and the political role and power of the public bureaucracy was strengthened by attracting interest organizations to participate in planning and decision-making (in boards, committees and councils - the corporative channel). In this way the parliamentary state was a structure congenial to bourgeois mobilization against the bureaucratic elite and the subsistence peasants in the nineteenth century and that allowed for the participation of private interest organizations in policy making in the bureaucracy in the twentieth. The parliamentary structure had a flexibility in both the parliamentary and the bureaucratic channels, allowing for organized private interests to participate in both, thus modifying the constitutional principle of popular control of parliament through personal votes for parliamentary representatives.
Citizenship was gradually extended to non-capital owners and to women (in 1901 and 1910 for municipal elections, in 1913 for all national elections) and gradually to youth. In a second phase the system allowed for the participation of political parties in the Storting. In a third phase the executive branch of government was opened for direct participation from interest organizations, first the large employer organizations, later also the large labour organizations. However, to what degree this parliamentary bureaucratic state structure was a necessary condition for establishing an autocentric capitalism in Norway requires comparative studies. If there are many examples of very similar societies managing that transition without such a parliamentary form of state, the theory presented here is in trouble. That study is the next step.

As the size of the state increased and as the state took on functions within the economy, the power of the state increased. However, as the size of especially the welfare services increased, the state also contained large groups of employees, who in addition to being state employees, had traits in common with larger groups (the professions) and classes (working class, middle classes and the bourgeoisie). The autonomy of the state changed its content over time, from instrumental to programme autonomy, from an

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228 Simon Clarke (1983:119) suggests that capital accumulation does not require a state apparatus. Only the class struggle does: "If there were no class struggle, if the working class were willing to submit passively to their subordination to capitalist social relations, there would be no state." The present study of Norwegian state history suggests that the state was an autonomous organizer of the infrastructural conditions necessary for the penetration and expansion of the capitalist mode of production and a structural condition and organizer of class and group compromises conducive to continued capital dominance in the economy. The state played a central role in limiting the class struggle through ideological influence (we are all necessary members of one society) and organizationally (only responsible leaders and organizations are accepted into state decision-making). That complex task demanded a type of system knowledge and a use-value orientation in planning and decision-making that organizations in civil society could develop only with great difficulty.
independent role in keeping the peace and managing established programmes to an independent role in policy-making with a powerful administration to implement the decisions. The parliamentary state had class autonomy, the ability to act in basic contradiction to a class interest, relative to the working class in the whole period, structurally determined by the constitutional safeguard of the right to private accumulation of production capital.

Constitutions are important. They define in a binding fashion the existing power structure of a society. They define the structure of the state and the roles it can play. They define the room or the scope for independent policy-making in the state.229 The Norwegian Constitution established the parliamentary form of state and private ownership of capital as basic structures. It strictly limited voting rights to owners of real capital. Gradually voting rights were extended, changes that were recorded in the Constitution. The revolutionary changes implemented in 1884 and 1905 were also recorded (parliamentarianism and national independence). However, the new role of the political parties and the interest organizations was not brought explicitly into the Constitution. Since 1905 no changes to the basic structure of the state have been recorded in the Constitution, except the new paragraph 93, which allows for supranational authority in Norway. The Constitution thus still reproduces a simple conception of the Norwegian state as a structure directly connected to each and every citizen, with no intervening bodies between the citizen and the Storting (comparable to a paradigm of individual capital owners interacting in markets, without intervening institutions). Why are these intervening

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229 Geoffrey Hosking says about the Tsarist state in Russia: "The real nature of the Tsarist state can be seen readily enough from its Fundamental Laws. Its two key articles read: "Russia is one and indivisible" and "The Russian Emperor is an autocratic and unlimited monarch. God Himself commands obedience to his supreme authority, not only from fear but from conscience." (G. Hosking, *Times Literary Supplement*, 1 February, 1991:3).
organizations not recorded in the Constitution? Are they of no importance? Is it because the postwar regimes have not wanted to spoil the ultra-democratic message in the Constitution (all voters directly electing representatives, with the *Storting* as the power centre in the state)? Or is it because the intervening organizations could, if the process of constitutional change were started, raise an unwanted debate on democracy, both political and economic democracy? (The public has no influence as such on the membership/leadership selections in interest organizations. Wage-workers do not have any right to control the use and/or placement of the privately owned means of production.)

The present study argues that the constitutional question, the question of the basic organization of the state, has been on the agenda of all the new social and political movements (the liberal farm movement, the industrial bourgeois movement and the labour movement). But it was the labour movement that first put forward radical alternatives to the existing Constitution (the ideas of a proletarian state in the 1920's and a parliamentary-corporative state in the 1930's). The labour movement had to suppress both these alternatives to become acceptable as a participant in the established state apparatus in the interwar period. If a social movement wants to develop new norms for the management of the production process (for example, use-value norms instead of the present exchange-value norms, cooperative norms instead of competitive norms, ecological norms instead of profit maximization, etc.), the present study suggests that such changes are dependent on: (a) the success of the movement in society (its capacity to mobilize); (b) its ability to have its values permeate into education and science; and (c) the adjustment of the Constitution to accommodate the new values and norms into the state organization.

The present study is a case study of the state as an agent of modernization in Norway. It has looked into how state - class
relations in Norway took form within the global system of capitalist economies, how international capital penetrated the Norwegian economy, how that capital affected economic change and the development of an autocentric capitalism in Norway. The study suggests that the democratic state and the existence of a peasantry of independent land owners, constituting a base for a peasant movement demanding participation, are of importance for the emergence and later dominance of a national, industrially based bourgeoisie in the economy. It is argued that the parliamentary state organization is equally important in the next phase when the bourgeoisie wants to control the labour movement, to keep that movement and the working class within the circuit of private capital accumulation. It is argued that this containment became increasingly difficult as the limits of the capitalist mode of production became more obvious in the late 1960's and 1970's in the form of structural unemployment and environmental deterioration. This pressure from the crisis tendency in the economy produced a transfer of political power from the parliament to the bureaucratic corporative channel of decision-making.

THE ROLE OF REGIMES

In 1814 an elite, but a broadly composed elite of bureaucrats, large land owners and bourgeois industrialists and tradesmen, and a prince acted autonomously to create a new, independent Norwegian state. That undertaking was definitely of a revolutionary character, but carried out in a situation where Danish state control of the Norwegian territory was virtually non-existent. For that reason not very much force had to be employed. For that reason, too, it was rather easy for the Swedish state to establish its hegemony over Norway after Napoleon was beaten at Leipzig and England had
agreed that Sweden should take sovereignty over Norway. An agreement to that end was drawn up in Kiel 14 January, 1814. The Norwegian coalition was a bourgeois coalition, politically weak relative to the Swedish government, searching for a state organization that could maximize its possibilities for autonomy and profitable trade in the future. The question of alliance with Sweden or independence was the main organizational question.

In the 1880's the Norwegian government was strengthened. The Norwegian economy was in a new upturn. The bourgeoisie was stronger in industry and trade and the political movement among farmers, handicraftsmen in the towns and liberal intellectuals was gaining momentum. The transformation from movement to political parties was close at hand. The bureaucratic political class was on the defensive, with support from the Swedish monarch. The *Storting* wanted to inaugurate the right of government members to speak in parliament, so that the *Storting's* control of government could be strengthened. The success of parliament in that struggle led to a revolutionary change in the Constitution. From then on it was the *Storting*, with the political parties (Liberals and Conservatives) as the main actors, that determined the political composition of government. The state organization, especially the parliament, made it possible to concentrate the power of the complex political movement against the monarch and the bureaucratic elite in Norway. The Liberal Party's leadership under Johan Sverdrup was essential for organizing the movement into an efficient attack on the monarchical/bureaucratic state power.

Then the new bourgeoisie, the liberal intellectuals and the bureaucrats in the cities and the market-oriented farmers in the richer agricultural areas of Norway had state power. Towards 1905 that power was used to organize a national movement in Norway strong enough to oust the Swedish monarch completely from the Norwegian state apparatus. The new labour movement was kept
within the bourgeois movement, not least by the Liberal Party's nationalist and social propaganda, arguing that the Liberal Party was the natural organization for working-class activists. The state kept a close watch over labour movement activities, suppressing revolutionary tendencies. Attempts at severing workers from the nationalist liberal, pro-market movement were gaining momentum in the labour movement. The struggle for national independence succeeded in 1905. Christian Michelsen, a leader with ideological conceptions more rooted in the classical Norwegian Constitution (people-state relations without intermediaries) than in the modern, parliamentarian multi-party state, and supporting ideas of strong personal leadership, symbolized the autonomy of the state in the crisis of 1905.

With the war of 1914-1918 the structure and the role of the state changed. The state became involved in the sphere of economic management. That expanded the size of the state and led to more internal specialization within administrative units. Leaders of industrial and trading companies were brought into state decision-making. The Labour Party became an important participant in the political struggle, putting Venstre in a middle position between the Høyre and the Labour Party. The classical conflict in capitalist society between the bourgeoisie, the owners of capital and the working class became, rather abruptly, the main dimension in the political struggle. Comparatively this was the period when state autonomy was at a low ebb, when the regimes had relatively little room for political initiatives and manoeuvring. Capital and labour, and in a minor role the peasantry, were the main actors, acting out their conflicts mainly in civil society, with the state frantically preparing for military and police intervention to secure "law and order". Again we see that the autonomy of the state in periods of crisis is concentrated in organs that seemingly are organized above the political level of parties and movements. Just as Michelsen
represented the people in 1905, so the military apparatus, represented the concentrated will of the state in the interwar period.

The Labour Party regime from 1935 onwards had, as far as I can see, a new type of autonomy, a fully fledged programme autonomy, a role as a continuous, national, strategic organizer of the capitalist economy. Industry was spreading into all corners of the country, and the state took over several big industrial enterprises. The independent labour movement and the social economists' ideas of a national budget and a planned economy gave the Labour government management leverage. But it was an autonomy that had its price. It was an autonomy built on the bourgeois right to accumulation of capital, on accepting the established rules for resolving conflicts both in the state and in the economy, the rules for the organized determination of wage levels and for bourgeois sovereignty in the management of private companies.

The autonomy of the Labour regime was indisputable in 1945. The war had expanded the state apparatus and the arsenal of administrative instruments for economic planning. The labour movement was dominant in society. Norway moved into what Seip has characterized as a one-party state, a state dominated by the Labour Party coordinating the big economic interest organizations (on the capital and labour sides) in state policy-making. But the regime had to limit political participation. The Communists soon became a problem. They were vehemently attacked in speeches and in the press, openly and clandestinely, through the Labour Party controlled secret services within the labour movement and in the civil and military parts of the state. The power of the Storting dwindled while the power of the big organizations in the corporative channel increased, to the detriment of the smaller organizations and organizations in the social and cultural sectors ("the closing of the membership markets in the corporate channel", Rokkan 1975b). The new corporative-type state managed by the
Labour Party leadership sapped the labour movement of initiative and grass roots activity. Labour politics was alienated from the labour movement. The political dialogue in the press, between and within the political parties became vociferous and highly ideological, and on the other hand muted and unclear about the more practical questions of economic and social management. The corporative channel turned politics into a matter of professional knowledge and professional jargon within a consensus culture. The corporative channel took the political questions from the agendas of the parliamentary organs and transformed them into technical matters for discussions between professionals in closed meetings.

**ORGANIZATIONAL MECHANISMS**

**GENERATING AUTONOMOUS STATE POWER**

State power, whether of an autonomous or heteronomous character, depends on the control of resources (land, means of production, means of administration and labour power). As described in the preceding chapters, state control over resources has increased, from a small public consumption-oriented state, via the transitional, investment-oriented state in the interwar period, to the large managerial state after the Second World War. Once the level of resource control has been decided upon, the state has powerful instruments to expropriate the resources from society: a bureaucracy with state authority, a police force that can use physical force against recalcitrant taxpayers, and lastly the military itself. It can in principle intervene in any activity within the territory. If citizens have rights in relation to the state, it is the state that has agreed to transfer those rights (for example, rights of organization, of printing, of voting, of religion, etc.) to some/all individuals within the territory. Within this concept of state, people are perhaps born
equal, but the inalienable rights, if any, are assigned to people, and can in principle be taken away from them. State sovereignty is in principle absolute. Freedom to individuals and organizations is therefore historically (a) products of struggle against state powerholders and (b) freedoms assigned by (or taken from) the state. The resources the state controls relative to the private sector determine the strength of the state when confronted with competition, non-compliant groups, revolutionary attacks and attacks from foreign states.

State power also emanates from the representative parliament. Through it the making of compromises between political movements in society and the working out of policies that are acceptable to a majority in the parliament become a separate function, a special competence of the state. The ministries can also be decision-making and planning systems that over time develop knowledge of common interests in a policy area and suggest policies that cater to those interests. Sections of the bureaucratic elite in the nineteenth century had this competence. It took the initiative in developing a policy for infrastructures that could serve a new industrial market economy. Leaders of Venstre had this competence through the national liberation process and the Labour Party had it during the construction of the welfare state.

A second mechanism generating policy-making autonomy, is the professionalization of the state, that is, the incorporation of professionals in state administrative positions and state demands on the educational and research sectors to develop the type of professionals that the different state sectors need. Historically professionalization passed through three stages. First the legal, religious and military professions were dominant, when the Norwegian state was organized mainly to keep a given, law-defined order, an internal order, order in relation to other states and order in people's minds (mainly a strong belief in God and his (i.e.
Norwegian) church). Then the infrastructural professions were absorbed into the state: the engineers, the medical doctors, the agronomists. A third phase was connected with the Keynesian revolution, seeing the state as a separate, but constructive actor in the market economy, and an organization with an economic logic different from the private sector. The social economists were the prime carriers of this knowledge into the state. That profession entered the state administration as the Labour Party entered government. A fourth phase of professionalization occurred after the Second World War, with the welfare state and the expansion of the social sciences. These four waves of professionalization of the Norwegian state resulted in a stratified professionalized state, with new layers of professionals entering the state, generating new institutions and new organizational forms.

The professions are organization-forming and class-forming agents inside the state apparatus. Professionals create interest organizations that take on the defence of members’ economic and social interests, in addition to the academic and educational interests. Through continuous interaction across institutional and within professional boundaries, state-employed professionals are able to develop common conceptions of policy questions.

While we have seen a tendency among professionals in the top echelons of the administration to move ideologically in the direction of the bourgeoisie, the welfare state creates a mass of professionals working at the street level, or working more or less directly with a large number of clients seeking state assistance. In these groups of professionals we have discerned tendencies to move in the direction

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230 In an interview with Ragnar Frisch I asked him to evaluate the relationship between the social economists in government and the politicians in parliament. He answered that as far as he could see the economists were pretty much in control. "If the economists ring a bell over here the politicians will follow their signal. If the economists ring the bell somewhere else the politicians will immediately follow."
of working-class and popular identifications. However, we would expect the top echelons of the state administration and the bourgeois regimes to seek to neutralize that kind of group formation among street-level bureaucrats by splitting them up, by producing more rules to regulate their work and by restricting their budgets.

The boards and commissions surrounding the central government administration have their own effect on state autonomy and state power. As we have seen, the members are on the whole selected by the government on personal, professional and political merit. There is little public competition for positions and hardly any electoral influence on recruitment. Recruitment is arranged at the discretion of the administrative leaderships in the ministries. In that way the boards and commissions can be seen as a corporative body, a pool of decision-making competence and a communication and influence system, quite hidden from public scrutiny, between the state bureaucracy and organizations and institutions in society. With a membership of 5500 people (in 1980), compared with around 2000 employed in the ministries and some 13 000 employed if we include all the central external administrative institutions, the corporative body is a substantial part of the central government system. It is a power resource, a flexible, highly manipulable personnel pool, a system with detailed information about the complex of institutions, firms and movements in society, and an efficient communication channel between the central government and those institutions. The corporative body is mainly connected to government, with only marginal contacts with parliament and parliamentarians.231

231 Compared with the American Congress the Norwegian Storting seems to have a very weak corporate system at its disposal. The Storting has its committees, but they seem to be dependent to a large degree on ad hoc contacts with organizations and institutions in society. The legitimate participants in policy making in the Storting are the political parties. The Storting has not used its power to set up corporate-type commissions, with representatives from interest organizations and public institutions, to take part in planning and policy making exercises. In the Norwegian state, that is, for some reason, investigations and planning exercises is the
A CLASS STATE?

The Norwegian state was strong from its inception in 1814, but the type of muscle has changed. Its muscle in the first part of the nineteenth century was of an ideological type, with church and religion, supported by bureaucrats and the police, as its main instruments. From 1900 to 1945 the state's muscle was of a technical and police type, engaged in building infrastructure for an expanding market economy and keeping an unruly labour movement under control. Jittery, inexperienced bourgeois regimes, with disloyal supporters also on the extreme right wing (supporters of private capital, but against parliamentary government), probably put more emphasis on police and military preparations for internal control than was necessary.

The state as barrier against working class interests was taken care of by two mechanisms. First, the constitutional right to the private accumulation of capital (expressed in paragraph 105 in the Constitution, which states that everyone who gives up any material value to the state shall have full compensation for that value) excluded the state from redistributing capital to collectivities of workers (at whatever level, from the firm and upwards to the national level). Secondly, the systematic separation of the parliament and the political parties from the government and the bureaucracy has given especially the bourgeoisie a choice between two channels of political decision-making. When the labour movement was on the rise in parliament, bourgeois organizations could use the corporative channel, undermining the power of

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privilege of the state bureaucracy. Interest organizations, private institutions and social/political movements play a much larger role in the American Congress than in the Norwegian Storting. One reason is the independence of the President's power relative to Congress compared to the Storting's control over the political composition of the Norwegian government. One mechanism that could serve to increase the political power of the Storting might be a corporate-type planning system organized by the Storting and its committees.
parliament. Parliament thus became dependent on the knowledge accumulated in the bureaucracy and on the willingness of institutions connected with the bureaucracy to implement policy decisions made in the Storting. With access to the corporative channel limited to the large, responsible interest organizations in the economy this system limited the state's range of autonomous action to what Edvard Bull rightly called the project of "organizing capitalism".

This description of the Norwegian state does not tally with the crude instrumentalist, rationalistic theories of the state as an instrument of the bourgeoisie. What emerges is a state whose core function in this period of Norwegian political history was independent involvement in the bourgeois project of permeating the Norwegian economy with capitalism, with an exploitative economic system geared to expanding capital. But that core project is complex, a project which demands competences that only partially can be found within the bourgeoisie. Rather, the Norwegian state appears as a separate and powerful organizer of relations between groups and social classes, between the global and national economic processes, between old and new modes of production (subsistence agriculture and industrial capitalism), between trade and production, between national infrastructure and the specific technical needs of individual firms. The Norwegian state, rather than being an instrument controlled and managed by a bourgeois class, appears as an independent organizer of capitalism in a complex web of ideological, social and economic contradictions, with a fragmented bourgeoisie as the main entrepreneur in the economy, a bourgeoisie that the state to a large extent has organized at the political level.

State power has since the 1880's been located with the rising and later dominant bourgeois class. That class has effectively set the constitutional and organizational limits on state action. But the special traits of a capitalist economy - its connections with a
powerful global economic circuit, its class character, dividing society into a set of contradictory classes, its development contradicting earlier (and perhaps later) use-value-oriented modes of production, moving from one crisis to the next (unemployment and overproduction crises), and its tendency to overexploit employees and to create an ever-larger reserve army of unemployed workers - define the special tasks of the state.

The autonomy of the state may make ideological hegemony important for the continued existence of developed capitalism in Norway (as ideological/religious hegemony was important for the continued existence of the feudal mode of production in medieval Europe). If the legitimacy of the capitalist project should disintegrate in the working classes and in the middle, state-connected classes at the same time, a bourgeois mobilization of state force against the new political movements may be difficult.

THE CONTRIBUTION OF THE POWER STUDY

The Norwegian Power Study was not able to say much about either the basic state project or the special competences of the state, mainly because it limited itself to describing the organization of the state at a point in time. It left out the tasks of the state. It did study some of the state's relations to institutions and organizations in society. A still-picture of organization forms appeared, but what went on in those organizations, what policies and interests they were designed to take care of, their relations to external actors and interests, was left out.

The NPS pointed to the "withering" of markets and the concomitant market power of organizations and large firms, the interpenetration of state and society, the internationalization of both the economy and politics, and the power of the interest
organizations in the corporative channel. It suggested that the modern Norwegian state was a segmented state, where the policy-making units were not the formal institutions (the Storting, the government and the ministries), but elite groups (called segments) organized across the boundaries of formal institutions and within sectors of the economy (widely defined): agriculture, industry, trade, education, health, social welfare, etc. Each segment had members from parliament, ministries, interest organizations, science, the media etc. The NPS found that the segments had different conceptions of the good society and the role of the state. Thus in toto the decision-making system was different from the constitutional model, but all the same basically democratic and representative. Unanswered questions were: (1) Why had the policy-making system been changed? (2) Could it be that each segment handled a separate functional area within a larger capitalist market economy, and that a positive evaluation of that economy was a prerequisite for entry into all of the segments and the corporative decision-making bodies?

The NPS described how the administration was recruited mainly among upper class men from the Oslo/eastern region of the country, but found all the same that background variables of the bureaucrats were unimportant (except for education) in understanding the content of their decisions. The bureaucrats defended institutionalized values and policies. The question the NPS did not ask was whether these institutionalized values perhaps were exactly the values and interests of the upper classes in the urbanized areas of the country.

MATERIALISM CONTRADICTED?
A materialist approach means getting into the study of state, politics and ideology through an analysis of social relations, interest formation and power in the economy, in the complex of modes of production and class formations there. It means combining historical, functional and dialectical analysis: the first describing concrete developments of economic, political and ideological phenomena over time; the second working out how developments within one structure are dependent upon and related to developments within others (e.g. how the state responds to developments in the capitalist economy, how the administration relates to political authority in government and parliament, how the division of labour in the administration is related to the structural development of the capitalist economy, etc.); the third attempting to clarify the contradictions in each unit of the political and economic system, investigating if the suppressed sides in those contradictions could be the nucleus of new forms of economic cooperation, political leadership and administration.

The materialist approach means testing a specific understanding of the relationship between organizational structures and action models. It implies searching for how decisions are influenced by organizational structures and the decision-makers' interpretations of the world.

As Perry Anderson (1986:10) points out - over different temporalities in the different arenas. This differentiation of tempos of development and of change should have been given more attention than I have managed in the preceding analysis. I have operated with two fairly parallel temporalities: (1) the temporality of state development itself, from independence in 1814, to the creation of the parliamentary state in 1884, independence in 1905, social democracy in 1935, and majority social democracy and welfare state in the postwar period up to 1970, and (2) temporality of the development of the labour movement, from, early formation in 1850, via the creation of national, class-specific organizations in the 1880's and 1890's, the ideological struggle in the 1920's and the merger of social democracy and state from 1935 onwards. The temporality of the class development has not been clarified, even if the main changes in the class formations, class interests and class strengths have been identified. And the temporality of everyday life within the main social classes has not been given attention at all, drastically reducing the possibility of comprehending the common ideological developments in the country.
those structures. It means studying how decisions are affected by the interactions with other decision-makers. Materialism does not mean that objective structures determine the way people think and interpret society and their (individual and collective) actions. Materialism means studying the economy and politics as social relations, as interpreted/constructed relations between people and as systems that are related. Materialism does not, in my interpretation, mean that the economy determines politics. The relative power and autonomy of different areas of human activity is basically an empirical problem.

Two theses emerge from the present study:

1. Between 1850 and 1970 the Norwegian state was subordinated the capitalist project. The bourgeoisie had the power over the state organization. However, the state organization allowed and even furthered the development of an autonomous, democratically based political leadership, a leadership that was an elite and a political class in the first period (the bureaucracy 1814-1884), a professionally based complex political elite in the period up to 1935, and a section of the new industrial corporative bourgeoisie in the postwar period. The state was strong and had an autonomous role in organizing the transformation of the economy.

2. During the interwar and early postwar periods the capitalist economy in Norway gradually and unevenly lost some of its independence and expansionary capacity. The international economy took a tighter hold on the Norwegian economy and the overproduction crises set continuously stricter limits on the role of the state.

Both these trends threatened the popular legitimacy of the system. At the political level this reduction of the legitimacy of the capitalist economy was compensated for by increased influence of employer organizations in the corporate channel of decision-making, a channel that is more efficient for the consolidated elites,
involving less time-consuming democratic bickering and less observation by critical mass media.

Both the subordination and the autonomy of the state in the analyzed period could be discerned in the action models and roles of leaders in government. Personal idiosyncrasies were more or less neutralized by the workings of decision rules in the state apparatus while at the same time leaving considerable power and discretion in the hands of the elite.

Abraham Berge's participation in the Trade Bank affair revealed a development from a radical/populist to an established, conservative 'state and people are one' conception of society, during a long career in the government system. Nicolai Rygg started out with an interest in working-class politics and social statistics and developed a political model of stability in the economic establishment as head of the National Bank. No one in the government or on the boards of the banks who knew about the unconstitutional support to the Trade Bank leaked that fact to the Storting or to the public. About 30 government officials and elected politicians knew about the illegal Trade Bank support, but the Storting was not informed. The financial elite and the government demanded secrecy. The state administration was malleable in that direction and kept all the bureaucrats in line.

Jonas Smitt was personally a member of the bureaucratic elite, had ideas about how the state should intervene in agriculture that could be partially predicted from that elite position, and rose to power in government when the state was under the control of the bureaucratic political class. Jonas Smitt became a maverick after the liberal Venstre regime took over government power. But then he was eliminated from the power structure in the administration, which was tightly controlled from above, and from the new Ministry of Agriculture.
In the Kings Bay affair the social democratic government tried to bypass the Storting in an effort to secure its power position. The idea that the Storting was the sovereign authority and that it should decide on the consequences of the accident was subordinated to the government's interest in staying in power.

As Lægreid and Olsen succinctly put it, people employed in the administration with ideas about reforming decision-making routines and/or relations with clients leave their jobs more quickly than others. "This cleaning (renselsesmekanisme) and expulsion process is of crucial importance to the workings of the administration. It homogenizes viewpoints and the value structure" (Lægreid and Olsen 1978:264).

MODERNIZATION: NOT COMPLETED

Dominant reformism in the labour movement was favoured by the democratic organization of the Norwegian state. Parliament invited participation and the bureaucracy was open for recruitment on academic merit and available, in principle, for implementing any policy parliament supported. Responsibility and respect for constitutional rules was internalized in the movement on its way toward government position. After coming to power on a reformist programme, the Labour government was obliged to defend the constitution. The movement had become state. The leadership of the movement became the prime organizers of a capitalist economy when both the economic efficiency and the legitimacy of that economy was waning. The democratic project of putting capital under collective, popular control and dismantling the elitist, anti-democratic parts of the state was left to the future.
### APPENDIX

THE OCCUPATIONAL STRUCTURE IN NORWAY, 1875-1970

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<th>Year</th>
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References


LIST OF TABLES

Table 4.1 State employees by sector and sex, 1973 ................................................................. 69
Table 4.2 Production patterns in state and society. ................................................................. 72
Table 4.3 Public employees, 1970 ......................................................................................... 73
Table 4.4 Public employees in local government, 1973 .......................................................... 74
Table 4.5 Jails in Norway ....................................................................................................... 77
Table 6.1 Domestic product by category of expenditure, 1900-1969 ...................................... 95
Table 6.2 Economic strength of state and bourgeoisie, 1900-1969 ......................................... 97
Table 6.3 Capital in public and private sectors, 1945 and 1965 (%) ........................................ 103
Table 6.4 Public capital. Public fixed real capital, 1899, 1939 and 1969 ................................. 103
Table 7.1 Land ownership, 1661 .......................................................................................... 110
Table 7.2 Urban landowners, 1820 ....................................................................................... 111
Table 7.3 Industry in Norway, 1829 ...................................................................................... 113
Table 7.4 Agricultural population, 1801-1900 ...................................................................... 114
Table 7.5 Decline of agriculture, 1801-1900 ....................................................................... 114
Table 7.6 The class structure in mid-century ...................................................................... 118
Table 8.1 The Norwegian Government, 1819, 1831 and 1844 ............................................... 126
Table 10.1 Farm structure, 1917-1939 .................................................................................. 169
Table 10.2 Real capital in private and public sectors, 1899-1969 ........................................ 180
Table 10.3 Real capital, sectoral distribution and comparison, 1899, 1939 and 1969 ........... 183
Table 10.4 Public employees, 1900-1950 ............................................................................. 187
Table 14.1 International capital in a Norwegian bank ............................................................. 244
Table 16.1 Public employees, 1950-1970 ............................................................................. 277
Table 16.2 Increase of public employees, 1930-1970 ............................................................ 278
Table 16.3 Government employees according to wage, 1969 ................................................ 280
Table 16.4 Professionals in ministries and directorates, 1975 ................................................. 286
Table 16.5 University teachers and the EEC question ............................................................ 289
Table 16.6 The social structure of government ..................................................................... 291
Table 17.1 Secretariat members on public commissions, 1975 ............................................ 302
Table 17.2 The composition of boards and advisory commissions under the Finance Ministry, 1973/1974 ............................................................................................................. 303
Table 17.3 Full and alternate members on permanent commissions under the Finance Ministry, 1973/74 ................................................................................................................. 304
Table 17.4 The composition of the boards managing the National Pension Fund ................. 305
Table 18.1 State owned production ....................................................................................... 316
Table 19.1 Public expenditures in the western world, 1975 ................................................... 346
Table 19.2 Welfare services 1948-1974 ................................................................................ 350
Table 19.3 Public employees by sector, 1962-1980 ............................................................... 353
LIST OF FIGURES

Figure 1.1 Dimensions of state analysis ............................................................. 27
Figure 1.2 The main heuristic model .................................................................. 29
Figure 1.3 The model with intervening structural variables .............................. 29
Figure 1.4 A typology of state autonomy specified in three fields of activity ....... 32
Figure 1.5 Models of states with class autonomy .............................................. 33
Figure 1.6 Other (limiting) cases of state-class relations ................................. 33
Figure 2.1 Components of organization: social categories, networks and power ... 40
Figure 2.2 Central hypotheses on state-class relations ...................................... 43
Figure 3.1 The elementary concept of mode of production .............................. 47
Figure 4.1 The party structure in Norway, 1882 - 1973 ..................................... 67
Figure 4.2 The government hierarchy, 1973 ...................................................... 68
Figure 4.3 Employees in select government institutions, 1973 ....................... 69
Figure 4.4 Commissions and boards among ministries, 1980 .......................... 71
Figure 4.5 The organization of the Norwegian police and prosecuting authority .. 76
Figure 4.6 The structure of the state: the five channels of control and representation .................................................. 79
Figure 5.1 Assignment and distribution of state authority ............................... 81
Figure 5.2 Two distinct, but related processes of labour specialization ............ 87
Figure 5.3 The work - abstract labour - state relationship ............................... 88
Figure 6.1 Central government expenditures, 1900-1969 .............................. 92
Figure 6.2 Gross domestic product, main components, 1865-1969 .................. 94
Figure 6.3 Indicators of relative strengths of labour, capital and the state, 1900-69 96
Figure 6.4 Public consumption relative to total investments, 1900-1969 ........... 98
Figure 6.5 Phases in state development, 1865-1969 ........................................ 99
Figure 6.6 The use of government funds, 1865-1969 ...................................... 101
Figure 7.1 Establishment of firms in Tønsberg, 1840-1920 .............................. 116
Figure 8.1 GDP in total and per capita, 1865-1960 ....................................... 135
Figure 8.2 Production of wool, Arne Fabrikker, 1881-1939 ............................. 136
Figure 9.1 Jacobsen's general model of administrative change ...................... 159
Figure 10.1 Employment in industry compared to all outside wage employment 171
Figure 10.2 Foreign-owned shares in Norwegian industry, 1909-1968 ............ 176
Figure 10.3 Commercial and savings banks, 1850-1970 ................................ 178
Figure 10.4 Real capital in main sectors of the economy, 1899, 1939 and 1969 ... 179
Figure 10.5 Capital increases in private and public sectors, 1865-1966 ............ 181
Figure 10.6 Changes in foreign debt, 1865-1966 ........................................... 182
Figure 10.7 Growth rates for real fixed capital (buildings and machinery), 1865-1960 .......................................................... 184
Figure 10.8 Public employment in percent of all employed, 1900-1950 ............ 185
Figure 10.9 Public employment in main sectors of state activity, 1900-1950 ....... 186
Figure 14.1 Prewar industry structure ............................................................ 248
Figure 14.2 Postwar industry structure ............................................................ 249
Figure 15.1 Labour conflicts, 1909-1975 ......................................................... 270
Figure 16.1 Firms where the state owned more than 50% of the shares .......... 283
Figure 18.1 The formal structure of state industrial management and
References 411

the Kings Bay organization, 1957 ................................................................. 319
Figure 19.1 Public spending, % of GDP: Norway and OECD means, 1975 ................. 347
Figure 19.2 Social security coverage, Norway and West European average, 1920-1975 .... 348
Figure 19.3 Social security, 1978. Norway and the Nordic average ................................ 348
Figure 19.4 Social security. Norway compared with other
                 Nordic countries, 1920-1975............................................................... 349
Figure 19.5 Social services, Norway 1948-1974. Distribution between sectors ............ 351
Figure 19.6 The National Pension Fund 1968-1975. Total values ................................ 354
Figure 19.7 The Pension Fund 1968-1974. Size of the Fund relative
                 to net investments in the economy ........................................................... 355
NAME INDEX

233 * refers to footnotes
Adler, J.G. 123
Alestalo, Matti 340, 347, 349, 350
Alford, Robert R. 293
Almås, Reidar 114, 195*, 252
Althusser, Louis 30, 47
Ameln, Henrik 222*
Andenæs, Johs. 64, 74, 75, 81, 82, 86
Andenæs, Kristian 158*
Anderson, Perry 1, 255, 376
Andren, Nils 65, 68
Anker, Peder 122*
Andenæs, Johs. 64, 74, 75, 81, 82, 86
Andenæs, Kristian 158*
Anderson, Perry 1, 255, 376
Andren, Nils 65, 68
Anker, Peder 122*
Arendt, Hannah 34
Arnold, Stephen 245*
Arvidsson, Håkan 334*
Aubert, Vilhelm 35*, 82, 147*, 253, 256, 309, 320*
Aukrust, Odd 185
Aya, Rod 1
Badie, B. 41*
Bahro, Rudolf 281*
Balken, Albert 230
 Barth, Fredrik 61*
Barton, Allen 252, 294-296
Beetham, David 59
Benum, Edgeir 129*, 157*, 268
Berge, Abraham 220, 226-231, 235, 236, 326, 377
Berge, Dag Magne 281*, 318*
Bergh, Trond 114, 117-119, 155, 177, 187, 191, 193, 194, 245*, 295, 308, 309, 324, 335
Bergsgård, Arne 112, 114, 122
Berntson, Lennart 334*
Bettelheim, Charles 19*, 106, 281*
Birnbaum, Pierre 1, 41*
Bjørgum, Jorunn 12, 172
Bjørnhaug, Inger 12*, 172, 200*, 202*, 208
Blau, Peter M. 58*
Bleiklie, Ivar 148
Borten, Per 279*
Braudel, Fernand 55
Bredal, Johan Olaf 191*
Brox, Ottar 35*, 61*
Bull sen., Edvard 172*, 200*, 205, 213
Cappelen, Ådne 247
Carchedi, Guglielmo 282
Carl Johan 121*
Carrillo, Santiago 281
Christie, Nils 35*, 51*, 320*
Clark, Gordon 64
Clarke, Simon 366*
Cogoy, Mario 187
Cohen, G.A. 86*
Colbjørnsen, Ole 267*, 305
Coleman, James S. 35
Cyt, Richard 295
Dahl, Hans Fredrik 264*
Dahl, Svein 210
Danielsen, Rolf 216, 221*
Dear, Michael 64
Debes, Jan 65*
Dingwall, R. 149*
Djilas, Milovan 31, 281*
Dryzek, John 343, 344
Ebbing, Hans 241*
Eckhoff, Torstein 54, 64, 75, 81, 82*, 232*, 293, 294, 320
Edelman, Murray 26*
Eisenstadt, S.N. 64, 152, 241*
Elster, Jon 25-27, 86*, 221, 288
Enerstvedt, Regi 21, 35*, 281, 282
Engels, Friedrich 16, 66*
Ericsson, Kjersti 51*
Eriksen, Knut Einar 273
Eriksen, Tore Linne 35*
Esping-Andersen, Günter 273
Falset, Christian 123
Fivelsdal, Egil 54
<table>
<thead>
<tr>
<th>Names</th>
<th>Pages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fleischer, Carl A.</td>
<td>75, 315*, 325, 327, 328</td>
</tr>
<tr>
<td>Flora, Peter</td>
<td>185</td>
</tr>
<tr>
<td>Frisch, Ragnar</td>
<td>101*, 272, 372*</td>
</tr>
<tr>
<td>Fure, Odd Bjørn</td>
<td>113, 132, 200, 224, 281*</td>
</tr>
<tr>
<td>Furre, Berge</td>
<td>93, 176*, 179, 181*, 200*, 207, 211, 223</td>
</tr>
<tr>
<td>Galbraith, John Kenneth</td>
<td>281*</td>
</tr>
<tr>
<td>Gellner, Ernest</td>
<td>342</td>
</tr>
<tr>
<td>Gerhardsen, Einar</td>
<td>13, 15, 202, 275, 307, 321, 322-324, 326-328, 331, 333</td>
</tr>
<tr>
<td>Gleditsch, Nils Petter</td>
<td>288</td>
</tr>
<tr>
<td>Gouldner, Alvin</td>
<td>281</td>
</tr>
<tr>
<td>Gramsci, Antonio</td>
<td>1, 168</td>
</tr>
<tr>
<td>Grieg, Sigurd</td>
<td>115*</td>
</tr>
<tr>
<td>Grimstad, Atle</td>
<td>245*</td>
</tr>
<tr>
<td>Habermas, Jürgen</td>
<td>24, 51*</td>
</tr>
<tr>
<td>Hallenstvedt, Abraham</td>
<td>35*, 302</td>
</tr>
<tr>
<td>Heilbroner, Robert L.</td>
<td>46*</td>
</tr>
<tr>
<td>Hernes, Gudmund</td>
<td>35-37, 39*, 83, 86, 158*, 245, 261, 263, 264, 275</td>
</tr>
<tr>
<td>Higley, John</td>
<td>242*, 262, 263, 291</td>
</tr>
<tr>
<td>Hoff, Jens</td>
<td>281*</td>
</tr>
<tr>
<td>Holmsen, Andreas</td>
<td>109-111</td>
</tr>
<tr>
<td>Hosking, Geoffrey</td>
<td>367*</td>
</tr>
<tr>
<td>Hoven, Finn Helmer</td>
<td>35*, 302</td>
</tr>
<tr>
<td>Hvild Nielsen, T.</td>
<td>234</td>
</tr>
<tr>
<td>Haarstad, Kjell</td>
<td>108*, 134</td>
</tr>
<tr>
<td>Jansen, Alf Inge</td>
<td>35*, 66, 198, 315, 329-331</td>
</tr>
<tr>
<td>Jensen, Magnus</td>
<td>122*</td>
</tr>
<tr>
<td>Jensen, Thor Øivind</td>
<td>136, 269*, 317*, 345*</td>
</tr>
<tr>
<td>Johansen, Per Ole</td>
<td>209*</td>
</tr>
<tr>
<td>Johansen, Sverre Bergh</td>
<td>211</td>
</tr>
<tr>
<td>Johnson, Terrence</td>
<td>293</td>
</tr>
<tr>
<td>Johnston, Paul</td>
<td>31, 149*</td>
</tr>
<tr>
<td>Kalleberg, Ragnvald</td>
<td>35*</td>
</tr>
<tr>
<td>Karmly, Dag</td>
<td>321, 322*, 325</td>
</tr>
<tr>
<td>Katzenstein, Peter J.</td>
<td>301*</td>
</tr>
<tr>
<td>Keilhau, Wilhelm</td>
<td>115*, 190, 191, 200*</td>
</tr>
<tr>
<td>Keynes, John M.</td>
<td>222, 310</td>
</tr>
<tr>
<td>Kjeldstadli, Knut</td>
<td>200*</td>
</tr>
<tr>
<td>Kleven, Hans</td>
<td>78*, 113</td>
</tr>
<tr>
<td>Kluge, Liv</td>
<td>335*, 336, 337</td>
</tr>
<tr>
<td>Knag, Alf</td>
<td>318*</td>
</tr>
<tr>
<td>Knudsen, Gunnar</td>
<td>142, 190-192, 201, 203, 204, 205, 222-225</td>
</tr>
<tr>
<td>Knutsen, Paul</td>
<td>209, 210*</td>
</tr>
<tr>
<td>Kohl, Halfdan</td>
<td>106, 110*, 113, 200*</td>
</tr>
<tr>
<td>Korpi, Walter</td>
<td>14*, 253, 340, 344, 349</td>
</tr>
<tr>
<td>Kriedte, Peter</td>
<td>172*</td>
</tr>
<tr>
<td>Krogh, Sverre</td>
<td>233, 236</td>
</tr>
<tr>
<td>Kuhn, Thomas</td>
<td>35*</td>
</tr>
<tr>
<td>'Kuhnle, Stein</td>
<td>279, 338, 339, 341, 342*</td>
</tr>
<tr>
<td>Laclau, Ernesto</td>
<td>24*, 80</td>
</tr>
<tr>
<td>Lafferty, William</td>
<td>172*, 200*</td>
</tr>
<tr>
<td>Langfeldt, K.</td>
<td>202, 224</td>
</tr>
<tr>
<td>Lenin, Vladimir I.</td>
<td>22*, 23, 60*</td>
</tr>
<tr>
<td>Lewis, P.</td>
<td>149*</td>
</tr>
<tr>
<td>Lie, Haakon</td>
<td>279*</td>
</tr>
<tr>
<td>Lieberman, Sima</td>
<td>112, 113, 117, 155</td>
</tr>
<tr>
<td>Lindstrøm, Harry</td>
<td>326*, 329*</td>
</tr>
<tr>
<td>Lindley, Richard</td>
<td>50*</td>
</tr>
<tr>
<td>Lipsky, Michael</td>
<td>279, 352</td>
</tr>
<tr>
<td>Longum, Leif</td>
<td>4*, 213</td>
</tr>
<tr>
<td>Lorenz, Einhart</td>
<td>201, 202, 268, 308*</td>
</tr>
</tbody>
</table>
Names

Lundestad, Geir  273
Luxemburg, Rosa  57*
Lyng, John  279*, 321, 327
Lægreid, Per  36*, 70, 72, 158*, 253, 256, 263, 275, 285-287, 291, 294, 353, 378
Løvland, Jørgen  191*
Lägergren, Mårten  346, 348
Magdahl, Jørn  12*, 200*, 202*, 219
Mandel, Ernest  50*, 51*, 174*
Mannheim, Karl  21
March, James G.  1, 34, 35*, 150, 191*, 295
Margalef, Ramon  315*
Marshall, T.H.  214, 243
Marx, Karl  1, 5, 9, 16, 19*, 23, 25-27, 35, 37, 38, 50*, 51, 53, 55, 58, 66*, 80, 84*, 88, 330*
Maurseth, Per  113, 125*, 126*, 264*, 306*
Mehren, Stein  4*
Melucci, Alberto  11*, 226
Merriam, C.E.  22*
Meszaros, Istvan  46*, 50*
Meynaud, Jean  281*
Miliband, Ralph  24
Mill, John Stuart  38
Mjøset, Lars  106
Moene, Karl  63*
Mouffe, Chantal  24*, 80
Mouzelis, Nicos P.  20, 39*
Murphy, Raymond  53
Myhre, Jan Eivind  10*
Nakken, A.  335*
Nerbov, Jostein  134, 140*
Nicolaus, Martin  60
Nielsen, Magnus  202
Nielsen, Yngvar  123
Noack, Turid  345
North, Douglass  361
O’Connor, James  352*
Offe, Claus  1, 173, 220, 350
Olsen, Ole Johnny  241*, 268
Otnes, Per  164, 290
Ousland, Gunnar  142-144, 192, 207, 208, 214, 224
Parsons, Talcott  58*, 59
Pontusson, Jonas  13*, 242*, 346*
Poulantzas, Nicos  24, 310
Previtt, Kenneth  66
Procacci, Giovanna  343
Proust, Marcel  239
Quisling, Vidkun  222*
Ramsøy, Natalie  171*, 247
Ricoeur, Paul  21
Rokkan, Nils Johan  281*
Ringdal, Nils Johan  1*, 281*
Roth, Guenther  58*
Rueschemeyer, Dietrich  1, 149*, 285*
Rønning, Rolf  262*
Sakslind, Rune  242*
Samuelson, Paul  361
Schluchter, Wolfgang  58*
Schmitter, Philippe C.  300*
Scott, Richard W.  48, 58*
Seierstad, Dag  35*
Seim, Jardar  12
Seip, Anne-Lise  335*, 337, 340, 341
Sejersted, Francis  83*, 233
Names

Senghaas, Dieter  2, 3, 11, 106, 108, 119, 124, 176, 177, 193*, 357*
Seth, Anuradha  137
Silverman, David  221
Sjøli, Grete 245*
Sjaastad, Anders C. 35*
Skare, Leif  301
Skarstein, Rune 35*
Skjerdal, Karl 320, 324, 325*, 328, 329, 332, 333
Skjervheim, Hans 35*
Skocpol, Theda 342, 342
Skodvin, Magne 273
Skånland, Hermod 223
Skaar, Helge 204–206
Slagstad, Rune 17, 35*
Smelser, Neil 137
Solstad, Dag 269*
Solumsmoen, Dag 152*, 153*
Solvang, Bernt 44, 262*, 313
Stang, Emil 220*, 236
Steen, Sverre 10, 118
Steffens, Haagen Krog 125, 126, 128
Stinchcombe, Arthur 41, 344
Stjernø, Steinar 353
Støren, Jan 219*
Svensson, Jørn 267
Sunde, Arne 222*
Syrrist, Asbjørn 116
Sømme, Axel 267, 305
THERborn, Goran 255
Thompson, James 330, 332
Thorseth, Arnhild 245*
Throne Holst, Johan 222*
Tilly, Charles 1, 2, 11*, 16, 18, 20*, 30, 35*, 38, 39, 84, 85, 137, 159*, 172*, 221
Titmuss, Richard 352*
Torgersen, Ulf 155, 157
Touraine, Alain 11*
Tvede, Olaf 352*
Tønnesson, Kåre D. 102*, 272*
Tønsseth, Per 315*, 321-326

Valen, Henry 66, 250*, 255
Viig, Sven 246*
Volckmar, Patrick 221*, 222, 231
Vold, Sigmund 35*, 290
Wagner, Peter 297*
Wergeland, Nicolai 122*
Wiik, Jørn 292*
Wolfe, Alan 52*, 53*
Wright, Eric Olin 60*, 282
Wyller, Thomas 267
Østerberg, Dag 35*, 158*, 293*
Østerud, Øyvind 35*, 108*, 134, 157, 267, 288, 299
SUBJECT INDEX

1814
bourgeois movement 122
constitution building 122
unorganized movement 122
voting rights 1814 122*

Academia
science and capitalism 156
specialization in science 156

Action models
Berge, Rygg and Smitt 377
consequence and rule oriented 293
moral economy and possessive individualism 159*
of Abraham Berge 228
of Nicolai Rygg 233
of professionals 148

Administrative organization
1814 125
professionalization 128
reforms 1884 140
mobilization of bias 327

Agricultural administration 151
agriculture into the national economy 163
from insight to profit model 151
profit model 14
programme autonomy 161

Agricultural population 114, 247

Agriculture
a sector in the national economy 194
crisis policy 194
formation of interest organizations 194
formation of unions - Julussa and Austmarka 214
separate mode of production? 108*
social reorganization 195

Alienation 5, 28, 46, 50-53, 57, 61, 79, 86, 262
economic and political 50
American Congress 373*
Arne textile mill 118, 136, 138, 317*
paternalism 138

Autocentricity 3
autocentric 41, 106, 134, 164, 177, 362, 366, 368

Bank administration law 223

Banks
concentration and centralization 178, 251
state support necessary 246*

Bondepartiet, Farmers' Party 194, 226

Bourgeoisie
bourgeois revolution 85, 144, 145
bureaucratic bourgeoisie 281
can manage without a state 366*
economic strength 97
networking boards 252

Bureaucracy 56
a political class 113
a social formation 132
and class 57
and passive democratization 59
and private sector privilege 61
and socialism 60
ideological contradictions 132
internal contradictions 57
iron cage 263*
isoaltion from parliament as strategy 131*
new functions 129

Capital 2*
fixed public capital 103
real and financial capital 102

Capitalism 46
a statist economy? 102
concentration and centralization 249
demands for infrastructure 131
eradication of rural life forms 246
failing rate of profit and crisis 135  
increase in working class power 188 
increased demand for services 105 
increased demand for unproductive labour 188  
mechanisms of expansion 215  
monopolization 216  
the free market model 189*  
the pensioned society 251  
uneven but stable growth 184  
Central administration 65, 67, 70, 77, 130, 332  
Christiania Bank 244  
Class 18  
a bureaucratic bourgeoisie 281  
and class identities 21  
and elites 18  
and institutions 20  
classless economy 49  
from agriculture to public services 247  
members of the bourgeoisie 281*  
patterns of class formation 362  
power 20  
1850 118  
Closure 53, 213  
Co-optation 309  
Commissions 70, 71  
under the Ministry of Finance 303  
Common Political Programme 1945 266, 338  
Communist party 255, 265  
Concrete-abstract labour 87  
Conscription 126, 127  
Corporatism 299-301, 307-312  
and democracy 310  
authoritarian and democratic 300*  
Court of impeachment 219, 226, 235  
Courts 74  
in Norway and Tanzania 51*  
Crisis cycle 49  
Decommodification and welfare 350  
Democracy 21  
direct democracy 234  
political and economic 313  
Democratization  
Norway 1880's 160  
Dictatorship 15, 27, 201, 236, 237, 255, 306  
Dilemma between mobilization and control 213  
Directorate of Industry 294  
Edvard Bull  
organized capitalism 257  
the state elite 273  
EEC 288, 289  
Elite theory 19, 261  
Emigration to the US 155  
Employers' Confederation 209  
Exploitation; under equal exchange in markets 37  
Farmer associations, bondevennforeninger 134  
Farmers' paper, Nationen 214  
Federation of Trade Unions (AFL) 202  
Finance Ministry 232, 303-305  
Financial infrastructure 196, 240  
Foreign capital 119, 176, 182, 191, 196, 363  
Formuesfordelingskomiteen 102, 103, 177, 178, 251  
French state 1850 25  
Frisinnede Venstre, Liberal Conservative Party 229, 230
Functional explanation 40, 41, 86*, 131
Fylke, province 68
Gerhardsen regime
anti-parliamentarian tendency 326
corporatist model of state 307
ideological struggle with bourgeois parties 327
Government expenditures
differentiation of public tasks 98
exponential expansion 91
Gudmund Hernes; withering of markets 263
Hambro Bank 223, 244
Head of department, ekspedisjonssjef 205
Hegemony 24, 102, 153, 240, 256, 257, 369, 375
Hypotekbank 115*, 133, 193
Imperial capital 175
and autocraticity 176
Imperialism 35, 175
Individual freedom, money and votes 124
Industry
1829 112
internationalization 175
modest industrialization 170
new forms of organization and labour control 115
periods of stagnation and expansion 248
reorganization 187
slow industrialization 118
Infrastructure 1900 116
Inheritance rules: Odelsretten 123
Innovation 149, 150, 152, 215, 320, 329, 330, 331, 345
Insight model 151, 152, 155
Instrumental autonomy 31, 32, 107, 129, 161, 196, 217, 240
Interest organizations
representation on public commissions 301
semi-official participants 300*
the Norwegian structure 301
International capital in Norway 243
Jails 77
Jens Arup Seip
"The Norwegian system" 190
a bourgeois state 133
critique of Dahl Jacobsen 153
markets are public policy 133
the one-party state 256
Johan Olsen: the segmented pluralist state 253
Keynesianism: Ragnar Frisch 101*
Kings Bay Coal Mine 15, 232, 313, 351
organization 318
Kongsberg Silver Mines 329*
Labour and the social state 341
Labour conflicts 269
Labour movement
alienation of leadership 312
co-optation of leaders 209
conceptions of capitalism and the state 201
critique of the Federation, AFL 208
demobilization 271
different strategies 212
ey early formation 137
in disarray 209
NATO membership 13
opposition of 1911 201
organizations 203
reform or revolution 12
Venstre and May 17 140
voter support 13
Labour paper, Arbeiterbladet 213, 225
Labour party 201
co-opted into the state elite 309
corporatist state theory 263*
educational policy 332*
rural-urban alliance 214
unclear position on democracy 306*
Lagting 65, 124, 219, 226
Land ownership 2, 75, 106, 108
regional variation 111
sale to urban bourgeoisie 110
land ownership 1661 109
Law on shareholder companies 318*, 322
Legal framework for crisis management 78*
Legalization of private capital 75
Liberal newspaper, Dagbladet 213
Liberal party 1880's 134
moderates and pure liberals 140
Libertas 272*
License laws 1906-07 190
Living standards
distribution of capital 340
fertility 339
health and education 339
housing 339
income distribution 338
Lockouts 1911 203
1924 208
Management principle 273, 280
capital relative to labour 137
private and public 131
Market power 177
Marshall aid 13, 101, 175, 182, 214,
243, 272
Marxism 1, 58, 200
falsified by conflict within the bourgeoisie? 210
Mathew effect 287, 345*
Mechanic-organic solidarity 87
Methods
a functional explanation 131
critique of functionalism 40
dialectics 41
functional logic 86*
heuristic model 28
inductive and deductive approaches 5
levels of analysis 158
materialism 376
organization of presentation 6
problems of falsification and innovation 265
scientific vs. political dialogue 34
three paths 6
transverse and longitudinal study 6
Military organization 77, 78, 205-208, 370-374
conscription rules and stillingsrett 127
contested in 1814 126
personnel 78
Mining office: dual role of Harry Lindstrøm 325
Ministry of Industry 14, 15, 65, 66,
70, 72, 75-77, 125-129,
142, 150, 152, 162, 191,
204-208, 212, 224, 229-232, 287, 288, 290-292,
303-305, 314-320, 324-333, 378
Ministry of Supplies, Provianteringsdepartement et 204
Ministry of the Interior 126
Mode of politics 20
bureaucratic form 54
Mode of production 47
Modernization 48
an overview, Norway 10
and land ownership 124
expanded surplus production in agriculture 114
in Tønsberg 117
national origins 124
of the economy 141
technical and social integration 172
transport sector 172
Modes of discourse 4
Moscow theses 202, 224

Mot Dag 255, 266
Mowinckel government 226
Municipal administration 65, 82
Municipalities: bottom level of state apparatus 82*

National economy
a subordinate public sector 93
from a consumption to an investment economy 95

National Federation of Typographers 139
National Pension Fund 304, 354
NATO 78

Norway in Europe
a large public sector 346
Nordic convergence 349
not leading in the Nordic area, 1978 349
social security coverage 347

Norwegian capital: abroad 1940-1970 244

Occupational structure 382
1801 112
active/inactive members 168

Odelsting 65, 124, 226, 235
Officers 27, 78, 124, 156, 186, 208, 222

Oil economy 246*
One-party state 243, 254, 256-258, 370

Organization: a sociological concept 40
Organization theory 147, 158, 315, 329, 330, 332
a normative model 330
administrators as political actors 330
change in focus of attention 149
consequences of complex goal structures 320*

innovation in organizations 329
new professionals as condition of innovation 159

Paradigm 24, 34, 35, 38, 159, 160, 161, 367
Paragraph 222, civil law 212
Paris Commune 27
Parliamentarianism 22, 30, 367
Parliamentary democracy 121
Participation: conditions for mass politics 155*
Party structure 1882-1973 67
Pauper administration 335

Peasant movement 11, 108, 356, 368

Plebiscite: majority against the EEC in 1972 288*

Pluralism 292, 310
Police 11, 23, 27, 72, 75, 76, 78, 125, 126, 138, 142-144, 204, 207, 208, 211, 214, 217, 224, 282, 312, 320, 335, 350, 370, 371, 374

Political class 7, 10, 19, 113, 119, 132, 165, 334, 362, 364, 369, 377, 378

Political economy 6, 18, 35, 46, 361
Political opposition: from reactive to proactive strategies 217

Political parties in the modernization process 161
transformation mechanisms 53*

Political science: from politics to policy studies 297*

Politics
a Marxist definition 160
Jacobsen's definition 160

Poor Law 335
Subjects 422

Poverty 30, 47, 49, 335, 337, 361

Power
  private sector dominance 181
  public-private 179

Power Study (NPS) 9, 375
  and opposition in interest organizations 262
  and professional action models 292
  bureaucrats represent their institutions 263
  circular method 263*
  conception of social democracy 274
  market dissolution 245
  mergers between boards 249*
  no state elite 263
  non-presence of politics 158, 293
  pluralist society assumed 254
  problem formulation 83
  state as independent variable 35
  statist society 264
  the organization society 261
  the organization state 261
  the segmented state 263

Price Directorate 272

Price Law. 272

Primary sector: decline in agriculture 169

Productive labour 48

Professionalization 3, 43, 44, 128, 129, 130, 148, 242, 275, 372

Professions 285-288, 293-297, and access to state resources 149
  and class/group identity 150
  consequence orientation 197
  consequence-orientation and modernization 163
  in ministries and directorates 285
  lawyers 286

Max Weber's definition 285
  selective communication patterns 287
  Profit model 14, 151-155, 157, 163
  Programme autonomy 7, 31, 32, 44, 105, 107, 146, 161, 165, 196, 197, 217, 218, 239, 240, 367, 370
  Protocol committee 235
  Public administration: a theory of change 151
  Public employees 70, 73, 74, 118, 131, 186, 187, 276, 277, 278, 282, 353
  Public management: and use-value considerations 195
  Public sector 59, 61, 70, 91, 103, 145, 180, 181, 186, 220, 222, 283, 355, 364
  Public-private relations
    a convergence thesis 281
    distribution of real capital over sectors 183
    public - private consumption 94

Rationality
  action repertoires 40
  four strategies 36
  rational actors 35

Reformism 7, 12, 28, 44, 200, 201, 210, 212, 213, 216, 240, 250, 269, 271, 357, 364, 378

Regimes
  bureaucratic regime 128, 146, 156, 366
  clandestine control of opposition 142
  internal espionage 144
  the liberal Venstre regime 369
  the role of regimes 369
  the social democratic regime 370

Regional administration 32, 40, 48, 65, 68, 70, 73, 75-77, 109,
110, 111, 205, 222, 263, 287, 291, 292, 325
Representative democracy 24, 57, 311
Revolution 11, 19, 22, 24, 25, 60, 85, 126, 127, 144, 145, 162, 175, 192, 205, 212, 227, 372
Rieber and Sons 249
Segmented state 36, 83, 254, 263, 264, 375
Services
  from private to public 173
  inactive and unproductive labour 173
  postwar expansion 251
  sectoral distribution 351
Social class 17, 31, 52, 82, 104, 110, 119, 150, 242, 283, 292
Social democracy: French and Swedish 346*
Social democratic project 305
  into the bourgeois elite 256
Social economists 273, 286
  power over politicians 372*
Social infrastructure 44
Social security 94, 338, 343, 344, 346, 347-349, 351
Social state 337
Social workers 279
Socialism 13, 24, 60, 61, 200-202, 241, 258, 269, 273, 332, 384
Society Defence organization, Samfunnsværnet 210
Society Help 204-208, 211, 216
Sociologists 1, 83
Standard operating procedures 54
State
  absolute sovereignty and popular rights 371
  an alienated institution 86
  and alternative forms of political organization 16
  and behavioralism 17
  and legitimacy 16
  and war 84
  Andenas's definition 82
  anti-strike organization 203
  as instrument for finance capital 232
  concepts on structure 64*
  democracy and structure 64*
  democracy and autonomy 22
  democracy and modernization 365
  democratic forms 21
  from a consuming to a management state 101
  from commodity to service production 277
  from instrumental to programme autonomy 196
  from state to non-state 53
  guarantee equal exchange 37
  management criteria 104
  more bureaucratic power, less legitimacy 377
  political capacity 89
  power and authority 16
  protection of strike-breakers 208
  regulate conflicts 83
  selectivity 30
  socialist state 27
  special authority 80
  the axe committees 102
  the selectivity of macro-structures 366
  Tilly on state and class 85*
  two faces of the democratic state 144
  variation of forms 15
welfare - a new type of state? 334
State analysis
democracy or crisis as change agent? 278
integrating the study of culture, politics and production 360
macro-structures are malleable 367
State apparatus 64
a dual system 234
commissions and boards 373
comparison state-national budgets 71
corporatism 370
delayed participation 234*
distribution of authority 64
five channels to society 78
generates professions 129
homogenizing mechanisms 378
income generating institutions 68
ministries-directorates 67
sovereign authority 81
women in public sector 69
State authority 64, 81, 82, 126, 145, 154, 266, 300, 371
State autonomy 30
a model 3
and professionals 372
from instrumental to programme 44
in spaces between political actors 146
instrumental, programme and class autonomy 31
Poulantzas - Miliband 24
State employed professionals
and the EEC question 288
biased recruitment 290
comparison fisheries and agriculture 290
State expansion 1880's: democratization? 163
State formation
peasant participation? 123*
alienation 191
phases in Norway 2, 85
Tilly's elite struggles 85
State intervention
into industry 190
licence laws 1906-07 190
on the side of agriculture 193
State organization
and public education 128
concentration and diffusion of power 241*
corporative ideas 266
lamenting the segmented state 83
transitional state 197
State personnel
1842-1914 130
1950-1970 277
1970 73
at the street level 352
by sector 1962-1980 353
ideological effects of reorganizations 279
in central and local government 74
middle classes 281
ing rates of expansion 1930-1970 278
selective recruitment 256
total 1900-1950 187
war and expansion 185
State theory
instrumentalist 1
Leninist theory 23
marxism and democracy 66*
state organization dependent on the economy 2
State-citizen relations: the inverted access hypothesis 287
State-owned industry 284
forms of ownership 317
globally 316
in Norway 317
States: strong and weak 18
Statist mode of production 284
Stein Rokkan: the non-presence of politics 293
Storting (the parliament) 65
a weak administration 373
and Federation of Industries 66
committee structure 66
focus on policy 66
limited control of the economy 230
recruitment 66
two committees for foreign affairs 66
unicameral 124
voting rights 1814 124
Strike 12, 137-139, 143, 211, 212, 224, 262, 269
conditions for defeat 207
Metal workers' strike 1923 207
of match workers 192*
Railroad strike, 1920 203
Sailors' strike 1921 207
Strike-breaking: international coordination 1919 205
Surplus value 2, 18, 37, 38, 48, 50, 86, 88, 99, 104, 115, 135, 168, 174, 187, 251, 284
Syndicalism 201
Taxation 86, 112, 125, 133, 162, 343, 346, 354
Technical infrastructure 44, 131, 166, 196
Technology 48
Temporalities: variations 376*
Thrane movement 11, 142
Trade Bank 7, 14, 15, 167, 219, 220, 221-237, 239, 240, 326, 377, 378
and Martin Tranmæl 225
and the Storting 225
clandestine support from government 224
rise and decline 221
Trade unions: imperfect representation 262
Transport Commission 204
Trust Law 1926 192
Tsarist constitution 367*
Union federations, samorganisasjoner 139
Unionization 214, 215
Venstre 12, 128, 134, 137, 139, 140, 141, 143, 145, 152, 161, 166, 190-192, 196, 204, 210, 211, 228-230, 233, 245, 255, 336, 370, 372, 378
ideals and realities of public regulation 245*
liberal, pro-state party 192
Vestfold historielag 112*
Vilhelm Aubert: workers' state in bourgeois society 253
Wage fund 4, 8, 106, 309, 333, 334, 352
Wages: high level in oil 280*
Welfare: a public duty 343
Welfare programmes 344
Welfare state 3, 4, 7, 8, 12, 13, 74, 106, 271, 278, 372, 373, 376
capitalism thesis 343
consensus thesis 341
costs 350
crisis theory 343
definitions 340
democracy a condition? 357*
growth and transfer to households 350
limited opposition from bourgeois circles 279
origins, four theories 342
residual and institutional welfare 352*
Women in the economy 174
Working class 20
<table>
<thead>
<tr>
<th>Subjects</th>
<th>Pages</th>
</tr>
</thead>
<tbody>
<tr>
<td>a normative order?</td>
<td>255</td>
</tr>
<tr>
<td>change of identity</td>
<td>250*</td>
</tr>
<tr>
<td>class consciousness and party formation</td>
<td>139</td>
</tr>
<tr>
<td>consciousness</td>
<td>258</td>
</tr>
<tr>
<td>differentiation</td>
<td>252</td>
</tr>
<tr>
<td>political representation</td>
<td>1903</td>
</tr>
<tr>
<td>uninterested in ideology</td>
<td>268</td>
</tr>
</tbody>
</table>