



REPORT

INTERNATIONAL SYMPOSIUM: **Seeking and Seizing - the Nordic Way?**

2 - 3 November 2017

at the National Institute for Health and Welfare (THL)
Mannerheimintie 166, Helsinki, Finland

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In connection with the Finnish Presidency 2016 of the Nordic Council of Ministers, separate Nordic project funds were granted in order to raise themes that Finland wanted to highlight in the frame of Nordic co-operation. One of these projects is Open and Innovative Nordic Region with Healthy People 2020 – Equal Opportunities for Welfare, Culture, Education and Work, shortly called Norden 2020.

The project aims to take forward innovative cross-sectoral solutions and operating models for preserving social wellbeing and equality in Nordic societies, as well as to strengthen official Nordic welfare policy cooperation. It is a cross-sectoral project, spanning three years from 2016 to 2018. The project is a joint effort by the Ministry of Social Affairs and Health, Ministry of Education and Culture and the Ministry of Economic Affairs and Employment.

#norden2020

The international symposium “**Seeking and Seizing - the Nordic Way?**” held in Helsinki 2-3 November 2017 was one of the activities of the Norden 2020 project. During the symposium, the challenges for the Nordic welfare state and the viability of the Nordic way were discussed by scholars and debated in a vivid discussion together with an international audience.

The Nordic region is currently undergoing profound structural changes, as is the rest of the world. Financing of welfare, political disaffection and welfare state legitimacy, the reciprocal relationship between work and welfare, and gender equality are some of the key issues when identifying the contemporary challenges of the Nordic welfare states. In order to generate an international context, and to ponder on the particularity of the Nordic welfare states, the symposium was opened with a presentation on the contemporary state and latest developments of the American welfare state.

The following is a thematic digest produced in order to highlight some of the key issues and major points in the presentations and discussions during the symposium.

THE WELFARE STATE UNDER ASSAULT – A RELATIONAL APPROACH

In order to understand the development of social policy and the development of the welfare state in the United States, professor Sanford Schram from Hunter College, City University of New York, proposes a relational approach. According to him, the core of neoliberal policies is about marketization of the state, i.e. the public sector. The main thrust in neoliberalism can be perceived as marketization of public commons. This entails monetisation of the relations that govern the production, usage and commitments that commonly shared goods generate in the population. From shared relations of e.g. public responsibility or solidarity to a relation towards the markets.

To construct neoliberal markets it is necessary to conceive the world in different relations than those in the Nordic welfare state. A new framing of the social, economic and political phenomenon is made to conceptualise them as neoliberal problems. This makes it possible to introduce them into markets with market solutions. The brilliance of neoliberalism is that the definition of the problem itself will steer policy making to a certain set of solutions.

UNIVERSALITY OF THE NORDIC WELFARE STATE AS GUARANTOR OF AUTONOMOUS INDIVIDUALS

In contrast to the neoliberal critique of the Nordic welfare state, universal policies enable individual autonomy and act as its guarantor. Instead of eroding peoples' incentives to work and participate in the public sphere, universality in social services, healthcare, education and other services for all citizens, functions as all-encompassing inclusiveness in the society. Thus, individuals are liberated from particular dependencies, such as a spouse, parents, markets, charity or the employer. Herein, the pivotal point is that an autonomous individual is constituted as a subject by the universal relations between institutions that provide services and by the people benefitting from them. As the autonomous individual comes into being through universality, these individuals are likely to participate in the functioning and development of the society – the one that liberated them from various dependencies. A virtuous circle is thus born and sustained.

DISMANTLING UNIVERSAL POLICIES WEAKENS COHESION

“The state is no longer in the business of countering the market but buttressing the market.”

Sanford F. Schram

When “universalist” welfare states reorganise their operations and recede from sustaining universalistic relationships and bring forth a more particularistic system, the virtuous circle turns into a vicious one. As citizens no longer stand in equal relations between each other, institutions and processes, many are left in the margin, where dependency actively prevents their participation in civil activities as well as their self-improvement as productive members of society.

In current Western societies, the marginalization of groups due to economic inequality or immigration has already lead to political turmoil, the rise of populism

and civil unrest. Reinforcing the autonomy of individuals by reforming universal policies produces autonomous, wholesome citizens committed to contributing to the society.

THE WAY TO REFORM NORDIC WELFARE STATES

Despite neoliberal criticism and the consequences of rapid globalization, the Nordic welfare states are thriving. Further, they are proving themselves competitive as a way of organising a society, and have succeeded in maintaining an equal civil society through sustaining universalistic values and cooperation, whilst being able to adapt and tackle new challenges in a constructive manner.

“The Nordic success by Nordic “unexceptionality” is exceptional.”
Nina Witoszek

Commonly, the sharpest critique comes from the neoliberal thought. From this vantage point, the Nordic model's merits are actually its weakest points. The key factors that actualize a strong democracy, performance and wellbeing – security and autonomy through commons and cooperation – are seen as the main sources of rigidity and dependency.

COUPLING COOPERATION & COMPETITION

“Getting lucky isn't about culture but staying lucky is.”
Nina Witoszek

To solve the conundrum between the welfare state and its neoliberal challenger, Dr Nina Witoszek, working in The Evolution Institute's project titled Norway Quality of Life, claims the secret to the success of the Nordic Welfare State and the quality of life it has offered over the decades is combining both – cooperation and competition. The balance itself is a decisive factor for the success in achieving a high quality of life. It also indicates which societies are best suited to resolve their problems, meet their challenges and be able to endure.

“The cultural ethos is so entrenched and so well replicated in Nordic countries that it created a very good basis for the antibodies against the challenges of modern times.”
Nina Witoszek

MAKING THE MATCH WORK

How to reinforce the balance between competition and cooperation? According to the Evolution Institute, the Nobel laureate Elinor Ostrom's design principles for sustainable communities work as an insight for this. A reform for an inclusive Nordic welfare state should take into consideration the following principles, scaling them up to a societal level using polycentric governance:

1. Define clear group identity and boundaries.
2. Match rules governing the use of common goods to local needs and conditions.
3. Ensure that those affected by the rules can participate in modifying the rules.
4. Make sure the rule-making rights of community members are respected by outside authorities.
5. Develop a system, carried out by community members, for monitoring members' behaviour.
6. Use graduated sanctions for rule violators.
7. Provide accessible, low-cost means for dispute resolution.
8. Build responsibility for governing the common resource in nested tiers from the lowest level up to the entire interconnected system.

“[A] community without freedom is as horrifying as freedom without community.”

Nina Witoszek citing Zygmunt Bauman

THE CONSTRUCTION OF GOOD MARKETS REQUIRES MORE THAN GOOD MARKETS

“Out of one growth model comes the next growth model. They are based on legacy and find new ways to advance.”

Peer Hull Kristensen

In short, the principles above provide a coherent framework within which competition can take place in a manner that results in serving the society as a whole.

NORDIC HUMANISM AS A HAPPY MEDIUM

The line of thought presented here is also known as Nordic Humanism, a set of cultural traits that promotes collaboration and finding agreement with opposing sides. It strives to balance commonly opposing values such as competition and cooperation, religion and scientific progress, community and market society, communitarianism and individualism, freedom and equality. These traits, embedded in cultural practices and folklore, can be traced back at least to the 18th century and are exemplified in the Norwegian “Community of Goodness”, Swedish “Caring Home” (Folkhemmet) and Danish “Happy Christianity”.

EMBRACE THE BEST OF BOTH WORLDS

The core idea is to review and revise what we traditionally think of as constituting elements of a Nordic welfare state. Behind the success there is no one pure ideology, instead, for instance, neoliberal policies can be moulded and reviewed through a more social framework.

An example can be taken from the notion of universal basic income. It can be criticised as something that creates a low wage labour market and deepens the wage gap, but at the same time, it can be made into a tool that empowers and dignifies people, creating a common ground for participation and setting of mutual goals.

Despite lacking in scale of their economies, the Nordic countries have produced an extensive amount of highly regarded products and services into global markets. Given the amount of testing, promotion, production, management, regulation and certification needed in launching a product, the success story of the Nordics is nothing short of a miracle.

To make their accomplishments even more stunning, this gained prosperity has been achieved whilst also integrating marginal factions into the labour markets, entirely avoiding the pitfalls of a sweatshop economy. Furthermore, the willingness to pursue corporate social responsibility has also been unparalleled. How has this been possible?

WORKING AND THRIVING TOGETHER

More than anywhere else in the world, the Nordic countries’ institutionalisation of production processes has been a joint endeavour of the state, businesses, and labour unions. In short, an enlarged public sector coverage liberated employees to fully commit to their jobs, having less distractions in going about their everyday lives and combining their family and work life in a rewarding way. Partly also due the excess of demand over supply in the labour markets, combined with the empowered employee position, the employers found themselves competing with each other in offering interesting, high-quality jobs to the workforce.

In return, the employees were extremely committed to their jobs, participating in developing and improving the

processes of their organisations – albeit, their negotiating power did entail labour conflicts at times. The interest of the employers and their respective employees intertwined to serve a common goal. Simultaneously, employers had to take into consideration the environment (communal, societal and natural) that affected their production chain. A betterment in the bargaining position of the worker led to a virtuous circle.

Better yet, companies recognized, in this situation of consensual, overlapping interests, that cooperation more often than not also benefited everyone and shared insights on how to arrange production processes optimally.

A NEOLIBERAL BACKLASH

In contrast to the conflictive yet consensual interest in the civil capitalism described above, neoliberal policies create markets that incentivize actors to gain power by ways of creating a competitive framework, where knowledge is monopolized, regulation suspended, and the bargaining power of employees diminished. Consequently, a zero sum situation severely decreases cooperation between companies and creates employees that are more dependent and less autonomous. The shared conception of a common good worth striving for ceases to exist.

“The paradox is that neoliberalism has given space for the carriers that are much better able to reproduce the Nordic countries.”

Peer Hull Kristensen

Altogether; it seems difficult to conceive a growth model, which introduces low cost production whilst maintaining a welfare state. After all, a small-scale economy that does not recognize mutual goals and join forces in achieving them becomes increasingly vulnerable to the challenges globalization brings about.

NEW WAYS OF COOPERATION TO THE RESCUE

“Business enterprises can be civilising entities in Nordic countries.”

Peer Hull Kristensen

What do we do in order to improve the markets in the present situation? The Danish professor emeritus Peer Hull Kristensen of Copenhagen Business School considers it irrelevant to think that the task is to find the new big thing. He believes that a lesson can be learned from progressive, highly specialized companies, who jointly establish a synergic network with other companies where common objectives can be set and achieved via long-term planning and shared innovations.

“You can only sophisticate both parts [social services and the business regime] simultaneously otherwise they will die.”

Peer Hull Kristensen

It is professor Kristensen’s contention that companies in a small economy only stand to lose when approaching the markets as competitors, who see others as obstacles to success, as a plethora of possibilities provided by combining know-how and expertise are left unused. The new civilized capitalism might not only serve as a competitive advantage or a platform to reform the Nordic welfare state, but there are signs that it bears potential for serving as a civilizing agency on the global markets.

POLITICS AS A CHANGE MAKER

When looking at the indicators that measure wellbeing and state of democracy, Nordic countries, as forerunners, stand alone. One can argue that the ability to deal with social problems in a constructive and systematic manner is one of the key features in their success.

This stable and secure path of development is due to a process of solving conflicts. A certain contingency and uncertainty of the future is recognized and addressed. Without a commonly shared perception on how things will or should be in the future, a space is opened to act out these conflicts without preconceptions and through civic action in order to come up with new innovative solutions. All this requires an established trust in the process, as it has delivered satisfactory outcomes in the past.

The so-called rational relations, wherein conflicts are tackled, come to determine how it all plays out in the end. That is to say, these rationalities of universalism, public responsibility, solidarity, equality, and individual autonomy all construct and formulate the way resolutions are made, also shaping the outcome.

FROM RELATIONS TO RAGE

“We have to create systems that work with the people.”

Eygló Harðardóttir

The common critique against the Nordic welfare state's relations amount to rejecting the democratic processes as too rigid and, instead, introducing a way of monetising the relations.

In this approach, decisions are centralised and bestowed upon the executive. As the autonomous individuals are no longer a part of the decision making process, the decisions are sold to them. Moreover, when the benefits of institutionalising the future's uncertainties through a joint process are lost, citizens are left to making choices

from what is offered, and perceived uncertainty of the future increases. Having merely unanswered questions on their hands, distrust, anxiety, insecurity, and rage eventually take hold of people. This is the fuel to the flame of populism.

REVISING THE RELATIONAL RATIONALITIES OF THE NORDIC WELFARE STATE

“Why do we have similar welfare states in the Nordics? Not because of the cold dark weather nor a common genetic heritage. The Nordic model is not a genetic disposition. It is a consequence of decades and centuries of intranordic co-operation and comparison which has not only made the Nordic countries similar but flexible and remarkably progressive.”

Johan Strang

In the change of working life, the boundaries between work and leisure collapse and precarisation brings about a number of challenges. The amount of input the paid labour can contribute to common decision making is decreasing at a rapid pace. To combat the ill consequences of rising uncertainty, rational relations are to be reconceptualised in a way that increases autonomy among people. The change of work raises the problem of how to participate in the functioning of society. One way to go about it is to consider universal basic income not as a taxation issue, but as a relation of **equality**.

The movement of capital and goods in the global era, **universalism**, has to find a way to sustain itself in an equally global level. For instance, Tobin tax can be used as a building block of transnational universalism with common clauses to govern these movements.

To tackle social fragmentation, a new set of rules have to be introduced to create shared and binding legitimacy of the Nordic model. This means rethinking the relations between social, economic, political and juridical constitutions considered together to create new relations of **solidarity** among citizens.

Finally, the marketization of the media blurs the lines of **public responsibility**. A clearer image should be introduced through the implementation of relations of openness, transparency and accountability to strengthen trust.

NORDIC WELFARE STATE AS GUARANTOR OF GENDER EQUALITY

“We [other ministers from other Nordic countries] agreed on the importance of basic welfare, strong social and health care systems and we all liked taxes. These are all parts of what we talk about [in] the Nordic welfare model. But what differs us [Nordic countries] from countries that also have high welfare indicators, is gender equality.”

Eygló Harðardóttir

The Nordics have positioned themselves at the top of international indexes measuring gender equality. Furthermore, the state of the democratic processes shows clear signs that it is up for an incrementation towards a fully egalitarian society. Strong evidence of this surfaced during Iceland's financial crisis.

While three major banks were reporting debts more than seven times Iceland's GDP, and the nation's credit rating plummeting, allegations of political and financial corruption filed and citizens seeing their economy deteriorating, a new slogan was chanted on the streets: “Let's give the men some holidays”. This suggestion by the people did not go unheard by the newly formed Left alliance government. According to former Minister of Social Affairs and Housing Eygló Harðardóttir, this was the guiding principle of how Iceland worked itself out of the crisis. It was by making Iceland more equal than ever before.

“Whenever I met other ministers from other Nordic countries our emphasis was on gender equality. Even if we would be doing different things we would all agree that gender equality has to be a guiding principle for the Nordic countries.”

Eygló Harðardóttir

GENDER BUDGETING – YOUR WAY OUT OF THE CRISIS

Iceland has had the most diverged labour market among the Nordic countries. Men were employed mostly in the private sector and women in the public sector. The crisis hit hardest on construction and financial sectors, affecting men more than women. But the reaction was not one of usual adjustments; cutting social welfare budgets while bailing out the private sector. There was a popular mandate substantial enough to do things a bit differently, and the government did not hesitate to use it.

A halt was put on public construction schemes, taxation was raised, and cuts were implemented on welfare services according to a new principle – gender budgeting. It raised the levels of social assistance benefit, national pensions, minimum wage, and lower income earners' unemployment benefit. Respectively, subsidies for parental allowances and unemployment benefits for high income earners were cut. As a result, employment rates and income levels became balanced between genders.

“[The] public sector helped women rise up [get employed] until the 1990's, but since then it is more doubtful if it does that. If you have budget consolidation and austerity politics, then it's not a good idea to be in the public sector and that is what has been happening.”

Anita Nyberg

CONCLUSION: FEMINIST DEMOCRACY IS A STABLE ONE

The absence of a top-down governance style and the dynamics of a strong democracy were essential in the policies of Iceland's government. The mandate and its content were moulded in interplay between civil society, social movements, and the parliamentary system. Feminist policies were made feasible through generating a positive feedback loop during the crisis. This was followed by stabilizing the functioning of the government and shunning away from automatically bailing out the banks.

Translating the crisis into a gender matter made it possible to take on a new approach and carry out feminist policies, which otherwise might have seemed unfounded and practically impossible to implement. A country in economic turmoil need not water down its drive for equality or social justice.

“Gender mainstreaming and budgeting are important, but we have to look for male norms in the concepts used and how things are measured [such as unemployment and the timing of economic recession in relation to gender] in order to better understand the gendered effects.”

Anita Nyberg

PROGRAMME

Thursday, 2 November

- 9.15 – Registration and networking over a cup of morning coffee**
- 10.00 Welcome remarks**
Moderator, Norden 2020 Project Leader **Kirsi-Marja Lehtelä**,
National Institute for Health and Welfare, Finland
- 10.15 Neoliberal relations of poverty: the welfare state under assault**
Professor **Sanford F. Schram**, Hunter College and CUNY Graduate Center,
New York, USA
- 11.30 Invited commentary:**
Doctoral Student **Joel Kaitila**, University of Jyväskylä, Finland
- 11.45 Discussion**
- 12.15 Lunch**
Location: cafeteria of the National Institute for Health and Welfare
- 13.15 Gender and Nordic welfare viability in the financial crisis of 2007-2008**
Member of Parliament **Eygló Harðardóttir**, Progressive Party, Iceland
- 14.00 Invited commentary:** Professor Emeritus **Anita Nyberg**,
Stockholm University, Sweden
- 14.15 Coffee break**
- 14.45 Is there a Nordic Humanism?**
Research Professor **Nina Witoszek**, Centre for Development and the
Environment, Oslo University, Norway
- 15.30 Invited commentary:** Researcher **Stefan Nygård**, University of
Helsinki, Finland
- 15.45 Discussion**
- 16.15 Wrap-up**
Moderator **Kirsi-Marja Lehtelä**
- 16.30 End of day one**
- 18.00 Symposium dinner**
Location: City Hall Restaurant, Sofiankatu 1, inner courtyard

Friday, 3 November

- 09.00** **Opening words**
Moderator **Kirsi-Marja Lehtelä**
- 09.15** **Civilizing business enterprises in the search for a new Nordic growth and development model**
Professor Emeritus **Peer Hull Kristensen**, Copenhagen Business School, Denmark
- 10.30** **Invited commentary:** Docent **Johan Strang**, University of Helsinki, Finland
- 10.45** **Discussion**
- 11.10** **Coffee break**
- 11.40** **The Relational Nordic Welfare State**
Professor Emeritus **Sakari Hänninen**,
National Institute for Health and Welfare, Finland
- 12.25** **Invited commentary:** Adjunct Professor **Meri Koivusalo**,
National Institute for Health and Welfare, Finland
- 12.40** **Closing comments**
Director **Liisa-Maria Voipio-Pulkki**, Ministry of Social Affairs and Health,
Finland, and Chair of the Norden 2020 priority project
- 13.00** **The symposium ends**

This report is part of the Finnish priority project "Norden 2020".
The views expressed in this report belong solely to the authors.



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