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## **16 Business Elite Confidence in Political Institutions: The Case of Norway**

Parliament is the central institution in democracy, the fundamental linkage between citizens and the effectuation of representative government through the cabinet and the civil service. The smooth functioning of the parliament, cabinet and civil service is, however, dependent upon support and trust from citizens as well as elites. Citizen and elite trust in the political institutions can then be seen as a significant indicator of the citizens' satisfaction with democracy.

The other main centre of power in society is private business. Traditionally private business leaders have been opposed to state intervention in the economy, reluctant to accept a large welfare state and cautious against income redistribution through taxes (Gulbrandsen, 2005). At the same time private business is highly dependent upon the state for delivering various services and outcomes, such as a stable macroeconomic environment, effective infrastructure, a well-functioning educational and legal system and necessary market regulations. The political system is, for its part, dependent upon private business to generate national income and offer jobs to the population.

In Norway, in spite of ideological differences, there has been a widespread recognition of these institutional interdependencies. In the history of Norwegian capitalism, until recently the state was an active and beneficial senior partner to private business (Sejersted, 1993). Moreover, after World War II a corporatist system of political decision-making emerged in which representatives of business were included as members of a large number of public committees, boards and councils. These bodies have been responsible for preparing and implementing public policy. In parallel with this administrative model an extensive collaboration between the social partners developed. This cooperation has been institutionalized through a comprehensive system of agreements between the national employer and employee confederations.

Several scholars have maintained that such corporatist arrangements may contribute to a national consensus between groups with opposing interests (Siaroff, 1999; Öberg, 2002). Some have even described this type of corporatism as a strategy for consensus-building (Woldendorp, 1995). These viewpoints imply that participation in the various channels and networks in a corporatist system may influence participants to moderate their ideological attitudes. Participation has a 'civilising' effect. It has been suggested that participation in a corporatist political system also stimulates top leaders in business to have confidence in the political institutions. To what extent is this true? To what extent do members of the private business elite have trust in the political institutions?

There is a large number of studies of citizens' trust in political institutions. In contrast, few scholars have investigated elite trust in these institutions (Steen, 1996;

Gulbrandsen, 2007; Kotzé, 2011). Still fewer have focused upon the institutional trust of the business elite. Admittedly, there is an extensive body of literature, particularly in the US, about the relationship between the business elite and the state (Minz, 2002). This literature indicates that an anti-governmental orientation has been and is widespread among American businessmen. Anti-statist opinion seems, however, to have varied over time and with various segments of the business elite (Mizruchi, 2013). Recently Page et al. (2013) examined the political preferences of wealthy Americans, a significant part of the business elite. They documented that wealthy Americans have a characteristic antipathy to government regulation of the economy. Moreover, they are more conservative than the general public with respect to taxation and especially social welfare programmes. Neither Page et al. (2013) nor previous scholars have, however, specifically discussed the trust of the business elite or wealthy persons in political institutions.

This chapter reports from studies of the confidence of Norwegian business leaders in parliament, the cabinet and civil service based upon data from two national surveys of the elites conducted in 2000 and 2015. These data are used to investigate the level of political trust on the part of the business elite compared with other elite groups in Norwegian society. Moreover, the surveys give a unique opportunity to study whether the business leaders' confidence was affected by the significant international and national developments which took place before 2000 and in the period between 2000 and 2015.

At the beginning of the 1990s Norway experienced the strongest recession since World War II, mainly the result of circumstances specific to Norway. A loans boom in the preceding years was succeeded by large losses and a bank crisis. In the subsequent years the economy recovered, and Norway enjoyed an upturn lasting throughout the 1990s. In 1992 a public committee launched an incomes policy model called the 'Solidarity Alternative' (NOU 1992:26). The committee recommended a renewal of coordinated wage bargaining involving both the main parties in the labour market and the state. The recommendations led to a moderate growth of costs and prices, which continued into the new millennium. In 2000 the Norwegian economy had returned to a stable situation after considerable turbulence only a decade earlier. This situation demonstrated the ability of the Norwegian political system to ward off significant challenges to the economy.

During the first years of the new millennium it seemed as if neoliberalist ideas had made business leaders more reluctant to endorse a large public sector. Liberalist ideas had also permeated parts of the public sector. This development may have fostered a decline in political trust. The financial crisis which emerged in 2008 and developed into an economic crisis within the EU may, however, have turned the tables. The current international financial and economic crises appear to have strengthened interest in the solutions provided by the Nordic model, with coordinated bargaining and generous welfare states. The question is whether these developments have also confirmed among Norwegian business leaders support for and trust in the democratic institutions.

## 16.1 Trust and Institutional Trust

In an early analysis Deutsch (1962) defined trust as actions that increase a person's vulnerability to another person, while the first person is unable to control the actions of the other. According to Baier (1986), there is trust when a person agrees to be vulnerable to another's potential but not expected lack of good will. Offe (1999) argues that we have confidence when we believe that another person will improve our welfare or refrain from harming us.

Trust is a phenomenon that is most associated with close interpersonal relationships. Does it make sense to speak of trust in institutions? Some researchers are cautious of using the term trust to describe the attitudes of individuals towards particular institutions and social systems (Offe, 1999; Luhmann, 1988). Claus Offe (1999) argues for example that trust in institutions is only possible when a person is confident that the representatives of these institutions follow the rules and norms of the institutions. The person must also have confidence in those individuals who monitor and ensure that institutional rules are followed. According to Offe trust in institutions is thus actually confidence in individuals. Norris (1999a), on her part, argues that in practice the dividing line between the office and the incumbents is often fuzzy.

In the following it is assumed that it is theoretically reasonable to designate certain attitudes as institutional or system trust. In many situations, individuals have perceptions about particular institutions or organizations that they describe as confidence. This confidence can certainly, in line with Offe (1999), be derived from people's trust in specific persons belonging to or representing the relevant institutions. Often, however, this is not the case. In fact, they may neither have met nor have knowledge of these representatives. Their trust is primarily a trust in the organization and its resources, management philosophy, systems of quality control, staff qualifications etc.

Pippa Norris (1999a) has argued that political support, including trust, must be understood as a multi-dimensional phenomenon. In her view it is necessary to distinguish between the different levels or objects of political support. She mentions that in practice citizens seem to distinguish between different levels of a regime, often believing strongly in democratic values, for example, while proving critical of the way that democratic governments work in practice. People also seem to make clear judgments concerning different institutions within the regime. Norris suggests a fivefold framework distinguishing between political support for the community, regime principles, regime performance, regime institutions and political actors. She points out that these levels can be seen as ranging in a continuum from the most diffuse support for the nation-state down through successive levels to the most concrete support for particular politicians. The focus in this chapter is upon confidence in what Norris describes as regime institutions – parliament, cabinet and civil service.

Norris (1999a) also recommends that scholars be cautious as to how they interpret changes in the level of trust. Such changes may be period-specific shifts, may be the result of cyclical waves of ebb and flow in support for political institutions or can be understood as trendless fluctuations.

Whether trust in institutional representatives is a proxy for trust in the institutions themselves may, however, vary between different political institutions, such as those which are focused upon in this chapter. It is for instance reasonable to expect that confidence in the cabinet rests on the top leaders' knowledge about and evaluation of the individual members of the cabinet. In contrast, trust in public administration in Norway is probably more about a belief in the legality, consistency and fairness of decisions taken in the administration. In the case of the parliament, knowledge about the members of parliament may again be vital for the top leaders' assessment of the trustworthiness of the institution. But trust in parliament may also rely on an understanding of the democratic representativeness and function of the parliament.

## **16.2 The Significance of Participation in the Corporatist System for Business Leaders' Institutional Trust**

If it is true that the nature of the Norwegian corporatist system of decision-making lays the foundation for political trust among business leaders, we should find traces of this effect on the level of individual business leaders. Theoretically, participation in the corporatist system of decision-making may foster trust among business leaders in at least three different ways, via contact, knowledge and experience.

### **16.2.1 The Importance of Contact**

In the general theory of trust (Blau, 1964; Coleman, 1990), it has been pointed out that trust develops the more frequent two individuals meet and the longer their relationship lasts. In such relationships the individuals have repeated opportunities to assess each other's reliability. This means that social systems that bring individuals in regular contact with each other can help to promote mutual trust. Accordingly, contacts created through corporatist arrangements in the public sector and in the labour market should be expected to stimulate business leaders' confidence in the politicians and officials they encounter. A question is whether such mutual trust between top leaders in business and in the political system also promotes confidence in political institutions. There are theoretical reasons to believe that there is such an effect. To the degree that individuals experience social institutions through the people who lead and represent them, these representatives are testimony to what individuals can expect in the future if they relate to the relevant institutions (Offe, 1999). This 'personalization' of trust will particularly occur where the potential trustor

is in contact with the top leaders who are responsible for the institutions and have the power to shoulder the responsibility. Against this background, it is expected that trust in political institutions is higher among business leaders who have frequent contact with politicians and officials in the public administration than among business managers with less contact.

### 16.2.2 The Importance of Knowledge

In modern society, knowledge is an important basis for trust (Sztompka, 1999). This is especially true for individuals who have to deal with people they do not know in advance. The individual will then have to obtain information about the stranger to assess whether the person is trustworthy. It is also likely that confidence in political institutions is affected by how much the individual knows about the given institutions.

Above it was pointed out that many top leaders in the private sector have experience as representatives in government committees, councils and boards. Regardless of the personal connections they have made through these offices, this experience will give them considerable knowledge of how the political system works. It can be assumed that this insight gives them a better basis for assessing whether or not the political institutions are trustworthy. As Vogel (1978, p. 73) stated, '...It is service in critical policy-making positions in government that gives businessmen a more informed sense of the realities of American political life and understanding of the political and social environment of the business system'.

In line with this, I expect to find that business leaders who have served on government committees and commissions have greater confidence in the parliament, the cabinet and the public administration than managers without such experience.

### 16.2.3 The Importance of Occupational Experience

Having worked in the public sector is a particularly relevant source of knowledge for evaluating the trustworthiness of political institutions. Several top executives in the business community have previously worked in the public sector. The effects of work experience can, however, go both ways. On one hand, negative experiences from an earlier position may influence the leader to develop distrust of that workplace. The negative experience can itself be the reason that the leader ended his employment contract with that organization. On the other hand, having worked in a particular institution typically involves socialization to the values that predominate in the institution (Putnam, 1976). One can expect that such socialization helps to create confidence in the institution. It is assumed that the longer a top executive has previously worked in the public sector, the greater his or her trust is in these institutions.

### 16.3 Winners and Losers

The preceding hypotheses are based upon a theoretical idea that the institutional context – that is, the corporatist system of decision-making – provides business leaders experiences which foster trust. In contrast, Norris (1999b) suggests that citizens' trust in the political system is influenced by the patterns of 'winners' and 'losers' as structured by the constitutional arrangements. Some parties are mobilized into power, and some are mobilized out. She argues that over a long period of time this accumulated experience can be expected to shape citizens' general orientations to the political regime. As she says: 'At the simplest level, if we feel that the rules of the game allow the party we endorse to be elected to power, we are more likely to feel that representative institutions are responsive to our needs so that we can trust the political system' (Norris, 1999b, p. 219).

This idea is followed up by examining the extent to which business leaders' votes in the 2013 parliamentary election are related to their institutional trust (in 2015). Since the election was won by the Conservative and the Progress parties, I expect that business leaders who voted for these two parties exhibit higher trust in parliament and the cabinet than business leaders who voted for other parties. In other words, it is expected that the business leaders' confidence in the two political parties and their leaders is transformed into trust in the political institutions themselves. Because the composition of the civil service is independent of the results of elections, trust in this institution is probably not affected by the business elite's vote.

### 16.4 Elitist Attitudes

Some decades ago Vogel (1978) claimed that American business leaders have always been afraid that groups with little understanding of private business can occupy the state through democracy. They have been sceptical of the democratic system and feared that federal politics is influenced too much by 'populism'. I follow up Vogel's ideas and examine whether two types of elitist attitudes are prevalent among Norwegian leaders and whether such opinions are related to their trust beliefs.

A concern with 'populism' in the political system may imply a fear that politicians give in too easily to popular claims and opinions in order to win popularity and votes. This concern involves a belief that politicians are weathercocks who opportunistically profess political ideas and forward political proposals which they believe will win popular support. In line with Vogel's (1978) views, it is expected that trust is lowest among business leaders who most strongly hold that politicians exercise this type of populism.

Any scepticism against democracy on the part of business leaders may also be related to doubts about the quality of those persons who through the democratic processes are elected to govern the nation. Such doubts are the basis of an elitist philosophy which emphasizes that political leadership should be in the hands of

persons outside the political system, for instance the most able and talented persons. It is expected that business leaders who hold these kinds of elitist views on democracy have less trust in political institutions.

## 16.5 Data and Method

The present examination of business elite trust in political institutions is based upon data from two internationally unique survey studies of top leaders in Norway. The first – the Leadership Study 2000 – was carried out in 2000–2001 as an important part of the Power and Democracy Study commissioned by parliament (Gulbrandsen et al., 2002). In the Leadership Study 2000 personal interviews were held with 1710 top leaders in ten different sectors, a response rate of 87.3 percent. A total of 297 of the leaders were CEOs, presidents, vice-presidents or chairmen of the boards of the largest private enterprises in Norway. The response rate among the private business leaders was 74.8 percent.

In 2015 a follow up national elite study was conducted – the Leadership Study 2015. The net sample of leaders in this study covered 1352 people, a response rate of 72 per cent. This time interviews were carried out both by telephone and face-to-face interviews. Among the top leaders interviewed in 2015, 242 were CEOs or presidents, vice presidents or chairmen of the boards of the largest companies in Norway. In 2015 business leaders were selected from public registers administered by Statistics Norway and from a list of the largest companies which is constructed by the Norwegian business magazine *Kapital*. The response rate among the business leaders in 2015 was 51 per cent, clearly lower than in 2000.

In both Leadership Studies institutional trust was enquired into in the following manner: ‘How much trust do you have in the institutions listed on this card? Please rank the institutions on a scale from 0 to 10, where 0 is no trust at all, and 10 is very high trust’. In this chapter the focus is on business elites’ confidence in (1) the parliament, (2) the cabinet and (3) the public administration.

Information about citizens’ institutional confidence is drawn from the Citizen Survey (‘Medborgerundersøkelsen’) (Strømsnes, 2003) and from the Norwegian National Election Study 2013 (Aardal & Bergh, 2015).

To test the hypotheses about the individual business leaders’ trust levels, different statistical analyses have been carried out relating trust to various characteristics of the leaders. These analyses were based upon the data from the 2015 study. Similar analyses based upon the data from the 2000 study, but with fewer independent variables, are already presented in a separate article (Gulbrandsen, 2012).

In the statistical analyses presented in this chapter, the business leaders’ contacts with representatives of the political system were charted by enquiring how frequently during the previous year they had been in contact with: (1) members of parliament, (2) members of the cabinet and (3) top administrative leaders of ministries, public

agencies and regulators in 2015.<sup>1</sup> Twenty-one percent of the business leaders reported that the preceding year they had had monthly or more frequent contact with members of parliament, 13 percent had been in equally frequent contact with members of the cabinet and 28 percent had monthly or more frequent contact with leaders of ministries, directorates or other public agencies.

In the 2015 Leadership Study, the top leaders were asked whether at the time of the interview or during the previous five years they had been a member of a state commission, committee or board. Fifteen percent reported that they had held such positions. Holding such posts serves as a measure of knowledge of the political system. Seventeen percent of the respondents had previously worked one year or more in the public administration. The number of years in public administration is treated as a separate continuous variable in the analyses.<sup>2</sup>

Three dummies represent the parties for which the business leaders voted: (i) parties on the left – Arbeiderpartiet (the Labour Party) and Sosialistisk Venstreparti (the Socialist Left Party), (ii) parties in the political centre – Venstre (the Liberal Party), Kristelig Folkeparti (the Christian Democratic Party) and Senterpartiet (the Centre Party) and (iii) parties on the right – Høyre (the Conservative Party) and Fremskrittspartiet (the Progress Party). In 2013 the three groups of parties received 22, 7 and 61 per cent, respectively, of the votes of the members of the business elite.

In the Leadership Study 2015 the leaders were asked to consider the following statement: 'Politicians are too occupied with following waves of sentiments within the population'. In total, 84 per cent of the business leaders agreed with this statement. In the statistical analyses I have used the replies to this question as a measure of the top leaders' perception of the degree of populism in the political system.

To examine whether members of the national elite hold elitist attitudes towards politicians the respondents in the 2015 Leadership Study were asked about their opinions on the following two statements: (1) 'The country would be governed better if significant decisions were left to successful business leaders' and (2) 'The country would be governed better if significant decisions were left to non-elected professional experts'. These two questions/statements are taken from a large survey by Akkerman et al. (2014) of citizens' populist opinions. In the analyses these two questions tended to constitute a separate factor, which the researchers described as 'elitism'. Only minorities among the business leaders supported the two statements, 10 and 19 per cent, respectively. In total, 22 percent of the business leaders agreed with at least one of the two statements. On the basis of the responses to these two questions an index

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<sup>1</sup> The question has four values: (4) 'Weekly or more often', (3) 'monthly', (2) 'more rare' and (1) 'never'. In the statistical analyses the contact variables are used as continuous variables.

<sup>2</sup> Only 3 percent of the business leaders had worked at least one year in politics. This skewed distribution of the responses makes it difficult to construct a reliable variable. I have therefore omitted occupational experience from politics as a variable in the analyses.

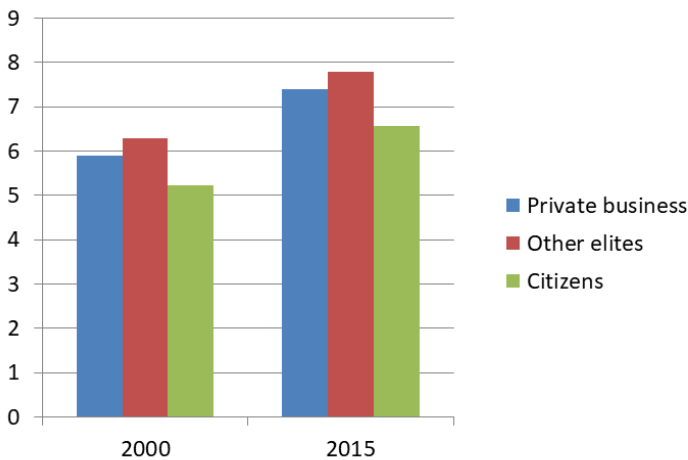


measuring the extent of business leaders' elitist attitudes is constructed. Cronbach's alpha for the index is 0.73.

In the statistical models presented below the independent variables are entered together with the following control variables: (1) industry of the companies;<sup>3</sup> (2) the class status of their fathers;<sup>4</sup> and the leaders' own (3) education,<sup>5</sup> (4) gender and (5) age.<sup>6</sup>

## 16.6 Results

Figure 16.1 gives information about business leaders' average confidence in parliament in 2000 and 2015 compared to the trust of other elites and citizens in the same institution. The chart shows that the business leaders in 2000 had a moderate to fairly high level of trust in parliament, with an average score of 5.9, slightly lower than the other elites (6.3) but somewhat higher than the average for the citizens (5.2). In 2015 the trust of the business elite had increased considerably to a score of 7.4. Figure 16.1 shows that the confidence of other elites and citizens in general also rose from 2000 to 2015 – to 7.8 and 6.6, respectively.



**Figure 16.1.** Elites' and citizens' trust in parliament

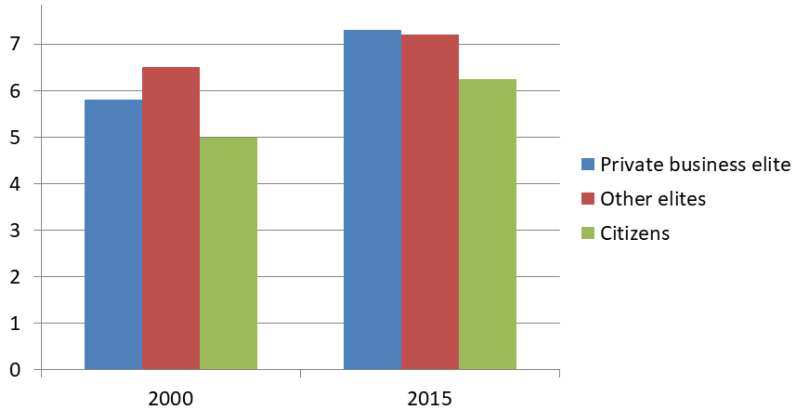
**3** Industry affiliation is measured by seven dummy variables: (1) manufacturing and construction (24 per cent), (2) oil and energy extraction (10 per cent), (3) trade and hotel and restaurant (20 per cent), (4) transportation (11 per cent), (5) publishing and mass media (6 per cent), (6) banking and finance (12 per cent) and (7) services (16 per cent).

**4** Class background has four values (upper class, upper middle class, lower middle class and labour class) and is used as a continuous variable.

**5** Education is a variable that has eight values according to the level of education of the leaders.

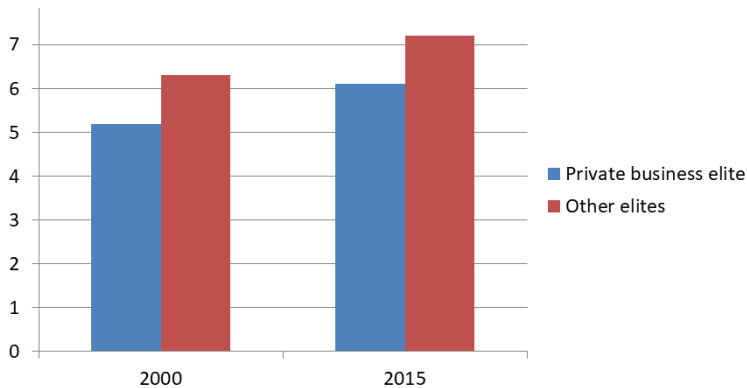
**6** Age is treated as a continuous variable.

Figure 16.2 exhibits the level and development of trust in the cabinet. In 2000 the business leaders' confidence in the cabinet (5.8) was on par with their trust in parliament. In 2015 their confidence had risen markedly to a level (7.3) similar to that of other elites (7.2). Citizens' trust in the cabinet had gone up as well from 2000 to 2015, from a score of 5.0 to a score of 6.2. In both years they expressed somewhat less trust in the cabinet than the two other groups, but not much.



**Figure 16.2.** Elites' and citizens' trust in the cabinet

Figure 16.3 presents the business leaders' and other elite groups' trust in public administration. In this case as well there was a noticeable increase in the level of trust. In both years the business elite were a bit more sceptical of the public administration than the other two institutions. The difference was, however, moderate. (There is no information about citizens' confidence in the civil service in 2015.)



**Figure 16.3.** Elites' trust in the public administration

Even if members of the business elite tend to favour the right side of the ideological landscape (see below), figures 16.1–3 demonstrate that in spite of their ideological scepticism in regard to an active state, in both 2000 and 2015 they were positive in their views about the trustworthiness of the political institutions. Moreover their political trust rose remarkably during these first years of the new millennium.

Behind the aggregate patterns presented in the three figures there is variation between the individual business leaders as to how much political trust they report. The statistical analyses of the individual business leaders' trust in 2015, which will be reported below, give an opportunity to go more in depth into the reasons behind their confidence in the political institutions. These analyses may also elucidate some of the factors behind the increase in trust which took place between 2000 and 2015.

## 16.7 Individual Business Leaders' Trust – Empirical Findings

Above it was suggested that participation in the corporatist system of decision-making may foster more positive trust attitudes among Norwegian business leaders. Column 1 in Table 16.1 assesses the validity of this idea. The effects of the control variables are not presented in the table.

**Table 16.1.** Business leaders' trust in the political institutions; OLS analyses; standard deviation in parentheses; non-standardized estimates

	Trust in parliament	Trust in the cabinet	Trust in the public administration
Intercept	<b>8.688***</b> (1.206)	<b>6.885***</b> (1.255)	<b>5.574***</b> (1.352)
Contact with leaders in the respective political institutions	<b>0.459**</b> (0.157)	<b>0.668***</b> (0.182)	0.097 (0.168)
Member of public boards or committees	- 0.520 (0.317)	<b>- 0.759**</b> (0.325)	-0.083 (0.347)
Work experience in public administration	0,031 (0.022)	-0.016 (0.023)	<b>0,041*</b> (0.023)
Vote in the 2013 election (comp. w. socialist parties)	0.072 (0.542)	0.644 (0.473)	
Centre parties	-0.343 (0.239)	<b>0.494*</b> (0.251)	-0.484 (0.501)
Right-wing parties			-0.205 (0.266)
Politicians are too populist	0.063 (0.117)	0.088 (0.122)	0.010 (0.129)
Elitist attitudes	<b>-0.314</b> *** (0.112)	<b>-0.289**</b> (0.117)	<b>-0.384***</b> (0.124)
Controlled for industry of the business leaders companies, their class background, age, gender and educational level			
R2	0.07	0.11	0.12
N	215	215	215

\*\*\*significant at the 1% level    \*\* significant at the 5% level    \*significant at the 10% level

In line with the hypothesis stated earlier, the more frequent contact business leaders have with members of parliament, the more trust they have in parliament as an institution. The same finding appeared in the analysis of the data on trust in the 2000 study (Gulbrandsen, 2012). Contrary to expectations, having served on government committees and boards is not significantly related to one's degree of confidence in parliament. Occupational experience in public administration is not significantly associated with confidence, nor with business leaders' vote in 2013. On the other hand, Table 16.1, column 1 shows, as expected, that leaders who hold elitist opinions demonstrate less trust in parliament.

Column 2 in Table 16.1 shows which factors are related to the business leaders' trust in the cabinet. Again, the extent of contact, in this case with members of the cabinet, seems to affect their confidence, as was also the case in the analysis of the 2000 data (Gulbrandsen, 2012). The more frequent contact with ministers, the more trust in the cabinet. On the other hand, having had posts in public committees is negatively related to trust in the cabinet.

In contrast to the model in column 1, Table 16.1, business leaders' political preferences, as measured by their vote in 2013, correlate with their trust in the cabinet. Top leaders who voted for right-wing parties report somewhat more trust in the cabinet than leaders who voted for other parties. In addition, elitist attitudes towards politicians go hand-in-hand with lower trust in the cabinet, as was the case with trust in the parliament. On the other hand, perception of populism is not correlated with how business leaders evaluate their trust in the cabinet.

Column 3 in Table 16.1 shows the results of the analysis of the business elite's confidence in the public administration. In this analysis, no statistically significant correlation between the extent of contact and trust appeared, nor is experience on public committees and boards of any significance. However, occupational experience in public administration is positively and significantly associated with trust in the civil service. The more years a business leader had previously worked in public administration, the more trust he/she has in the public sector. As expected, top leaders' choice of political party in the 2013 election is not correlated with their confidence in the civil service. Confidence in the service is, however, related to the presence of elitist attitudes. The more that business leaders prefer important decisions be taken by professional experts or successful businessmen, the less trust they place in public administration. In contrast, a judgement of politicians as populist is unrelated to confidence in public administration.

In both analyses of trust in parliament and trust in the cabinet it appears that contact frequency encourages greater confidence. However, it may be that the causal direction of the relationship between the extent of contact and trust is the opposite. It is possible that the business leaders who already had the most confidence in

the political system also choose to establish and maintain frequent contact with representatives of this system.<sup>7</sup>

Table 16.2 gives a summary of the present chapter's theories/ideas, hypotheses and results of the analyses.

## 16.8 Discussion

### 16.8.1 Level of Trust

The analyses presented above show that the Norwegian business elite have a high level of trust in Norway's political institutions. Above I have argued that the Norwegian corporatist system of political decision-making may be a significant part of the explanation of this fact. This system brings a significant number of top business leaders in regular contact with politicians and senior civil servants. They are also regularly invited to take part in discussions of the development as well as the implementation of new policies. Following ideas within the research on corporatism and the general theory of trust these contacts should be expected to increase confidence in political institutions. The findings presented above do lend some support to these ideas. The business leaders' trust both in parliament and in the cabinet is significantly related to the frequency of contact with members of parliament and the cabinet. Moreover, business leaders who have occupational experience in public administration express more trust in this institution than those who do not (significant at the ten percent level). However, contact with civil servants does not seem to influence trust in the public administration, nor does experience on public commissions and boards have any significance for the level of trust in this institution. Accordingly, participation in the corporatist system for decision-making in Norway does not seem in itself to offer a sufficient explanation for the fairly high level of institutional confidence among members of the Norwegian business elite.

The relatively high level of political confidence may, however, also be a result of positive experiences with the corporatist system accumulated over a long period of time. These experiences, in line with Easton's (1975) ideas, can have been generalized into a relatively high level of trust. The core of the corporatist system is the collaboration between a strong trade union movement, centralized employers' associations and the state. This cooperation dates back to the beginning of the 20<sup>th</sup> century and was nationally institutionalized through the Basic Agreement in 1935 between the Norwegian Confederation of Trade Unions (LO) and (now)

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<sup>7</sup> To control for this self-selection it is possible to carry out a two-step regression analyses (2-SLS). Unfortunately, the dataset does not contain information which enables the construction of a satisfactory instrument variable for this kind of analysis.

the Confederation of Norwegian Enterprises (NHO). The Basic Agreement has since been amended and extended several times (Falkum, 2015). This national collaboration has been accompanied by close cooperation at the company level. The multilevel collaboration has over recent decades reduced the scope of industrial conflict, prevented uncontrolled wage growth and stimulated the productivity and restructuring of enterprises. It is a common understanding across the dividing line between employers and employees that the Norwegian industrial relations system has been beneficial for the economy (Gulbrandsen et al., 2002; Barth, Moene, & Willumsen, 2014). In a separate analysis not shown here the business leaders participating in the Leadership Study 2015 expressed strong support for the cooperation between the state and the partners in the labour market. Moreover it appeared that business leaders' attitudes towards this cooperation are strongly and positively related to their trust in parliament.

### 16.8.2 Increase in Trust

In 2000, the business leaders in Norway had a moderate to fairly high level of trust in political institutions. By 2015 their trust had increased significantly – but so had the political trust of other elite groups and the citizens at large. What might explain the increase in trust between 2000 and 2015?

As mentioned above, Norris (1999a) called attention to the possibility that such an increase might be a period-specific shift. A significant event in recent politics in Norway is that political parties on the right won the parliamentary election in 2013 and took over the cabinet from the previous red-green alliance. The two parties presently in power – the Conservative Party and the Progress Party – are generally very supportive of private business. They have also started to implement programmes to the benefit of business. According to Norris's 'constitutional' theory of 'winners and losers' (Norris, 1999b; see above), one should expect that this political change boosted the institutional trust of the business leaders who voted for the two right-wing parties. This 'effect' should be most visible in the case of trust in the cabinet. Table 16.1 shows that this is indeed so. The business leaders who voted for the Conservative Party and the Progress Party in 2013 reported more trust in the cabinet in 2015. In other words, Norris's theory receives support in the analyses presented in Table 16.1.

However, the change of government did not affect the degree of confidence in the parliament or in the civil service. Moreover, it is doubtful whether the change in government is also sufficient to explain the accompanying increase in trust among the other elite groups (and citizens in general). Among the other elite groups support for the right-wing parties is much lower than among the business leaders.

Empirical studies have shown that citizens' trust in political institutions depends on whether these institutions can deliver services or solutions that are

in line with citizens' expectations (McAllister, 1999; Miller & Listhaug, 1999). For instance, recent studies show that increasing unemployment in a country is related to decreasing confidence in the political institutions (Stevenson & Wolfers, 2011; Friedrichsen & Zahn, 2014). This implies that if a country manages to sustain a favourable economic situation, political confidence will probably be maintained or even increased. Another possible period-specific explanation is, therefore, that the dramatic international events that have taken place over the last 15 years have moved elites across sectors to rally around the Norwegian political institutions. In spite of a series of international challenges, *inter alia* the financial and EU crises, increasing climate problems and the international refugee crisis, the Norwegian society and economy have fared quite well. A testimony to this fact is that the disposable real income of households in Norway increased significantly between 2002 and 2015. On an index where 2009 = 100, disposable real income in 2002 equalled 80. In 2016 the disposable real income was equivalent to about 123 on the index (Statistics Norway 2016). In other words, the increased political trust on the part of the business elite, and citizens as well, may be related to an appreciation of Norwegian politicians' ability to cope with recent international crises.

Particularly the international financial crisis gave the Norwegian politicians a window of opportunity to demonstrate their capacity to fend off negative consequences and keep up the Norwegian model. That this opportunity was well used is demonstrated in a separate analysis (not shown here) in which 52 per cent of the business leaders in 2015 agreed that the finance industry needs to be subjected to more control.

Since individual business leaders' political trust is related to frequency of contact with politicians, it is possible that the increase in trust is also a result of an expansion of political contacts. A closer analysis of the data (not shown here) indicates that there was such a rise in the number of contacts of business leaders with politicians and civil servants between 2000 and 2015. In 2015 a slightly higher percentage of the business leaders had contact with politicians at least once a month compared to 2000, 21 versus 18 per cent. Moreover, in 2015 more business leaders than in 2000 contacted politicians and civil servants in order to influence the outcomes of concrete political decisions (67 per cent vs. 58 per cent). Hence, it is possible that the more extensive and more frequent contacts with the political system fostered higher political trust.

### 16.8.3 The Significance of Elitist Attitudes

Above I referred to Vogel (1978), who claimed that business leaders in the US have traditionally feared democracy. Inspired by Vogel (1978) I hypothesized that Norwegian business leaders' political trust is related to elitist attitudes on their part. In fact, a large majority of Norwegian business leaders believe that politicians are

**Table 16.2.** Summary of theories, hypotheses and empirical results

Theories/Set of ideas	Hypotheses	Results: Hypotheses rejected or supported
The significance of participation in the corporatist system of decision-making	Higher trust among business leaders who have frequent contact with politicians and public officials than among managers with less contact.	Partially supported
The importance of contact with politicians	Business leaders who have served on government committees have more political trust than managers without such experience.	Rejected
The importance of knowledge about the political system		
The importance of occupational experience in politics or public administration	The longer a top executive has previously worked in the public sector, the greater his or her trust is in the political institutions.	Partially supported
A 'constitutional theory': Winners and losers	Business leaders who voted for one of the two conservative parties in government exhibit more trust in parliament and the cabinet than business leaders who voted for other parties.	Partially supported  Rejected
The significance of elitist attitudes	Political trust is lowest among business leaders who most strongly hold that Norwegian democracy is characterized by populism.	Supported
	Business leaders who hold elitist views on democracy have less trust in the political institutions.	

too populist in the sense that they are too eager to follow changing sentiments of the population. This perception was not, however, related to their trust attitudes. Secondly, in the multivariate analyses it appeared that top leaders who believe that significant political decisions should be left to experts or successful businessmen have less political trust than leaders without such ideas. However, they seem to constitute a minority (close to 20 per cent) within the business elite.



#### 16.8.4 Personal versus Institutional Trust

Offe (1999), as mentioned above, argued that trust in institutions is actually confidence in the individuals representing these institutions. The findings reported in Table 16.1 indicate that this theoretical idea has some relevance. As shown in the table political trust is related to contact with politicians and to experience in public administration. I believe that positive encounters with politicians and public administrators have fostered personal confidence in these persons and that this confidence has spread to or evolved into trust in the institutions concerned. Even trust in the cabinet, for which some of the business leaders have political support, may be a kind of personal trust. The prime minister and the other ministers of the conservative cabinet are probably well known to the business leaders. They may even know them personally. Such trust in cabinet may then be a combination of personal and ideologically based confidence.

#### 16.8.5 A Unified Business Elite?

The findings reported in this chapter imply that there are at least two different segments within the Norwegian business elite. One segment consists of business leaders who are actively involved in the network of personal contacts based in and revolving around the political institutions. They seem to have more trust in these institutions than other business leaders. What characterizes the members of this group? Separate analyses (not shown here) demonstrate that they are on average somewhat older than those business leaders who are less active in the contact network with politicians. They are or have been more often members of the boards of employer organizations. This fact suggests that their frequent contacts with politicians are related to their function as representatives of general business interests. They are more positive towards collaboration between the main organizations in the labour market. Moreover, in the parliamentary election of 2013 a higher share of the business leaders in this segment voted for the Labour Party.

In contrast, another segment of the business elite seems to stand at a distance from democracy and the political system. This segment declare that Norway would be better governed if significant decisions were left to successful business leaders or professional experts. Separate analyses (not presented here) reveal that they are also more in favour of private market solutions and less inclined to accept income redistribution. In line with this ideological leaning they voted more frequently for the Conservative Party in the 2013 parliamentary election. Moreover they are more reserved in regard to the Norwegian industrial relations system, characterized by extensive cooperation between employers, employee organizations and the state. This finding substantiates the impression that the members of this segment are not supportive of the Norwegian model. Within this segment we probably find those

business leaders who are most in favour of changing the model, for instance in a more neoliberalist direction.

The existence of these two different segments indicates that there is likely not any prominent unity within the private business elite in Norway.

## 16.9 Conclusion

The members of the business elite in Norway are ideologically in favour of limiting the range of public sector activities and of curtailing state interventions in the economy (Gulbrandsen, 2005). The members of this elite group do not, however, fear democracy. On the contrary, they exhibit a high level of trust in the main political institutions, only moderately less than other elite groups in Norwegian society. Moreover, they have more trust in the political institutions than citizens in general. In addition, business elite trust increased significantly from 2000 to 2015.

Business leaders' trust is to some extent promoted by the individual business leaders' participation in the extensive corporatist system of political decision-making characteristic of the Norwegian society. Their trust is probably also a generalized result of decades of beneficial relations between private business, employee organizations and the state.

Confidence in the political institutions increased among the members of the business elite in the period 2000–2015. A significant event in this period which may have affected their attitudes was the international financial crisis. In contrast to many other Western countries Norway managed to avoid the severe economic consequences of this crisis, to a large extent due to the politicians' firm control of the economy. The financial crisis and the Norwegian response may have moved many business leaders to become more sceptical of unfettered capitalism and more inclined to endorse the Norwegian model.

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