

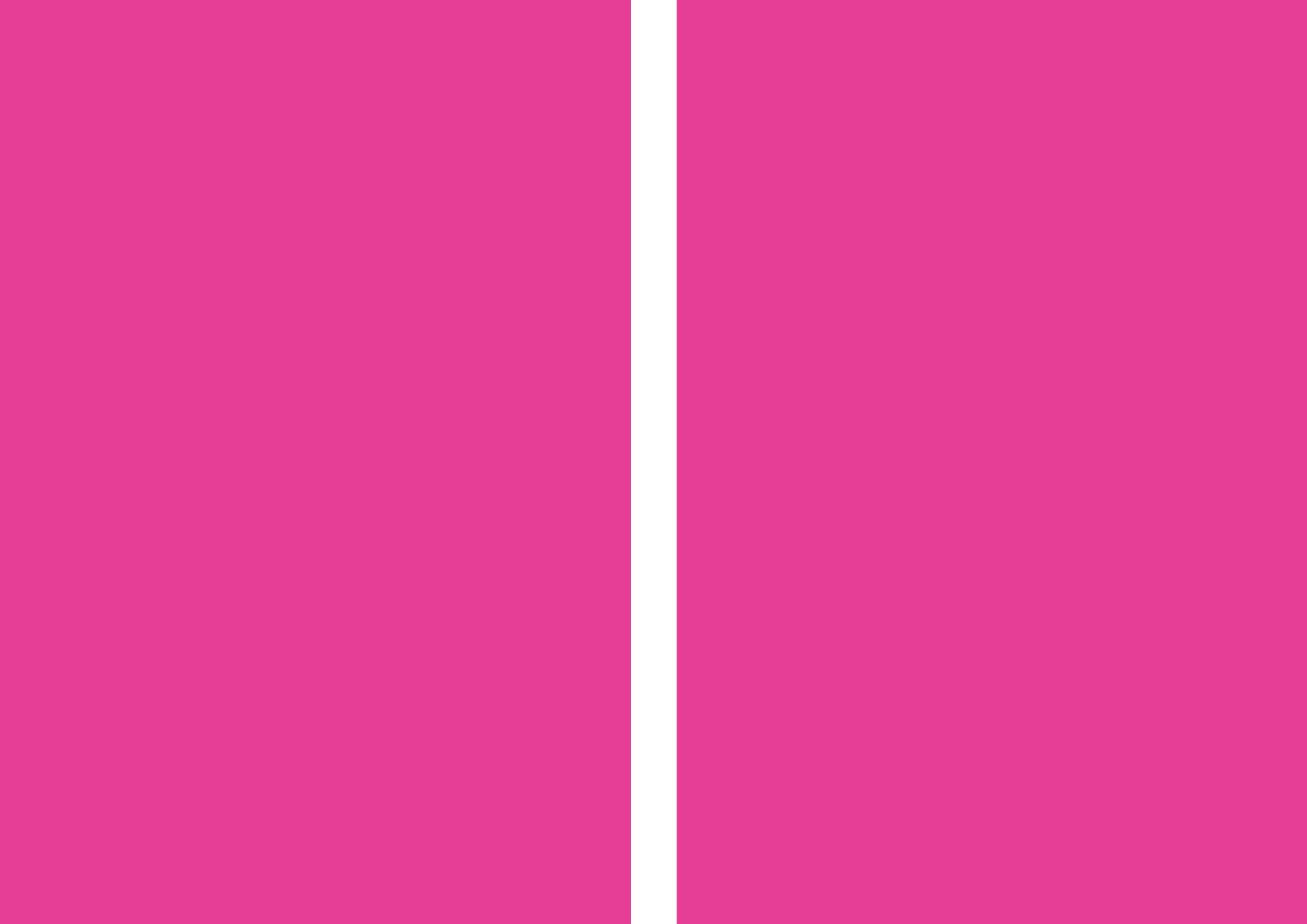


COPYRIGHT NORDEN.

The Nordic model – fact or fiction?



norden



COPYRIGHT NORDEN.

The Nordic model – fact or fiction?

COPYRIGHT NORDEN.

The Nordic model – fact or fiction?

ANP 2008:758

Nordic Yearbook 2008

© Nordic Council and Nordic Council of Ministers 2008

ISBN 978-92-893-1783-2

Idea and concept: Jesper Schou-Knudsen

Editors: Jesper Schou-Knudsen and the Nordic Council and
Nordic Council of Ministers' Communications Department

The opinions expressed in the Yearbook are the authors' and
do not necessarily represent the opinions of the publisher or editors.

Printed by: Clausen Offset aps

Design: Mar Mar Co.

Visual Contribution: Petra Lindholm

Print run: 3000

Printed on environmentally friendly paper, which fulfils the requirements of the
Nordic Swan eco-label. This publication can be ordered from www.norden.org/publikationer

Printed in Denmark

Nordic Council of Ministers

Store Strandstræde 18

DK-1255 Copenhagen K

Telephone (+45) 3396 0200

Fax (+45) 3396 0202

Nordic Council

Store Strandstræde 18

DK-1255 Copenhagen K

Telephone (+45) 3396 0400

Fax (+45) 3311 1870

www.norden.org



Nordic co-operation

Nordic co-operation is one of the world's most extensive forms of regional collaboration, involving Denmark, Finland, Iceland, Norway, Sweden, and three autonomous areas: the Faroe Islands, Greenland, and Åland.

Nordic co-operation has firm traditions in politics, the economy, and culture. It plays an important role in European and international collaboration, and aims at creating a strong Nordic community in a strong Europe.

Nordic co-operation seeks to safeguard Nordic and regional interests and principles in the global community.

FOREWORD

CONTRIBUTORS

THE NORDIC WELFARE MODEL – FLAVOUR OF THE MONTH? 11

TORBEN M. ANDERSEN

HOMO NORDICUS, A PARADOXICAL FIGURE 19

MARIE-LAURE LE FOULON

THE MAJOR POLITICAL GUIDING PRINCIPLE 31

POLLY TOYNBEE

PETRA LINDHOLM 34

A FRAGILE CREATURE THAT NEEDS CARE 45

CHARLES FERRO

MYTH, REALITY AND CHALLENGES 53

ANXO LAMELA CONDE

THE NORDIC REGION – A PEACEFUL AND COSY SOCIETY? 59

SIEGFRIED THIELBEER

THE NORDIC MODEL IS NOT SUITABLE FOR CHINA 65

LEI DA



The Nordic model is a source of pride for the people of the Region. We like the fact that it has become a recognisable concept, a 'brand' in international political debate. Abroad, the region is often held up as a model, an example of how to successfully combine collective welfare and strong economic growth. At home, there is wide-ranging political agreement that the basic principles underpinning the model – e.g. democracy, welfare, equal opportunities, openness, freedom of expression and peaceful conflict resolution – are indispensable. Few wish to replace them. After all, these values constitute the very foundation of the model and make it work.

This does not mean that there is no room for improvement. In fact, the model is and has always been a work in progress; there is no such thing as a definitive form. Nor is it assumed that the current structure is the only right one. Complacency is an ever-present danger, one that we must guard against. Like so many others, the Nordic countries face major social challenges, especially in the light of globalisation. For the Nordic model to continue to work effectively and progress, we need balanced insight into the challenges ahead as well as intelligent responses to them.

For the 2008 Yearbook, we invited five international writers to look at the Nordic model through the eyes of an outsider. Each offers their own unique perspective on how the Nordic model is perceived in the outside world. What they all have in common is that their journalistic or literary work has links to one or more of the Nordic countries.

We believe that asking outsiders to analyse the Nordic Region is both necessary and instructive. To see ourselves as others see us is essential if we are to evolve as a Region. A willingness to embrace criticism is at the core of the Nordic model.

→ “The Nordic model fits the Nordic region. It isn’t a universally applicable template. Conditions are different in different countries.”

LEI DA

TORBEN M. ANDERSEN (1956)

Torben M. Andersen has been Professor of Economics in the Department of Economics at Aarhus University since 1986.

Andersen sits on the editorial boards of a number of international publications. His main areas of research are the welfare state, international integration, labour markets, economic policy and economic cycle theory.

Andersen has previously been associated with a number of research institutions, including EPRU (Economic Policy Research Unit, Copenhagen), CEPR (London) and CESifo (Munich). He chaired the Danish Welfare Commission (2003-2006) and has been a member of the Swedish Fiscal Policy Council since 2007.

MARIE-LAURE LE FOULON (1961)

Marie-Laure Le Foulon, a French journalist specialising in Nordic affairs, is a graduate of the Sorbonne and studied journalism in Strasbourg. She now works as a consultant, lecturer and freelance journalist. She has worked for AstraZeneca, PPR, Danone, Livres Hebdo, Le Figaro, Europe 1 radio, Téléràma, Svenska Dagbladet and Fokus.

Le Foulon is the author of *Les universités en Europe* (2008), *Le rebond du modèle scandinave* (2006), *Office du livre en Poitou-Charentes* (1992).

POLLY TOYNBEE (1946)

A columnist with *The Guardian*, Polly Toynbee has previously served as socio-political editor at the BBC, columnist and editor at *The Independent*, acting editor of *The Washington Monthly*, and reporter and features writer for *The Observer*.

Toynbee is author of *Hard Work: Life in Low-pay Britain* (2003), *Lost Children: Story of Adopted Children Searching for Their Mothers* (1985), *The Way We Live Now* (1981), *Hospital* (1977), *A Working Life* (1970) and *Leftovers* (1969). She also co-wrote *Better or Worse? Has Labour Delivered?* (2005) along with David Walker.

CHARLES FERRO (1950)

Charles Ferro is an American author and freelance journalist who has lived in Denmark for more than 30 years and has an intimate knowledge of Danish and Nordic socio-economic affairs.

Ferro writes for various international media including *Newsweek*, the Scandinavian publication *Scanorama* and the trade publication *Billboard*.

He has also written a number of books for children and young people, which have been published in Danish and English

ANXO LAMELA CONDE (1976)

Anxo Lamela Conde studied journalism at the University of Santiago de Compostela and has worked for a range of media in Denmark and Spain, including the Danish news agency Ritzau.

Conde has written for the Spanish newspapers *Atlántico Diario* (Vigo, 1997) and *Faro de Vigo* (2000–2003). Since September 2003, he has worked as Danish correspondent for the Spanish news agency EFE.

Since January 2007 Conde has covered the whole of the Nordic region, except Finland, from his base in Copenhagen. He mainly writes about politics and socio-economic affairs, but also covers sport, culture and the three Nordic royal families.

SIEGFRIED THIELBEER (1944)

Ever since he graduated, Siegfried Thielbeer has focused on history, international politics and socio-economics. He has worked for many years as a journalist specialising in foreign policy.

Since 1979 he has been a member of the editorial board of the prestigious German newspaper *Frankfurter Allgemeine Zeitung* (FAZ). After working for a number of years as the paper's foreign correspondent in Scandinavia, Thielbeer took up a posting in China in 1996–2000. Since 2006, he has once again been the Scandinavia correspondent for FAZ. He also covers the Baltic republics.

LEI DA

The Chinese journalist Lei Da has worked on the foreign section of the *People's Daily* since 1997, serving as Nordic correspondent since 2006. A graduate in philosophy and public administration from Ji Lin University, he is both an editor and a working journalist, specialising in economics and social affairs.

PETRA LINDHOLM (1973)

Petra Lindholm is a Finnish artist who lives and works in Sweden. She studied at the Royal University College of Fine Arts in Stockholm, the Academy of Fine Arts in Helsinki and Academy Minerva in Groningen in the Netherlands.

Lindholm works mainly with video, often depicting easily recognisable situations or phenomena from everyday life where the real and ordinary appears almost more unreal than real. She composes music and usually sings in her own films.

Lindholm has exhibited in the Museum of Modern Art in Stockholm and the Helsinki Museum of Contemporary Art. In 2006, she won third prize in the Carnegie Art Award.



THE NORDIC WELFARE MODEL – FLAVOUR OF THE MONTH?

TORBEN M. ANDERSEN

Much attention and debate has been focused on the Nordic countries in recent years, in both Europe and the USA. The Nordic system is often referred to as a model, and often with the implication that it is one that other countries should ‘copy and paste’. The debate covers a range of aspects of the model but certain themes recur, especially trends on the labour market and methods of ensuring high levels of employment without major inequality.

11

THE NORDIC MODEL

The Nordic countries differ from most other countries in a number of important respects. This is best illustrated by using two criteria to compare them: average income, and how evenly that income is distributed. Most countries have the twin objectives of a high average income (prosperity) and an even distribution of income throughout society (equality). The table below provides a comparison of these elements in various countries. The USA is known for its high levels of income but also has high levels of inequality. Nordic incomes do not quite match American levels, but they are high compared to most countries (particularly the Norwegian level because of oil revenues). Nordic incomes are relatively evenly distributed, however, particularly when compared with the USA. The Nordic countries thus demonstrate that it is possible for a country to be one of the richest in the world yet still maintain a relatively equal distribution of income. In this respect, the Nordic countries are clearly different, not only from the USA, but also from most of Europe.

A further characteristic of the Nordic countries is the fact that the public sector accounts for approx. 50% of the total annual national revenue. These funds are primarily devoted to welfare objectives and benefit payments (the social safety net). Consequently, the Nordic countries have some of the largest public sectors in the world, as well as some of the highest tax burdens. Due to this combination of high income and relatively large public sectors, the Nordic countries appear to have succeeded in suspending the economic laws of gravity, which begs the question: how do the Nordic economies do so well under these circumstances?

It is a question often raised by outside observers. Multiple factors explain the phenomenon but the most significant one is that the Nordic countries are not examples of ‘politics versus markets’.

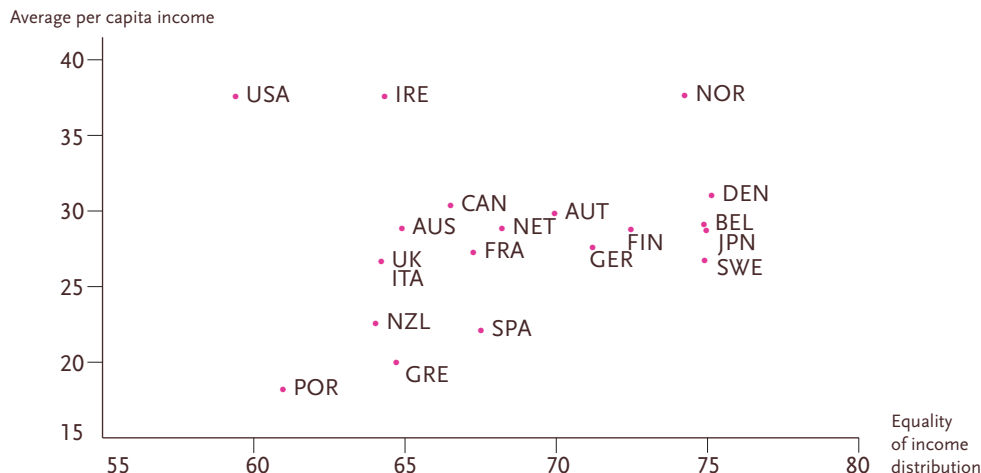


Figure: Income levels and income distribution – international comparison

Note: Income is measured as per capita GDP expressed as PPP-adjusted \$. Equality is measured as 100 minus the Gini co-efficient: i.e. the lower the figure on the axis, the greater the inequality of income distribution in the country concerned.

Source: T.M. Andersen (2008): *The performance of the Scandinavian model*, Working Paper, University of Aarhus.

In fact, within the Organisation for Economic Co-operation and Development (OECD), the Nordic countries are among those with the least regulated private sectors and highest levels of employment for both genders. An efficiently functioning private sector is therefore clearly an important prerequisite for the Nordic model. This is hardly a coincidence; the Nordic countries are small and therefore highly dependent on the international economy, so their economic policies have always focused – albeit with varying degrees of success – on combining economic development with the realities of being small, open economies. To an extent, therefore, the globalisation debate has not really been a new departure for the Nordic countries, where there has always been an appreciation of the limitations and opportunities inherent in an international economy.

AN EMPLOYMENT MODEL

In this context, it is significant that the Nordic welfare model is employment-based. It does not work without high levels of employment because the majority of those not in jobs would be entitled to some form of welfare benefit. In addition, the welfare state is financed almost exclusively by the taxation of income earned in the labour market, in the form of direct and indirect taxes. Low employment levels put welfare under heavy pressure from two directions: the cost of welfare rises while tax revenues fall. In other words, a secure social safety net is only possible if employment levels remain high. It is no coincidence that the biggest Nordic economic

crises of recent times – Denmark in the 1970s and 1980s, and Sweden and Finland in the 1990s – coincided with sharp rises in unemployment that put heavy pressure on public sector spending.

The importance of ensuring a high level of employment is reflected in the social and labour market policies of the Nordic countries. Foreign commentators often focus on the high levels of benefits, which the American economist Rogerson (and others) have interpreted as ‘paying people for not working’. However, in the Nordic countries, benefits do not amount to a ‘free lunch’. They are based on the fundamental principle of ‘welfare to work’. This is at its most obvious in the case of unemployment insurance payments, but is equally true of the rest of the underlying safety net, which is only provided if the individual concerned is unable to earn his or her own living. The fact that economic policy in the Nordic countries has focused strongly on ensuring full employment reflects a philosophy that is based on action and is centred on what is known as the ‘work line’: i.e. everyone who can work must work, but in return they deserve decent conditions (such as proper wages and terms and conditions of employment). There are many examples of this but the best known is undoubtedly the Swedish Rehn-Meidner model, which places great emphasis on proactive labour market policies, and it also explains the more recent success of the Danish ‘flexicurity’ model.

13

These factors are often overlooked in international debates about the Nordic countries, both by critics who focus on the negative impact of high taxation on the range of employment on offer, and by admirers who would like to emulate the perceived Nordic success. The Nordic model has achieved these results as a consequence of the balance between taking account of social conditions and the distribution of revenue on the one hand, and labour market participation and an efficiently functioning private sector on the other.

COPY AND PASTE?

Economic development has been no fairy tale in the Nordic countries. The model is not crisis-free. The Nordic countries have been affected by general economic trends as well as misjudged economic policies. The international debate often focuses on the ‘darling’ of the day – currently the Nordic region in general and the Danish flexicurity model in particular. However, ten to fifteen years ago, many people saw the Nordic Region as a negative model of countries in deep crisis, and pointed to the Netherlands, the Asian Tigers and the former West Germany as the positive models to be emulated. Often, this kind of sharp focus on ‘models for success’ is both naive and ignores the lessons of history. There are no ‘crisis-free’ models and history shows that every country goes through its ‘good’ and ‘bad’ periods.

CHALLENGES

The Nordic countries face a range of major challenges, most of which are not peculiar to them but are faced by most western countries. Despite these being universal challenges, it is nevertheless important to find solutions which accord with the fundamentals of the Nordic model. The challenges faced will require reforms but not necessarily changes to the basic principles underpinning the model. History also shows that the Nordic model is anything but set in stone and has developed to suit changes in Nordic society.

14

DEMOGRAPHY

The age distribution of the Nordic population will alter significantly over the coming decades as the proportion of older people increases due to falling birth rates and, especially, to greater longevity. This will have a major impact on public finances, with the cost of pensions and welfare systems (such as the health service and care of the elderly) rising and the workforce shrinking. Although the demographic shifts will be broadly similar in all of the Nordic countries, the challenges will differ greatly. Sweden and Denmark have gone some way towards dealing with the problem by implementing reforms (of the Swedish pension system and the Danish retirement age), while Finland and, in particular, Norway, still have major issues to confront.

There are no easy solutions to demographic problems. Increased birth rates or immigration would seem to provide solutions, but it is not quite that simple. Babies being born now can look forward to a longer lifetime as well, so higher birth rates will not solve all the problems caused by greater longevity. In a similar vein, immigration will only ease the economic consequences of demographic change to the extent that it leads to higher levels of employment and tax revenues.

Reforms in this area are difficult. This is partly because there has been a longstanding policy of seeking to resolve problems in the labour market by encouraging early retirement and reducing the effective pension threshold age (at a time when longevity has been rising), and partly because so many people have a strong desire to retire early, often encouraged by substantial pension savings.

PUBLIC-SECTOR WELFARE PROVISION

An important element of the Nordic welfare model is that the population has access to a broad range of welfare services such as education, the health service and care of the elderly. It is a basic principle that these benefits are universal, that the services should meet current requirements and that they should meet the needs of the majority of the population. Public-sector welfare provision is not regarded as an emergency solution but as a system that should be capable of meeting the needs of most people.

This presents a particular challenge, since personal contact is important in many of these welfare services, which are very labour-intensive. Services like childminding and care of the elderly do not easily lend themselves to rationalisation. When members of staff are asked to look after more children or elderly people, the public perceives it as an unacceptable lowering of the service level. The provision of labour-intensive services that cannot easily be rationalised tends to become more expensive over time – the personnel who provide the services are entitled to wage rises just like everybody else! This reality has been very clearly expressed in recent debates about public sector pay in all of the Nordic countries.

15

Ensuring that welfare provision continues to meet contemporary requirements without tax hikes represents a political dilemma. Debate continues in all of the Nordic countries about ways to rationalise the public sector, however, and as has been noted, greater efficiency cannot meet all the challenges faced. As a result, the Nordic countries will come under great pressure in future when it comes to service provision and will have to make some difficult choices in terms of prioritisation.

GLOBALISATION

In international debate, globalisation is regarded as being a particular threat for countries with large public sectors. It is believed that it will become more difficult and/or more expensive to maintain a well developed, tax-financed welfare system. Until now, the Nordic countries have debunked that theory. They have always been closely integrated into the international economy and have therefore been among the most open economies in the world at the same time as the Nordic welfare model was developing on the basis of large public sectors.

Globalisation is now taking on new forms, however, and the lessons of history are no guarantee that new types of challenges will not arise on that front in the future. Yet the most significant challenges are not those that are concerned with maintaining high levels of employment coupled with reasonable salary levels. The decisive factor in determining whether these features are sustainable in an increasingly globalised economy is education and research policy, which has traditionally formed an important part of the Nordic welfare model and which helps maintain focus on employment opportunities and on the conditions faced by the private sector. The most important challenge, therefore, continues to be to maintain and develop a high level of education and training in the broadest sense (from the general to the elite) for the whole population. If this can be achieved, globalisation in the sense of increased trade and mobility of goods, capital and enterprises, will not present a critical threat to the Nordic welfare model.

Migration, on the other hand, potentially represents a more serious challenge for the Nordic countries. In effect, the Nordic model is, implicitly at least, just one huge insurance scheme – the welfare system looks after those who are ‘unlucky’ while

those who are 'lucky' help finance the scheme with their tax payments. Although the details are both numerous and complicated, the welfare system simply provides insurance against things that may occur in the course of any lifetime. This works well so long as everyone is a member of the 'scheme', but full participation is crucial. The system only functions because the 'weak-shouldered' are supported by the 'broad-shouldered'. Migration presents a challenge to the system if large numbers of the 'broad-shouldered' emigrate or if immigration includes large numbers of the 'weak-shouldered'. The structure of the Nordic welfare system means that this is a latent problem. High taxation and publicly financed education make emigration a highly attractive financial option for the better educated, while high minimum wages and requirements for labour market participation (not least by women) mean it is difficult to avoid immigrants (from low-income countries) being over-represented among benefit claimants. Current levels of emigration and immigration are not high enough to represent a direct threat to the Nordic welfare model, but this is also a reflection of the restrictive regulation of immigration. It is not without cause that the issue of immigration is particularly problematic in the Nordic countries and that countries that have traditionally been 'open' with regard to immigration are now regarded as the opposite.

COHESION

The mutual insurance that is the welfare system works because it enjoys strong popular support from the Nordic people. This is presumably because the majority of the population believes that the system works well. It is particularly important that people feel their taxes are going towards services they might themselves use some day, or towards addressing important issues in an appropriate manner (i.e. that the public sector works well). It is also crucial that people continue to feel this way in future. Two factors are particularly important in this respect: that the strong social norm associated with the 'work line' is maintained; and that the public sector continues to work well, addressing tasks of interest to the general public.

To a great extent, the recent positive economic developments in the Nordic countries have resulted from a series of reforms introduced over many years in response to problems and crises as they arose. The Nordic countries differ from other countries in that they combine high levels of welfare with relatively even income distribution – not because they are free of crises and the need for forward-looking reforms.

→ “The Nordic countries differ from other countries in that they combine high levels of welfare with relatively even income distribution – not because they are free of crises and the need for forward-looking reforms.”

TORBEN M. ANDERSEN

Through all these years as I have travelled through your countries, visited your companies, eaten your rubbery sandwiches, swum in your dark lakes, listened to interminable speeches, called out 'hello!' in dozens of Swedish shops and received no response, drunk Gammel Dansk at 10 am and coffee at midnight, narrowly escaped being killed by shards of ice falling from roofs and have been called Marie-Louise instead of Marie-Laure more than a hundred times... through all these years, I have sought to understand rather than judge you, and I've decided to carry on in this vein. The person who commissioned this article actually suggested that I should be critical and even mean about the Nordic countries. I'm used to that – each time I've written for a Scandinavian publication, I've been instructed to be scathing. I started calling this 'Nordic masochism' and deduced that the Nordics were overcome with remorse for being shining examples of model societies in this dark and dubious world and wanted me to redress the balance.

Living among the Nordics is like living with walking guilt complexes. And let's be honest, it can be miserable. The Frenchman Lucien Maury once talked about 'the guilt, this religion of remorse and of scruples that are endlessly dwelt upon, suffered and savoured, which shapes the uneasy consciences with which the literatures of the North are peopled'. For a long time, I considered this bad conscience fatal: I saw it as the main reason for the unfathomable sadness that sometimes seizes the people of the North, for their sporadic drinking bouts and for the listlessness that spreads like fog over these lands, especially as the temperature drops. I thought like this until last January when I came across an interview by the Russian filmmaker Pavel Lungin where he said, 'By rejecting shame, we diminish life. In the feeling of shame and sin there is an immense force for regeneration.' This showed me the reverse side of the coin: the Nordic uneasy conscience is an 'active ingredient', as pharmacologists might put it. I now understand the North better. Rather than a symptom of masochism, their guilt is a purge.

ASTERIX'S MAGIC POTION

The strength of the image of the ideal Nordic society is matched only by the depth of the Scandinavians' own conviction that they are the world's conscience. The Nordic model, or rather system, is a magic potion just like the one that Asterix uses.

It is fair and efficient, and shows that the dominant neo-liberalism trend is not inevitable. The facts speak for themselves. According to a survey by PISA, the Finnish come top of the class in world education. If the international statistics for newspapers, magazines, books and libraries are combined, they are also world champion readers. Paavo the peasant has become an intellectual! I have even heard a former Russian minister say with a touch of jealousy, 'The Finns don't know how lucky they are not to have oil. Black gold is the enemy of innovation'. As proof of this, 70% of mobile phones sold in India, a country with over a billion inhabitants, are made by Nokia, in a country with 5.2 million inhabitants.

The Danes, meanwhile, are the happiest people on the planet. Study after study, year after year, summer and winter, no matter if the Dannebrog is being burned at all corners of the globe, if Danish immigration laws are denounced as being among the most repressive in the world, or if the country will not reach its Kyoto objectives for CO₂ emissions by 2012... the Danes, their hair fanned by the breeze from their wind turbines, are still HAPPY. It has even been calculated that Danes are happy for an average of 62.7 years of their lives. To get this kind of score, it's a safe bet that they laugh while they're asleep!

Norway's good sense, even caution, is well known. It managed to protect itself from the 'Dutch Disease' that struck the Netherlands in the 1960s when the exploitation of off-shore gas reserves led to a financial bubble. The Norwegian oil tycoons have kept a cool head even though they've built up a bigger nest egg than Saudi Arabia, and only the United Arab Emirates are wealthier. Yet Norway is the only oil-exporting country that hasn't been tainted by crude and remains a real democracy.

The Swedes, thanks to their undeniable talents as engineers, are bound to find a technical solution to mankind's problems. They have replaced their old state religion and the search for God with research and development. Richard Florida*, one of the gurus of the global economy, places Sweden at the top of the global creativity index as it is the best at combining the three T's (talent, tolerance and technology). As a result, the Chinese are drawing inspiration from the eco-districts of Stockholm and Malmö.

At first glance, the Nordic countries differ little from other European countries. There is little or no time difference from the rest of the continent and their capitals are not far from London, Paris, Berlin and Brussels. The Nordic region could be northern Belgium or Germany, just a bit colder and with more snow. However, the difference runs more deeply than might appear. These countries have values and a cultural heritage that are very different from the rest of Europe.

Of course, they are also different from each other – it could even be said that they are becoming increasingly so over time. Yet there are also similarities that they

themselves tend to forget, but which are immediately obvious to foreigners. They are victims of the infamous 'sibling effect': to survive in the same family, they need to feel that they are different. However, they belong to the same cultural family and share the same history, linguistic roots, hostile climates and the fact of living either in areas that are either not very hospitable, such as Denmark, or downright inhospitable, such as Iceland and the North of Sweden, Norway and Finland. There is a species of Homo Nordicus whose members have a similar mentality and a common vision of welfare and democracy. And this Homo Nordicus is more complex and paradoxical than the heavily promoted 'ecological-egalitarian-democratic' message might have you believe. Apart from the welfare society that was introduced in the second half of the 20th century, the Nordic model could serve as an example in other respects: the Nordic Council could be a geopolitical model for the Balkans; and collaboration between the countries of the Baltic could provide an example of environmental co-operation for the Union for the Mediterranean.

21

VERY BIG SMALL COUNTRIES

The first thing you notice when you arrive from the continent is the change of scale. With the exception of Denmark, the Nordic countries are big, but with few inhabitants – very few, in fact. The Finnish and Danish populations together equal that of greater Paris! 'Big' Sweden is less populated than Greece, Belgium, the Czech Republic, Hungary or Portugal. There is a massive disparity between the image and influence of the Nordic countries on the world stage and their population size. Their reputation is far bigger than their total of 25.0 million people would suggest.

This difference is a result of their talent for inventive and effective marketing. Three years ago, a study ranked brands according to their image. Barilla, the Italian pasta, came first, followed by Lego of Denmark and Lufthansa of Germany, then came Ikea of Sweden and Michelin of France. Out of the five most highly regarded brands in the world, two were Scandinavian and represented two countries with barely 15 million inhabitants between them. Similarly, Maersk is the top container transportation company in the world and generates 15% of Danish GDP. One in three mobiles sold on the planet is a Nokia. The company known for 'connecting people' has a turnover equivalent to 80% of the Finnish state budget. The founder of Ikea, Ingvar Kamprad, possesses one of the largest fortunes in the world and his group prints 130 million catalogues per year, more than the Bible. Småland furnishes the entire planet, using Scandinavian places, myths and names... it is quite breathtaking.

Nordic countries are hence very good at selling the little that they have, to the point where they can even successfully sell their talent for self-criticism – just look at the worldwide success of Stieg Larsson's *Millennium Trilogy*.

THE INDIVIDUAL AND THE GROUP

The low population density has shaped a distinct mentality, and the Nordics very quickly appear paradoxical to French eyes. The relationship between the individual and the group is very different from that in France. Numerical weakness means that a child is rare and individuals precious. This is a very subtle feeling that you can see at work in daily life, for example around the notion of integrity. This word 'integrity' is very often encountered in relation to hospital visits, to young children's education or currently to the new FRA law which is causing significant public controversy in Sweden. In the Nordic languages, 'integrity' tends to mean 'the state of being whole and unimpaired', and not probity and honesty as it normally signifies in French. Moreover, Nordic children are raised to be autonomous and responsible. In contrast with their peers in southern Europe, they fly the family nest for ever as soon as they have finished their schooling. They become financially independent thanks to the state, which gives them grants and loans. In France, on the other hand, young people often feel a frustrated desire for independence. But when we look more closely at Scandinavia, we see that young people enjoy only relative independence as they are crippled with debt before they have even begun to work – they are independent of their parents certainly, but very much tied to the state.

The paradox is that this autonomy does not lead to individualism but rather to community and consensus. Scandinavians believe that the individual should be subordinate to the group, and Nordic democracy is collective rather than individual. The other side of the coin is strict social control, and the Jante Law produces a conformity that can lead to a doormat mentality. At least that is how many foreigners see it, although the Nordics don't on the whole view this as a problem. The Swedish ethnologist Åke Daun talks about 'a real aspiration to resemble', and it is quite impressive to see how the Swedes and Finns all do the same for Christmas or St John's Eve, North or South, rich or poor. Or how the Norwegians all go walking or skiing at the same time, or even how Nordic interiors all look the similar, just with some modifications to fit their national design. This conformity is wonderful for companies when they launch a product but not so good for artists. Wasn't it the great proletarian Swedish writer Ivar Lo-johansson who said, 'We accept everything, we Swedes. We would even accept someone pissing in our ear. We bow to everything. We are ashamed of everything.'

This assimilation into the group means that the Nordic system is highly integrationist and no-one is left by the wayside. When a child has difficulty at school, the whole group 'works' to bring the stray back into the fold. The Nordics unconsciously apply the fundamental principle of safety according to which a wall is no stronger than its weakest point and a chain is never more resistant than its weakest link. For a chain to be solid, you have to know the weak links and eliminate them – it is interesting to note that forced sterilisation was once practiced on a large scale –

or to closely monitor those that can't be eliminated. To function as a society, the system needs to be highly standardised and self-regulation is important. At school, children do not learn to debate or question. This absence of dissent varies in extent across all five Nordic countries, but it is nonetheless a general tendency. People retort, 'Why should we question a system that works well? Why should we know how to debate?' In a culture of consensus where society is more a network than a hierarchy, it is indeed worth asking if the ability to think critically is important. But it can be answered that no democracy can survive without being questioned, which might lead to it losing its vitality. Stieg Larsson's *Millennium* and Olav Hergel's *The Refugee*, the latter translated into French this year, are both vitriolic portraits of Swedish and Danish societies. It is telling that both books are by journalists who denounce systems that deck themselves in the finery of democracy, neutrality, rights of the child and third-world solidarity, but which are at times revealed as war machines that crush the weakest. It is not surprising that both explicitly refer to Astrid Lindgren's *Pippi Longstocking*. This mischievous, freckled nine-year-old with her ginger plaits now embodies a dream for Nordics: that of being a free-thinker and rebel against the system.

CONFIDENCE

'What's extraordinary is not the system, but the feeling that supports the system and makes it work, it's that collective feeling of the future; (...) of faith in modern man,' remarked François-Régis Bastide in 1969 about Sweden.

The Scandinavians have a carefree youth. They are not weighed down by their qualifications as French young people are, and they have a positive, aspirational vision of their future. They grow up in a system that promotes individual integrity and collective values more than intellectual development. This is one of the reasons why they never feel that they are losing a year when they spend a gap year abroad after finishing school. Better still, young people are respected. Unpaid work placements such as those that exist widely in France are unthinkable. Consequently, young people in the Nordic countries have a great deal of self-confidence and are more enterprising and less anxiety-prone when faced with changes compared with young people in France. When Kairos Future analysed the expectations of 16 to 29-year-olds in 17 countries, young French people were found to be the most pessimistic and conformist. To the question 'is your personal future promising?', only 26% gave a positive answer compared with 60% of Danish respondents.

In *La société de défiance: comment le modèle social français s'autodétruit* (Society of distrust: how the French social model is self-destructing), Yann Algan and Pierre Cahuc observe that only 21% of French people say that they trust others. When the same question was asked in Scandinavian countries, the rate of positive responses was three times higher (66% in Sweden and 60% in Denmark).

It makes me want to say, try losing your gloves or hat in these countries and you'll get them back! Even better, lose your wallet. An American magazine regularly conducts an amusing test in 14 European countries and the US, in which the teams 'lose' wallets containing the equivalent of 50 dollars and the owner's contact details. Four times out of ten, the French keep the wallet, which places them bottom of the table, while all the wallets are returned in Denmark and Sweden. Yann Algan and Pierre Cahuc have shown that if France had the same level of trust and public spirit as Sweden, its GDP would be 5% higher – 1,500 euros annually per person.

24

The Nordics are confident in the future because industrialisation and modernity have brought them wealth. They see globalisation more as an opportunity than a threat. Teamed with Protestantism, the religion of reform, this confidence increases their energy. Life-long learning is normal and the Folkehojskoler give everyone the chance of an education. A European labour market study has shown that Finns, Swedes and Danes have an average of five or more jobs over their lifetimes. This is a great Nordic strength that puts France to shame, where even today an employee is 'finished' at the age of 50. A flexible career path is also extremely well suited to globalisation, which requires continual adaptation.

SIMPLICITY AND PRAGMATISM

Living in the North, you very quickly get the sense that these sparsely populated nations, with their vast territories and harsh climates, were continually poor throughout their history. The abundance of warm or temperate climates never reached these countries where the dwellings of nobles were covered in fake marble and where manor houses were called 'castles'. This poverty only disappeared two or three generations ago and it is still etched into the collective subconscious – you just need to listen to people who are still alive today talking about how they were sold at auction when they were children. In France, such severe poverty was eradicated five or six generations ago and the memory has faded. In 1890, *Le Figaro* ran horrific stories of corpses being dug up and sold as beef or children found abandoned in the moat of Château de Vincennes in Paris every morning. We have somehow lost this memory and with it the sense of our own fragility. However, this awareness is still acute among Nordics, and they keep it alive by living in spartan cabins as early as possible in the summer. The Nordics prize modesty – the adjectives 'simple, ordinary, like everyone else' are as highly valued as are 'original, unique and eccentric' in France. Members of the Scandinavian elite carefully cultivate their Joe Ordinary image and love to be called by their first names. This goes as far as the word for 'popular', *lâhaut*, which doesn't mean merely 'liked by most people' – it always has the more lofty meaning of 'relating to the people'.

These countries are the only European societies that were not part of the Greco-Roman empire, that civilisation of cities and stone. The layout of Nordic towns still

reflects this, and they call 'a village' what we would call 'a hamlet' in France. This is a civilisation of wood. Trees grow slowly, especially at these latitudes, and are rapidly destroyed by fire. Wood is a very democratic and empowering material – anyone can work with wood, and a carpenter slumbers deep within every Nordic. Wood suggests humility and simplicity. The informality of Scandinavian public life always amazes foreigners. Politicians are very accessible to the press and hospital doctors, like their American colleagues, seem to be your best friends after five minutes. In the workplace, you take off your shoes, cook and take showers and there are even sometimes rooms where you can take a nap! Bizarrely, this simplicity is reserved to public life, while private life seems fraught with complicated pitfalls and affectations, beginning with saying 'thank you for the last time', which I regularly forget, while the simple word 'please' doesn't really exist in Swedish. Not to mention the fact that you can live among the Nordics for years without setting foot in their homes. The spontaneous 'drop by for a drink this evening' isn't really part of the native vocabulary.

25

These forest-covered countries are built on granite – another physical feature that shapes their mentality. Granite is worn down into sand, symbolising the vanity of existence and power, but it is possible to side-step a block of granite – which provides a highly pragmatic vision of life.

CLEAN, GREEN NORDICS?

Nordics are peasants, fishermen and woodsmen rather than city dwellers. All their traditions and holidays are connected to nature, and they maintain a sort of paganism, a deep mystical relationship with their environment. Homo Nordicus is never so happy as when sitting on a boulder, munching a sandwich, drinking coffee from a plastic mug and watching the birds. Over time, the Nordics have learnt to use their passion to promote their image – marketing that is not, however, without some exaggeration. Are they actually the environmentalists that they would have us believe?

It all began in 1972 during the Stockholm conference on the human environment. This first world meeting on ecology took place at a time when European feet were wearing Swedish clogs – an inspired adaptation of peasant footwear. Although the North was supposedly oh-so-bucolic, Danish and Swedish farmers and Finnish and Swedish paper manufacturers continued to pour effluents into the Baltic. In 1987 the Norwegian Prime Minister Gro Harlem Brundtland invented the phrase 'sustainable development', and Scandinavia has introduced an environmental policy limiting the use of chemicals, encouraged the widespread use of catalytic converters, taxed or prohibited use of hazardous substances, re-examined its farming and paper-making techniques and promoted large-scale recycling – and it has continued to sell its 'environmentally correct' image.

The reality, however, is mixed. Nordic countries continue to pump out high levels of carbon dioxide and proportionally have the biggest fleet of cars with large-capacity engines in Europe. Denmark, which began to tone down its wind-power programme at the end of the 1990s, is now having to roll its sleeves up before the next United Nations Climate Summit in 2009. In particular, it is trying to reduce its emissions by curbing profligate use of energy. If the best way to ensure energy resources is to save energy, the Nordics are hardly a role model. They waste energy with almost joyful abandon. If they don't leave the lights burning all night in their flats, they heat their balconies so they can drink coffee outside in near-freezing temperatures. The Swedish gambled on nuclear and are considerably lagging behind in wind power. They haven't connected individual energy producers to the national grid, as Germany has done. Washing powders containing phosphates were only banned in Sweden last year after a European decision, while Italy, Switzerland and Austria took such measures long ago. However, it has long been known that phosphorus, like nitrogen, increases the risk of eutrophication (oxygen depletion), which is a massive problem for the Baltic Sea. The Mare Nostrum of the Europe of 27 is one of the most polluted seas in the world and its fish, when not extinct, are toxic and must be consumed sparingly. The Nordics are making great efforts to save the 'lake' as they call it (it is so enclosed), but they still believe that their Russian and Polish neighbours are responsible for polluting their shared sea. However, statistics show that per head of population, Finland and Sweden are the biggest polluters of the Mare Balticum.

When we take a closer look, the forestry industry is none too idyllic either. Forests have been intensively exploited for decades, biodiversity is weak and the original woodland has practically disappeared. In contrast to Germany, Switzerland and Austria, there are no real ecological swimming pools in Scandinavia. The number of playgrounds in Stockholm has dropped from 200 in 1985 to 54 in 2008! This isn't surprising given the speed at which the Swedish capital is being concreted over – hotels are even being built on bridges! Multinational construction firms are calling the shots and employing a short-term strategy that risks killing the goose that lays the golden eggs. It's true that tourists are visiting in increasing numbers, but they're coming to see a green city that is different from Barcelona, Milan or Paris. And let's not even talk about the cuisine, which tends to be limited to sandwiches, pizza, sausages, meatballs, chips, cola and, of course, coffee. The Finns and the Swedish compete for the highest consumption of coffee in the world.

ATTITUDES TOWARDS OTHER COUNTRIES

The Nordics are a self-confident lot. And thanks to the transparency that promotes justice, the numerous traditions that foster social cohesion and the low level of corruption that encourages trade, the Nordics have confidence in their society and system. However, they are highly distrustful of Europe and other foreign countries.

'We don't trust grand European ideas,' said the Danish Minister of Foreign Affairs some years ago, 'because we are a united and homogenous people who like above all to decide everything for ourselves.' This is sometimes considered rampant nationalism, sometimes nationalist romanticism, but what is for sure is that a certain aesthetic, a way of life, and a great sense of fairness give Scandinavians a sense of their own superiority and lack of faith in others. This is the case in many countries in the world, but in Nordic countries, this need for self-assertion hides an inferiority complex in relation to the rest of Europe. A Danish member of the European Parliament has called this a 'minimised feeling of superiority', explaining that Denmark constantly harks on about its smallness but believes that it has moral authority over others and the duty to preach about right and wrong. According to him, the old song taught in schools that says 'the seeds of weeds come from over the fence' sums up the attitude of the Danish to any external influences.

This mistrust is paradoxical as the Nordic countries derive most of their wealth from abroad. They are very rich today, but they are also highly dependent on other countries. Exports generate over 50% of Swedish and over 60% of Danish GDP, compared to only 26% of the French total.

So why this paradox? Why does self-confidence give rise to a fear of others? I have a theory. Nordic children are given far more encouragement by their parents than their French peers, with lots of 'well done!', 'good!', 'you're so strong!', 'how big you're getting!' and so on. This positive attitude continues into adulthood and is even reinforced as talent is more visible in countries with small populations. But could this praise, which contributes to the self-confidence described above, also create a dependency – perhaps not on compliments as such (don't forget the Jante Law) but on encouragement? Nordics are hooked on approval and flattery from others, so when they come into contact with foreigners who do not treat them in the same way, it is possible that they don't feel as if they fully exist. This could lead at best to a sort of indifference and at worst to xenophobia. In contrast, foreigners often feel infantilised.

Paradoxes are part of the Nordic spirit and give you the feeling that myths are never far away. According to several other surveys recently published in the *Berlingske Tidende*, 60% of the Danes, 'the happiest people in the world', say that personal and professional expectations are causing them stress! And what paradox could better illustrate the Nordic spirit than the *Vasa*, a ship which has become one of the biggest attractions in Stockholm. The Swedes have made a fortune from a failure, a galleon that sank due to the foible of a vain king! As the Icelanders say, 'danger is an opportunity'. You Nordics haven't finished surprising us yet!

*Richard Florida, *The Flight of the Creative Class: The New Global Competition for Talent*, HarperBusiness, 2005

→ “The paradox is part of the Nordic mentality and gives the impression that issues are never too distant.”

MARIE-LAURE LE FOULON



THE MAJOR POLITICAL GUIDING PRINCIPLE

POLLY TOYNBEE

31

Sometimes Scandinavia forgets its real importance to the democratic world. America spreads its cultural and inventive genius across the globe, but no-one in their right mind would look across the Atlantic for political ideas, let alone for advice on how to run a good political or electoral system. Scandinavia, on the other hand, is the great political beacon, a model for social democrats everywhere.

Sweden in particular is the country the global centre-left points to as proof that a thriving economy is not just compatible with an egalitarian impulse – but a demonstration that greater equality has helped forge economic success over the decades. So when Sweden occasionally throws out its social democratic government, it comes as a body-blow to the centre-left everywhere – and it causes corresponding excitement to the centre-right.

In Britain David Cameron, vigorous new leader of the Conservative party, was quick to welcome Sweden's Fredrik Reinfeldt in London, saying 'There is a lot the Conservatives can learn from the Swedish Moderates'. His party studied in great detail how Reinfeldt had shadowed and mimicked social democratic policies to get his party elected. That is exactly what Cameron is copying, with great success in the opinion polls.

A flotilla of British politicians and journalists of right and left has been visiting Sweden recently to look into our own possible future if indeed David Cameron wins the next election. First, how did the Moderates win? It has uncanny similarities with our own situation. Back in 2006 Göran Persson lost the election when he had been finance minister then prime minister for 12 long years – just like our own Gordon Brown. Persson was deeply unpopular, leaden, lacking in charm and out of touch: similar criticisms are levelled at Brown. Failing to eject Persson despite disastrous polling predictions, the social democrats sleep-walked over the precipice with their eyes wide open. It may be that Britain's Labour party will do the same, for fear of splitting the party if they change leaders.

Even Moderate party ministers admit there was no great national swing to the right in Sweden – only a desire to evict an unpopular leader, alongside that basic democratic urge to turn out ruling parties from time to time.

How familiar that seems in Britain, where polls show no rightward shift in political attitudes towards taxing or spending, no great warmth towards the Conservatives, but a strong desire to vote out an unpopular Labour leadership.

What Cameron learned from Reinfeldt was that his Moderates only had to make themselves respectably electable and wait for the ripe plum to drop.

The Moderates' key issue was hidden unemployment and government inertia over too many people on sick pay – something Cameron has seized on in Britain too, though the problem is far smaller. Education is where Cameron draws most from Sweden. When the Swedish conservatives were last in office in the early 1990s, they allowed anyone to set up a 'free' school, however small, and claim the state's per capita allowance for pupils: voluntary and private for-profit schools opened, as well as Muslim and Christian schools.

Cameron now plans to do the same. The biggest for-profit company – Kunska-
pskolan – is about to open private academies in Britain next year, justified to their shareholders as experimental loss-leaders. If Cameron wins, the company will be in prime position to open as many 'free' state schools as there are parents wanting to use them.

Interestingly, however, this is not a programme the present Swedish conservative government is expanding; only about 10% of Swedish children attend 'free' schools, and Reinfeldt's ministers say their energy is directed to improving ordinary state schools. 'Free' schools have proved socially divisive, attracting more middle-class families and ethnic minorities, many have restrictive academic admissions criteria, and there is intense unease over new segregated faith schools.

At present, the Swedes look set to vote out the right, following the nation's traditional history of social democracy punctuated by brief evictions as wake-up warnings. The Swedish social democrats now have a more popular leader in Mona Sahlin. In voting for the Moderates, Sweden found it had something of a wolf in sheep's clothing and social democrats are now alarmed at what may be permanent damage to the successful Swedish model of cooperation between unions and industry. Several recent rounds of tax cuts and increases in the cost of national insurance break with a tradition of high taxes and a generous welfare state.

In future putting up taxes and benefits again will be far harder to do, so even a modest dose of ideological Thatcherism could weaken the harmonious political ecology that made Sweden one of the most economically and socially successful societies on earth. Especially symbolic for the British is the Swedish Moderates' introduction of entry charges to previously free galleries and museums – one of Margaret Thatcher's emblematically unpopular acts.

All countries have their problems and their ups and downs, but in much of Europe Scandinavia remains a model to be envied. In Britain especially both right and left

now look nervously at Sweden. The Labour party fears they have their own Göran Persson lesson to learn. Meanwhile David Cameron's Conservatives can see how easily support can be lost if, like Reinfeldt, they win an election on a deceptively social democratic platform, but then try to govern with more traditional conservative policies.

The Nordic Council and the Nordic Council of Ministers have commissioned the internationally acclaimed young Finnish video artist Petra Lindholm to compliment the articles in the 2008 Yearbook. Lindholm's works evoke a uniquely Nordic atmosphere, and she has chosen pictures from *Until* and *Wherever you go, there you are* as the visual framework for the 2008 Yearbook.

→ Tight integration of images and sound epitomise Lindholm's work. She combines video material and her own music and song to create personal and emotionally charged collages.

Lindholm mainly works with video. Her films often follow no given narrative. They are sensitive to subtleties and changes in sound and image, which generates a tense atmosphere rather than a clear narrative.

She often depicts easily recognisable situations or phenomena from everyday life where the real and ordinary appears almost more unreal than real. She also composes the music and usually sings in her own films.

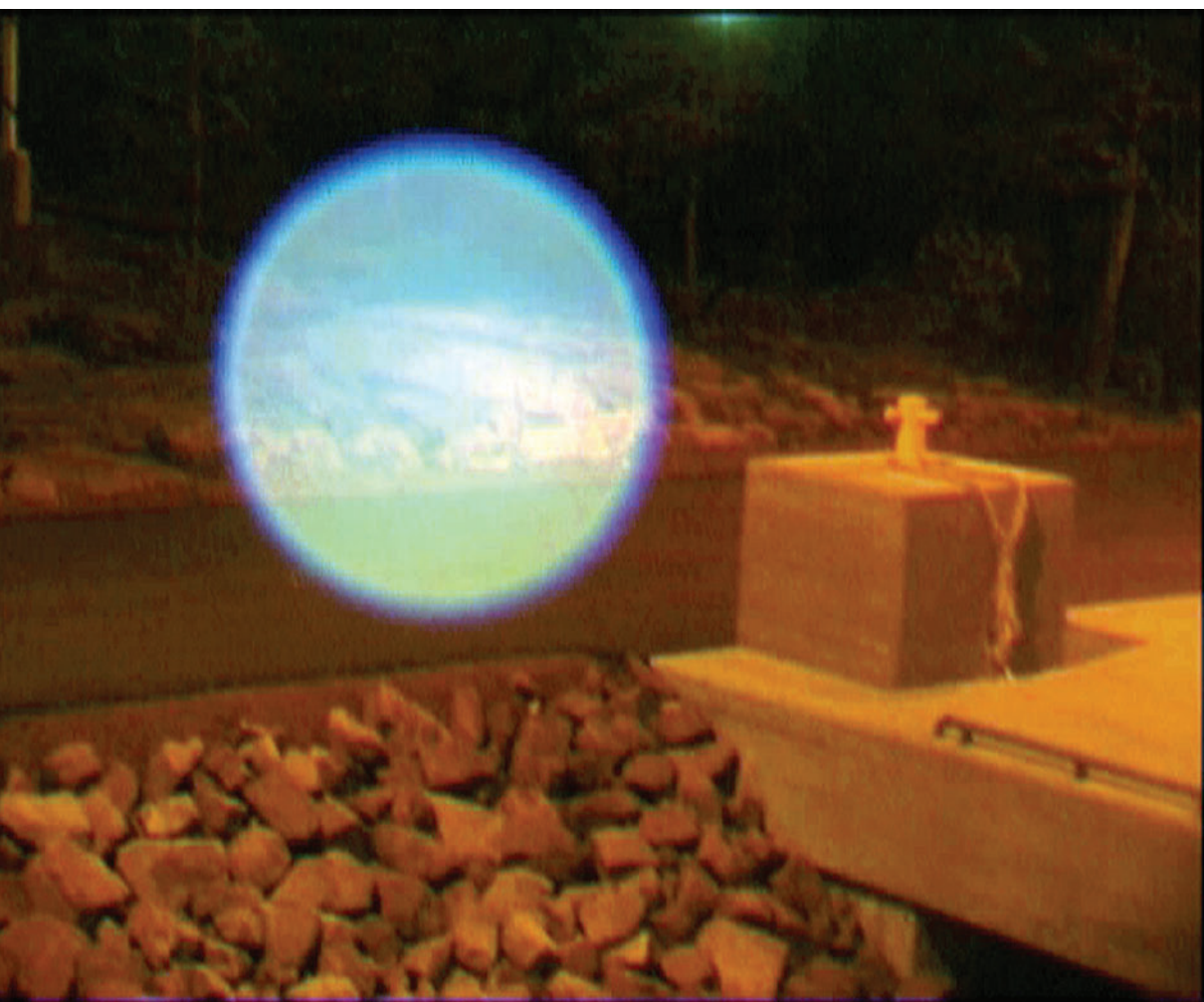


















To truly understand the Nordic model, one needs to live within its framework for a period of time. It has evolved from merely a social model into a philosophy ingrained in the Nordic soul. The concept was devised and has since been expanded, amended and maintained. In the future the model will undoubtedly see change, maybe even drastic change, as the social-political-economic dynamics of the world influence the model from inside and outside.

What Nordic really means remains a question of context, for it means different things in different parts of the world. For that matter, reference to 'the Nordic region' is really only used by persons from the region itself or experts in Nordic matters. The word Scandinavian is much better recognized around the world. Either way, whether you refer to a Scandinavian model or a Nordic model, the concept has been nurtured in a corner of Europe that was not part of the mainstream continent. The success of the model might be, at least in part, attributed to the relative isolation of the region.

An interesting perspective on the 'Nordic model' would be the accuracy of the term itself, as many of the ideas were borrowed from other countries. Germany introduced health insurance in the late 19th century; battles for workers' rights and unions – as opposed to trade guilds – occurred on a larger scale in the United States long before they did in the Nordic region; and, other countries introduced welfare measures or national pension plans before the Nordics.

The model was not really invented in the region, but what the Nordic countries did do is refine various social welfare schemes until they became intrinsically Nordic, and arguably models for other countries. The rising power of the Social Democrats a few decades into the 20th century was a major factor; now any Nordic citizen takes his or her rights for granted.

For the world citizen who has no direct interest in the Nordic region, casual research on the internet to learn about the model reveals quite a lot of opinion. One hurdle is defining it – a seemingly simple task in itself, but what poses some questions is: exactly which countries come under the umbrella of the 'Nordic model'?

Some sources now say only Denmark, Sweden and Finland – members of the EU – are still using the Nordic model; Norway's oil wealth has apparently excluded that

nation from the group, according to strict definition. (This idea is somewhat absurd as Norway is simply enjoying the windfall of oil revenues, which have become an alternative – or a supplement – to taxes as a source of state financing. Denmark could have been in a similar situation had she not short-sightedly sold most off-shore rights to the private sector). By the same token, a number of earlier sources refer to a “Scandinavian model” practiced by Denmark, Norway and Sweden, as Finland was late in getting started on the model in the wake of World War II, while geographic definition excludes Finland.

46

For the sake of simplifying any argument, it would be best to assume all the Nordic countries – as they are defined by “the Nordic countries” – and their affiliated territories have the Nordic model as a base, while specific circumstances around individual Nordic countries – and their histories – give the model a form unique to that nation.

DEMOCRACY THE DRIVING FORCE

The Nordic countries developed a unique means of structuring and financing their social security institutions, healthcare and education – a fair, albeit simplified, definition of the Nordic model. What sets the Nordic model apart from most other countries is how it is universal: everybody has the right to the benefits regardless of his or her social or economic status. To proponents of the model, this notion sounds very attractive; to opponents within and without the Nordic region, it sounds like a form of socialist totalitarianism.

But remember this: each and every measure introduced and passed into legislation has a link to the popular vote. None of the benefits or accomplishments of the Nordic model could have been achieved without democracy.

To be sure, democracy is an integral element of the Nordic soul. It would be a brazen statement to claim the Nordic democracies are the best in the world, but any attempt to prove they are not would be a futile task. Size matters, especially in the case of Denmark where a four-hour drive will get you to the seat of government from virtually all parts of the country. Geographic proximity to lawmakers makes the voter feel her voice is being heard, and this factor heightens the feeling of being a participant in a democracy. True, sometimes the legislators do not ask the people, but there are measures for direct popular influence, though complacency generally rules.

The size of a population matters as well, because it is easier to convince several million people of the potential benefits of a legislative recommendation than it is to convince a much larger population.

But the size of the populations remains secondary to the cultural bonds within each Nordic country. All of the nations have traditionally been extremely homogeneous and homogeneity breeds pride, though not the sinful type of pride found in the

Bible. Unlike most other European countries, with their regional or ethnic differences, the populations of the Nordic region were amazingly homogeneous (with the exception of the Finnish-Swedish and Swedish-Finnish populations). This factor undoubtedly influenced the beginnings of the Nordic model, but it certainly propelled the ideas once the model got started. Homogeneity could also safely be called a catalyst in a democracy.

A true grass-root instrument in the Nordic democracies is the ombudsman institution. Originating in Sweden, the office of the ombudsman is something like an unofficial supreme court where citizens can challenge an interpretation of the law, thus providing a liaison between the people and the law. It might be a slight stretch of definition, but it could be said that the ombudsman draws a direct line between the citizen and the fundamentals upon which the society is founded. The idea spread from Sweden to neighboring Nordic countries, and other countries around the world have at least discussed the notion of creating their own ombudsman. This element of the Nordic model has been held up as a good example of a means of refining democracy.

47

KNOWLEDGE DECREASES AS DISTANCE INCREASES

Unless a person has a professional or personal link to the Nordic region, knowledge of the Nordic model among the average citizens of the world is very slight, almost negligible. The further away you get from the Nordic region, the less people know about it. Europeans probably have a general idea about Nordic society, but if you cross the Atlantic or look toward Asia you will probably find very few people who have any idea of what the Nordic model is.

Many people abroad, however, do know one thing about the Nordic region: high taxes. In the second half of the 20th century, especially from 1950 to the 1980s, taxes rose dramatically. Around the half-century mark, taxation in Denmark and Sweden was 10-20 percent of GDP. Nowadays, public spending is around half of GDP in the Nordic countries, on average, and the lion's share comes from taxes. Taxation has been the prime financial instrument for funding the Nordic model.

For individuals living in countries where taxes are lower, paying out around half of your income to the state sounds like a nightmare, not to mention high VAT and taxes added to the price of various products.

An American executive shook his head and called it 'madness' when he heard about the rate of taxation. When I explained about the benefits Danish citizens get, and that the system boiled down to other people managing your money, his reply was: 'I don't want other people to manage my money.'

The discussion that ensued proved to be a futile attempt at defending the benefits of the Nordic (Danish in this case) model. Even offering the information about how schooling is free, healthcare is free, and the infirm or elderly get care could not

convince him of the bright side of living in a country that attempts to be a guardian to its citizens. The executive – who had a sizeable income – was adamant about other people managing his money.

The fact that a lot of people are not capable of managing their money ought to have convinced him, but his reply was, ‘That is their problem’. In the Nordic region, most people – though not all – would say: ‘That is our problem’. The spirit of that statement creates the mesh that is the security net under all Nordic citizens. The fine mesh catches anybody who falls, while the American security net is often incapable of protecting persons in middle- and low-middle income brackets. The rich are generally able to fend for themselves, the lowest income groups get state aid, but the person in the middle-income bracket – once called ‘the working man’ – is the one who falls with a thud.

As one Danish businesswoman put it: ‘The Nordic model could be called, “socialism light”’, and the very mention of the word socialism can send chills down the spines of many, especially those who point to examples of communist or former communist countries. It’s especially ironic to hear Americans speak disparagingly of socialism in one breath, and in the next breath say good things about Franklin D. Roosevelt’s New Deal, which had socialism at its core, but was camouflaged under another name.

Still it is somewhere between difficult and impossible to explain to Americans the ideals contained in the Nordic model. On another occasion I was speaking with a factory worker, told him about all the state benefits Denmark provides and said it was financed through high taxes. His question was: ‘How does that compare with democracy?’ Even the individuals who can fall through the net’s mesh and land with a thud confuse social benefits with that nebulous concept of ‘freedom’. The state’s taking of one’s money is unfortunately considered taking a piece of one’s freedom.

FINANCING THE MODEL

Taxation remains the prime source of income for funding the welfare of Nordic societies. The Brussels Journal ran a scathing article entitled *The Myth of the Scandinavian Model*, in which the Nordic countries are compared with other nations. The brunt of the criticism in the article is the high taxes Nordic citizens pay. But financing through taxation was a fundamental in the charter of the Nordic model. In truth, what other means are there?

What remains something of a riddle is the volume of Nordic privatization that occurred as the 20th century came to a close. Whether the trend was a demonstration of moves toward free market standards or because the governments needed cash remains a moot point, as it is now all history. Consider this: a state sells an enterprise to the private sector so the state can earn a lump sum. One must assume the private investor bought the enterprise to make money. The riddle is this: Why couldn’t the state take a long-term approach and continue to earn revenues

from businesses, instead of dumping those portions of the funding burden on the taxpayer? Barring some overriding agreement or directive, public utilities could have remained public, as most of them are state-regulated anyway. Two good examples of state enterprises that churn profits are Norway's Statoil and Norsk Hydro. Few fingers are pointed at Norway to admonish the state about socialism.

So, taxation remains a very hot potato, and depending upon which statistics you consult, Denmark and Sweden have the highest rates of taxation in the world. They say death and taxes are the only two sure things in life, and there are those who say they are being taxed to death to finance the Nordic model. But I doubt whether taxpayers would opt for lower taxes if it meant taking away benefits. They would presumably prefer a restructuring of the system.

49

At the same time, governments are finding creative new sources of revenues. One example would be the relatively new pay-to-park system in Copenhagen. It may not have lowered taxes, but it has earned millions that have been allocated to areas that would have demanded tax money. Other initiatives for streamlining the system, tightening controls or earning revenues are either in progress or will be on their way in the years to come – if for no other reason than the simple assumption that citizens can hardly accept added taxes.

MYTHS AND MISUNDERSTANDINGS

The high rate of taxation forces the citizen to rationalize and basically say, 'Well, I get something for my tax money'. This is true, but a lot of people do not know exactly how things work. Referring strictly to Danes and Denmark, people know about free education, health care and other social welfare benefits, but for some of the other elements in the Nordic model, they have never read the small print.

Danes abroad, or Danes speaking to foreigners visiting Denmark, often paint a prettier picture than reality. They will tell about free day care for children, although it is certainly not free. Or about how workers get paid for sick days, assuming the state foots the bill, not knowing absence costs the employer money. The same holds true for maternity/paternity leave; the scheme is partially financed by employers through insurance or direct payment to the employee. Some tell about 'free' care for the elderly, but it all costs money and if a person has money it will go towards paying the bill. The more equity and assets you have, the less benefits you get, or at least get for free. You may see your retirement savings dwindle, but you will never have to sleep in the streets with an empty stomach.

Do not misunderstand: all of these benefits are intended to improve society by providing measures to ensure social security. The point is, many people think all of the money comes from the state, either directly or through unions and public institutions. They forget the saying: There is no free lunch.

Because a lot of people believe their tax money is what takes care of them, and since they pay high taxes, they are prone to exercise their rights. Many workers do not understand that a dubious case of the '24-hour flu' costs the employer money. Larger companies can absorb the costs much better than small businesses. Some would say employees abuse the privilege of being sick, and it would be very difficult to argue that point.

50

Stress has apparently become the illness of the moment, and of course this is a serious condition that must be combated. The stress syndrome can debilitate an otherwise strong person for a long time. There are legitimate cases of stress, and there are cases that fall far short of legitimate. Statistically, one third of all Danish employees have been absent from their jobs for various periods of time due to stress. Experts admit that quite often the symptoms are not job-related, but rather circumstances in persons' private lives that bring on symptoms. At the same time, the medical profession is keenly on the watch for stress symptoms, so rather than take chances with a person's health, a diagnosis of 'stress' is often made. To be perfectly blunt: tears in a doctor's office can get a person weeks or months away from the job.

The older generation – those who experienced longer work weeks and especially those who lived in times when rights and benefits were fewer – would of course argue that the younger generation does not have a good work ethic. This is certainly not fair to younger people, as workers of all ages tend to stretch their rights to sick days or time off.

And it is not a generation gap that causes abuse of a humane system, it is a gap in the spirit of being part of society. The cohesion of a society depends upon all members contributing to the elements of its model. The Nordic model is a delicate organism and each member of society a cell that must help maintain the health of the organism. In a globalizing world, with changing mores and reactions to them, the Nordic model really needs to be guarded and cared for. Individualism has reared its head – for good or bad – in the Nordic region and to keep the model running society should heed the words of John F. Kennedy. To paraphrase those words: Don't ask what your country can do for you. Ask what you can do for your country.

DOES THE NORDIC MODEL WORK?

A central idea in the Nordic model is how it provides benefits universally regardless of economic status. That idea alone provides inspiration for dinner-table conversation, discussion and argument. The 'haves' feel they provide too much for the 'have nots', who accept benefits with attitudes that range from, 'I deserve this' to 'I need this', and sadly in some cases, 'I have to figure an angle to get it'. At the same time, the idea of universal eligibility is the beauty of the Nordic model, whether you look at it from a religious, political or humane point of view – or any combination of these.

All across the Danish political spectrum, a plank in every party's platform is maintaining the welfare society. Why? Because the modern Nordic countries were built largely upon the model. There have been ups and downs, naysayers and champions of the welfare state, but a long run of prosperity speaks for itself. If I were to put it in a nutshell: It gives citizens peace of mind, which in turn breeds a contentment and a desire to enjoy life. As one who has lived under the Nordic model, praised it and criticized it, I would not have it any other way.

→ “The Nordic countries are *the example* to follow if you want to achieve a more just and equal society because there “everybody is invited to pull up a chair at the table, eat their fill and be happy (...); the people seem to have newly emerged from a story by Hans Christian Andersen.”

ANXO LAMELA CONDE

The Nordic countries are ‘the example’ to follow in terms of achieving more just and equal societies, because ‘everyone is invited to share in wealth and happiness (...); they seem to come straight out of a Hans Christian Andersen fairy tale, not because any frog can become a prince there, but because everyone has the chance to make their dreams come true, without the door slamming in their face’. This rather particular summary was given in admiration of what is known as the Nordic model at a recent meeting of the Montevideo Circle Foundation in Medellín, Colombia, by Óscar Arias, the president of Costa Rica and 1987 Nobel Prize winner.

What Arias omitted to mention is that the socio-political and historical context of Latin America is quite different and that the tough line laid down in that region by the World Bank and the IMF does not exactly lend itself to such a system. On the contrary, Arias was very forthcoming in his attacks on those who do not toe that official line. Nonetheless, in spite of this *innocent* oversight and the paradox that Arias is in fact a rabid neoliberal, whose ideas and political practice are far removed from the system of which he spoke so admiringly, his words do reflect the admiration and the idyllic image projected by what is known outside its borders as the Nordic model, especially in the Spanish-speaking world.

Such fascination – which in some cases lies beneath the onslaught of its most fervent critics – rests fundamentally upon a successful combination of economic growth and publicly financed high social protection in advanced societies in which there is also a fairer distribution of income and greater social and gender equality.

These are the pillars of a system which has been touted for decades as a model to follow by the majority of Spanish political parties, particularly by the Social Democrats. It is also the most enduring image in the collective subconscious, in spite of the changes that the Nordic countries have undergone over the last few years, notably in the shape of a shrinking public sector presence through the privatisation of services and a less regulated labour market, with Denmark standing out as the clearest exponent of that trend.

The Nordic countries are always mentioned as a reference in terms of maternity leave. They are also pointed to because of the high participation of women in

economic, political and economic life (although Spain already has a government with an equal number of men and women); or again in their ability to shape policies while putting aside party differences and in their politicians' understanding of democracy.

This attraction is borne out by reports and figures in that are difficult to contradict. The Nordic countries appear at the top of world league tables for education, social policies, economic development, access to and use of information technologies, participation of women in the various social spheres, economic competitiveness or low corruption levels among authorities. Iceland currently tops the United Nations list of the most desirable places to live, replacing Norway, which had been number one for several years in a row.

Furthermore, all these merits are attributed not to one particular country, but to a kind of supranational entity known generically as the Nordic or Scandinavian countries, although this is often identified particularly with Sweden, mostly due to its economic and demographic weight, but also – in Spain – for quite different reasons that go back to the 1960s.

After more than two decades of rigid dictatorship and autarchy, the Franco regime hit upon the potential of tourism as a source of income and laid the foundations for promoting this industry, softening its approach slightly and thus fostering the arrival of masses of foreigners in search of Mediterranean sun and sand. Among these initial tourists were a great number of Scandinavians, especially Swedes, most of whom were female, whose exotic looks and liberal behaviour caused a shockwave in a prudish and repressed country and led to the creation of the myth of 'Swedish girls' and Scandinavians by extension), depicted in dozens of dreadful films of the time showing the shadier, 'caveman' side of Spanish macho men.

The myth settled in the collective imagination and left an indelible stamp on several generations of Spaniards and their idea of the Nordic countries: above and beyond the merits of their welfare system, people admired their liberal attitudes towards sex, far removed from the hypocritical Catholic view back home.

Putting to one side the myths and complexes – which have still not been entirely overcome – the image shows the fascination for these countries and the general perception of them as a group. But how valid is this idea?

More than any other European region, the Nordic countries are considered a single unit. While acknowledging that this is a somewhat reductionist view, the image is still valid: as well as a more or less common history – wars and conflicts notwithstanding – they share unparalleled linguistic, cultural and economic links as well as similar political and economic systems. Furthermore, their peoples share a feeling

of belonging to a kind of joint supra-identity that can be seen in a number of areas, even in sports. For example, if the Danish national team is knocked out of a European or World Cup, many fans will switch their support to Sweden, and vice-versa. The same is true of Norway. A situation such as this would be unthinkable in the case of France, Spain and Portugal, to give a different example of neighbouring countries.

Although it would be incorrect to speak of a shared labour market, there are certain features of such a situation. One of the clearest examples lies in the Oresund region, in which there is growing cross-border labour mobility in sectors such as healthcare and services, despite the forced moves caused by Denmark's draconian immigration policies. This phenomenon is also helped by the fact that many of the inhabitants of Skåne have historical and sentimental links with the inhabitants of the other side of the Oresund.

This feeling of belonging to a Nordic supra-national group helps reinforce the idea of a community, although it cannot explain the existence of such a model. The fact that it does exist and is perceived as such from the outside is particularly due to the real coincidences that allow us to speak of a similar system, above and beyond the individual differences in each country.

Nordic political and business leaders also publicly announce their trust and pride in a system which has even been described publicly as a 'winner', a mirror into which the rest of the world looks for inspiration and a boost to its own development.

The image of Northern Europe as a kind of Arcadia is also reflected in the perception that many Scandinavians have of themselves. A study published a few months ago by the University of Cambridge cited the Danes as the happiest and most satisfied European citizens, followed by the Finns. The Swedes were also in the top ten. Of course, if we scratch the surface of this picture postcard image we see certain latent problems such as high suicide rates, binge drinking and a lack of social relations.

The figures and internal and external perceptions seem to indicate that this is a solid and unbreakable model. However, are cracks hidden under the surface? Is there any cause for concern? Is there a danger of excessive complacency?

Despite the predictions of their fiercest critics, the Nordic countries have adapted to the new globalised times with the same success as in other periods, although the social cost involved in the reforms brought to bear was considerable.

At least in Denmark, the deterioration in healthcare and the educational system (especially in childcare establishments) seems to be very real, to judge by the unusually long drawn-out and widespread strikes by health workers a few months

ago, long waiting lists for surgical operations and a shortage of hospital beds. The photos of cancer patients breathing their last in hospital corridors were an unusual image, although, surprisingly, they were not sufficient to change the opinion of voters in the recent elections held in November 2007.

Nonetheless, not even the most liberal governments have dared to tinker with the very essence of the system, and have had to readapt their discourse – Denmark and Sweden are paradigms here – knowing which overly radical measures would be unpopular.

56

As in the rest of the EU, although even more markedly, the Nordic countries are facing an inevitable double challenge in the medium term – how to maintain the efficiency and quality of services with an increasingly ageing population, and therefore with fewer people paying into the system, and how to respond to the growing number of immigrants, seeking meanwhile to avoid situations of exclusion from the labour market and marginalisation.

Tapping into immigrant labour is one of the best approaches available, better even than extending the retirement age or privatising services, which is the measure that is always cited by the more liberal thinkers as if it was some magical cure-all.

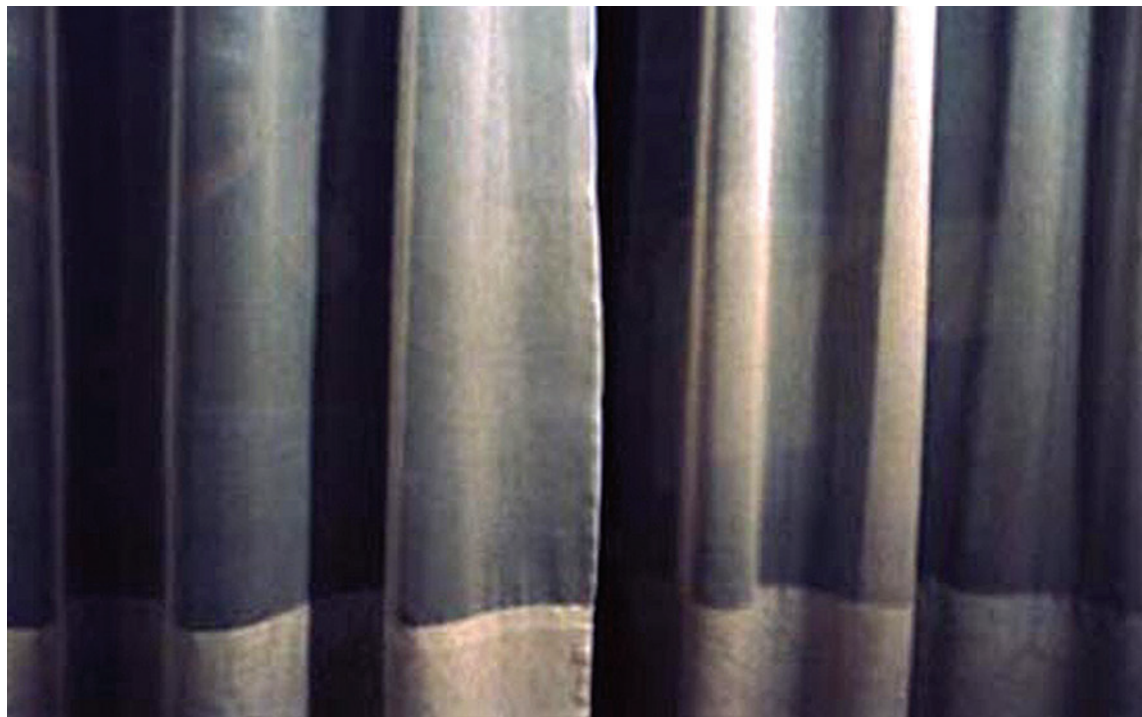
It is here that the greatest differences can be observed among the Nordic countries, with Denmark and Sweden at opposite ends of the scale. Anders Fogh Rasmussen's Liberal-Conservative government, supported by the voters of the far-right Danish People's Party, has opted to take a tough stance on immigration, reducing the number of foreigners and refugees allowed into the country to a minimum – except for sectors in which there is a demand for qualified labour – and standing in the way of family reunification. However, in Sweden there have been no substantial changes to the immigration policy, in spite of the gains made by the right in the last elections. The barriers are much less rigid, even for refugees (for instance, Sweden has admitted the most displaced persons from the Iraq conflict in the last few years).

Above and beyond the short-term political situation, there are historical reasons, such as the Swedish tradition of welcoming political refugees over the past few decades and the Social Democratic view of the country as a *folkhemmet* or home of the people. There is also a different underlying view of immigrants: Denmark follows a policy of assimilation, whereas Sweden and Norway are in favour of integration.

To what extent can this affect the future of the welfare state? A priori, and despite the evident problems caused by the formation of 'ghettoes', for instance, Sweden is clearly committed to opening the country to immigration and attempting to tap that resource, which puts it in a better position to face up to the demographic challenge. This is the opinion of Ilmar Reepalu, the Social Democratic mayor of Malmö, himself of Estonian origin: 'While the burden of an ageing population is affecting the

rest of Sweden, our city has a young population, and this is in itself an investment in the future’.

Integrating the foreign population into the labour market and into society as a whole and seeing diversity as an instrument that can serve to enrich the country socially and culturally could be the foundation on which to build the future Nordic model without losing its essence, so that, in the words of Óscar Arias, everyone can be invited to ‘share in wealth and happiness’ and no one needs to have the door slammed in their face.



↑ WHEREVER YOU GO THERE YOU ARE, VIDEO STILL, 2008

From a German perspective, there has always been something fascinating about the Nordic model. Early on, the Scandinavian welfare state was generally seen as being synonymous with Sweden, but the expansion of the welfare state in Norway and Denmark drew attention to those countries too. In the post-war years of frenzied reconstruction in the Federal Republic of Germany, envious eyes glanced north to the all-encompassing package of care ‘from cradle to grave’ available to the peoples of the Scandinavian countries, which appeared rich by comparison. For the German Social Democrats in particular, these countries seemed to represent the realisation of the old dreams of the working class. Then there were people like Willy Brandt and Herbert Wehner who had personal experience of life in Norway and Sweden, respectively. The experience of being able to live in a peaceful and accommodating society that had not been torn apart by national/civil or ideological hostility, in ‘consensus democracies’, was just as crucial to this ideal as the wide open space and green environment of the countries in question. Swedish politicians such as Tage Erlander or Olof Palme enjoyed an almost cult-like status.

The Nordic welfare state was also an aspiration for most people in the GDR, although they would not always dare admit it, as they perceived the Scandinavian countries as a development of socialism with a human face; socialism combined with true democracy and without a submissive dependency on the Soviet superpower. This admiration for the Scandinavian countries could even be articulated, within limits, as the GDR courted the Nordic countries in the hope of achieving international recognition. The Nordic countries appeared to be considered in isolation from the confrontations of the Cold War.

This brings us to another aspect of the ‘Nordic model’, which according to the general perception of western Europe was somehow equated with neutrality. Nordic society was seen as peace-loving, rejecting all forms of militarism. If mention was ever made of Scandinavian soldiers it would be in reference to the ‘blue beret’ peacekeepers working on behalf of the UN. The internationalist outlook of the Nordic countries in respect of the UN seemed altogether to be a defining characteristic. Norway and Sweden provided the first Secretaries-General of the UN.

The Nordic countries gladly contributed, and still do today, to mediating in disputes of all forms the world over. The neutralist perspective reached its apogee under Olof Palme, who fashioned the 'Swedish model' as a 'third way' between capitalism and Soviet communism, between Washington and Moscow, and who was characterised as one of the leaders of the non-aligned movement, as was the Indian Prime Minister Nehru before him.

60

The perception of this role of the Nordic countries in international politics was naturally flawed. Only Sweden was officially neutral. In contrast, Denmark and Norway were members of NATO. Furthermore, Finnish neutrality was of a particular type, granted by Moscow's grace, that led to pussyfooting in foreign policy, and to a form of Byzantine use of language in domestic politics that finally culminated in the accusation of 'Finlandisation', levelled by the forces of conservatism in particular. Conversely, Swedish neutrality was, as we know today, determined secretly through tacit agreements with NATO and concerted cooperation especially in the area of military reconnaissance.

Nevertheless, there was some truth at the core of the perception of neutrality. Norway was and remains the NATO member that enjoys the best relations with Russia. Despite the talk of NATO's exposed 'northern flank', Norway always strove to ensure that no other NATO forces were stationed on its territory, and insisted on special buffer zones extending a long way from the Russian border. For its part, Denmark was for decades simply a passenger on the NATO train, its only real contribution to the Alliance being its geographic location at the gateway to the Baltic Sea (and the staging posts in Greenland). During the 1980s the Danes gained notoriety within NATO as a 'footnote state', due to the endless stream of conditions that they demanded as a result of pressures from within Denmark. At the same time, however, the declared policy of not permitting US ships equipped with nuclear weapons to enter Danish ports was no more than window-dressing. The Danes were happy to inform the Americans of their policy, and then simply act as though they assumed the Americans would in fact toe the line.

The welfare state – the core of the 'Nordic model' – has also long come up against its limits, even in Scandinavia. Despite placing a high tax burden on the population, not everything can be financed. In Sweden, the issue of the 'sjukvårdskris', or healthcare crisis, emerged way back in the 1980s and was the subject of endless reports in the majority of evening television news bulletins, starkly illustrated by footage of elderly patients in beds in hospital corridors and accompanied by protracted, lachrymose pleas from nurses or senior doctors. Looking at Swedish television channels today, the problem somehow appears not to have changed. In Denmark things do not seem to be much different either: there is report after report about waiting lists for cancer patients, about the breaking of treatment guarantees

that the Folketing has forced upon local authorities and regions, about the need for patients to seek treatment elsewhere, be it in the private sector or abroad, or about the neglect of the elderly in residential care homes.

Criticism in the media is naturally deceptive; medical care in the Nordic countries is very good overall. Nevertheless, it is no longer really very different from that of other EU countries, where particular problems arise here and there. The extent of care for the elderly and also the disabled in northern Europe may still seem bewildering. It corresponds to a deep-seated sense of humanity. The rest of Europe is still catching up gradually when it comes to accessible or barrier-free buildings. But while medical appointments and hospital treatment are generally free for patients in the Nordic countries, this is generally also the case in most European countries, where it is paid for by the health insurance funds. If health insurance premiums and taxation are added together, it is clear that European citizens face a similar financial burden overall, irrespective of where they live. The same applies to unemployment insurance or old-age pensions. In the Nordic countries, too, public pensions are meagre, and without being supplemented by additional private provision or company or trade union-run pensions, place recipients barely above the breadline. In the Nordic countries, too, patients must contribute to the cost of their drugs, and here too they must often pay for their own dental care.

61

Even by the 1990s, foreign observers in Sweden could see that the financing of the welfare state was no longer viable, leading to the introduction of reforms that were based on the model of the Federal Republic of Germany. The joke was that, in the meantime, both the Federal Republic and other European countries had started to copy the Swedish model. Welfare states are no longer quite so different. There is no particular 'Nordic model' any more. The only major difference that still exists is in the comprehensive provision of childcare, which enables high employment rates for women. The extent of day nurseries, crèches and nursery schools is still held up as an example, and helps ensure that Scandinavia has astonishingly high birth rates in comparison with Germany or southern European countries.

Many foreign observers also viewed as exemplary the Nordic political culture, seemingly so free of ideology, the 'consensus democracy', the egalitarian society in which 'basic democratic' elements were embodied, and also the much greater number of referenda in comparison with Europe's other forms of representative government. But here too, considerable doubts have emerged. Politics in the small Nordic countries is far from free of ideology. Essentially, these countries are social democratic in nature. The cause of 'political correctness' is so entrenched that the occasional conservative governments only really have an opportunity to do anything if they pursue social democratic policies themselves. Nobody dares to tinker seriously with the welfare state or the high taxation that most take for granted.

Moreover, Swedish society in particular could not be described as classless. It is just that the demarcations are much more subtle. In Denmark, despite the principles of Janteloven, or the Jante Law, everyone knows their place quite well. At most, Norway can be viewed as classless to a degree. What stands out to foreign observers, though, is that in these small countries of around five million inhabitants, the elites are very limited: everyone knows everyone, whether in politics, the economy, administration, the judiciary or the military. The danger of nepotism or even just chumminess is apparent, but can hardly ever be proven in individual cases. With its larger population, Sweden at best may have reached a critical limit among its elite. But even here, the tight cooperation between the government, especially Social Democrats, and the managers of the perhaps 35 major corporations is unmistakeable. A look back with hindsight to the massive devaluation of the Swedish krona in the 1990s is clear, damning evidence of this.

In Denmark, it is obvious that in politics, and especially in the Folketing, the same families have called the shots for generations. Politics is a family business. On occasion – take a family such as the Haekkerups – grandfather, father and son sit in the Folketing at the same time. Brother and sister appear together, as do uncles and nephews and nieces. Danes no longer notice this phenomenon – it is simply a matter of course. If you ask those who have observed the political scene for a long time about it, they will tell you things are much worse in Norway. As far as Finland is concerned, where for decades living next door to the Russian bear meant that political debate was enshrouded in restrained, Byzantine language, the course of foreign policy especially is in any case still set by a mere handful of politicians. As a Norwegian minister once remarked enviously, ‘the president simply has to lock them all in the sauna and refuse to open it until they all agree with him.’ The lightning speed at which Finland made the decision to join the EU, after President Koivisto had just days before condemned the timid attempts at argument as ‘useless rambling’, speaks volumes. Perhaps the only reason the Finnish people read so many daily newspapers is that not one of them ever contains anything written in clear language.

A closer examination of the realities of the situation demonstrates quickly that ‘consensus democracy’ is actually no more than a form of organised buck-passing. Somehow both government and opposition are acting in concert; the voters usually do not really have any choice, there is no clear alternative. And since nobody bears any responsibility for incorrect policies or mishaps, the voters have nobody to blame. This trend of buck-passing is also vertical. Ministries and the allegedly apolitical administration are actually only separated in form. In the case of Denmark, one can observe on a daily basis how the committees of the Folketing attempt to meddle in even the tiniest of details. One might ask what is the point of having ministers at all! The results are usually sufficiently abstruse, full of bungling and mistakes.

As for the civil servants, they have learned over a long time how to insure themselves against the consequences of conflicting policies, by issuing timely memoranda. Consequently, they too can be accorded no blame. The most recent example can be seen in immigration policy. The law heavily limited the conditions under which families of those already living in Denmark could immigrate. However, Danish legislation has long been superseded by EU case law, and the top civil servants have informed their ministers of this problem. The solution was simple: the administration systematically lied to citizens about their rights, and was apparently encouraged in this action by politicians, who wished to avoid difficulties within the coalition.

Given the inbreeding of the small political elites, it should come as no surprise when the people occasionally play a trick and get their own back on the politicians. Practically every political leader in Oslo, plus those in positions of power in industry and the unions, were united in their view that the country belonged in the EU. But the people in their remote fjords who already distrusted Oslo had no intention of having anything to do with Brussels. Despite a second referendum and despite the popularity of Gro Harlem Brundtland, the country voted no. A similar scenario emerged over the referendum on the Maastricht Treaty in Denmark. To everyone's amazement, the Danes, those jokers, were against. So what would the government do? Simply tell the people they had given the wrong answer, and ask the Maastricht question again (couched tediously in the terms of the 'four exceptions'). And they call this democracy?

Elections in Denmark do not actually make any difference. Crucial to the business of forming a government (mostly tolerated minority governments at that) and to politics are the cooperation agreements. For decades, the political agenda, whether proclaimed by the 'conservatives' or the Social Democrats, was actually set by the tiny centrist party, 'Radikale Venstre', irrespective of what the voters wanted. Now it is the right-wing populist Danish People's Party that occupies this key position. And they call this democracy? In Denmark, the media publishes new opinion polls almost daily about voters' party political preferences. One percentage point up for this lot, half a percentage point down for the other. What would be the effects of the change on the options for a coalition, they ask? Has the government been punished for the actions of that minister, or the opposition for making this statement? The floods of comment and editorial that are generated from this, drowning any analysis of the real problems and even suggesting that the polls demonstrate the importance of public opinion, are all plain and simple foolishness. After all, the tiny changes in voters' sympathies that have allegedly been detected are usually smaller than the opinion polls' margin of error.



Northern Europe is almost a 'harmonious society', but the 'Nordic model' is not applicable to China.

China's political leaders have said that China will engage in building a 'harmonious society', through 'democracy and the rule of law, fairness and justice, trustworthiness and friendship, dynamism, stability and order, and harmonious co-existence between people and nature'.

When debating what constitutes a 'harmonious society', many Chinese people believe that northern Europe is the part of the world which comes closest to achieving this target and therefore China should learn from the 'Nordic model' in its efforts to build a harmonious society in such domains as education, medical care, social security and the democratic rights of citizens.

Whilst agreeing that northern Europe is the part of the world that comes closest to being a 'harmonious society', in my opinion the above argument is only partly true.

This article does not focus on the reasons why this is the case, because in this part of the world you can easily find plentiful evidence of democratic values, the rule of law, fairness and justice. As a journalist from China, I am, without any doubt whatsoever, full of admiration and respect for the harmony of northern European society.

But what preoccupies me more is whether it is possible to extend this 'Nordic model' to China, so as to help my motherland attain the goal of a 'harmonious society'.

Based on my observations and reflections about northern Europe over the past three years, in my frank opinion this model is not entirely applicable to China, at least not for now. This is also why I stated above that the argument is only partly correct.

In this article, I explore four aspects of the greatest concern both to northern Europeans and the Chinese: ecology, democracy, human rights and the economy, in an attempt to show how the 'Nordic model' is perceived from my angle and why it is not applicable in its entirety to China.

1. ENVIRONMENT

The first thing my friends in China say when they arrive in northern Europe is often 'how fresh the air is here'. Actually this is not the opinion of the Chinese alone; all the countries of the world are praising the efforts made by the northern Europeans to protect the environment. The Nordic countries are way ahead of others in exploiting renewable energy and developing a recycling economy. In 2009, the United Nations Summit on Climate Change will be held in Copenhagen. I believe that there is no better and more apt venue than northern Europe as the host of this conference.

66

By contrast, China has been criticised by many countries for its record on environmental protection. For example, China still makes massive use of coal as a winter heating fuel. Some factories discharge untreated wastewater into rivers. And with the growing prosperity of the Chinese population, there has been a rapid increase in the number of private cars, thus further aggravating the problems of energy and environment.

Under these circumstances, could we solve China's environmental problem by applying the environmental model of northern Europe to China?

Let us take a look at two examples:

Example no. 1: The population in Sweden is around 9 million and they own 4.5 million cars, that is to say on average one car for every two Swedes. Yet, in China, even in one of the most developed cities like Beijing with a population of 20 million, there are nearly 4 million cars, one for every five inhabitants. You can easily see that the per capita energy consumption and CO₂ emissions of the Swedes are much higher than those of the Pekingese. And the vast majority of Chinese cities are not even as developed as Beijing. In some places, an average of one person in 1000 has a car.

Example no. 2: Because of labour costs, many developed countries, including countries in northern Europe have set up factories in China. You will find products 'made in China' in any shop. As the factory of the world, China has certainly dealt with its domestic employment problem and seen its national economy boom, but at the same time this has led to environmental pollution. Strictly speaking, it can be argued that this pollution cannot be attributed to China alone. For instance, most of the toys produced in the world come from China, but nearly all of them have been manufactured according to the requirements of the importers in other countries. If the production process has generated pollution, can you claim that the pollution is also 'made in China'?

In April this year, just before his Excellency, the Prime Minister of Sweden, visited Beijing, I interviewed him in writing, talked to him about the above two examples

and sought his comments. I do not know why I received no reply from his Excellency on this issue.

Having said that, I am by no means trying to justify the environmental problems of China. I merely seek to inform that compared with northern Europe, China is facing a much more complex situation which cannot be settled by simply following the 'Nordic model'.

In Sweden, for instance, there is one car for every two inhabitants. We cannot replicate this in China. If we did, there would be 10 million cars in Beijing alone. On the other hand, it would be unfair to prohibit the Chinese from purchasing cars.

In my opinion, there are two fundamental conditions which make the 'Nordic model' work so well: firstly, the absence of demographic pressure, which is not the case in China. In Sweden, even with two inhabitants per car, the CO₂ emissions still appear benign. But in China it would be a major concern even if we had 10 people per car. Secondly, northern Europe is wealthy and has a highly advanced science and technology sector whilst China is obviously short of financial resources and the technology needed to effectively tackle the issue of environmental protection.

2. DEMOCRACY

In Sweden, one of my favourite places to visit is the City Hall of Stockholm. I especially like the statues in the great hall, many of them representing ordinary workers, which I believe is a symbol of the democracy of the 'Nordic model'. In fact, many Chinese people today do not care for American-style democracy any more, which to them is based too much on money. However, there is great interest in China in Nordic-style democracy.

In my view, the American democratic system has merely resulted in the Democrats and the Republicans exercising checks and balances on each other. But the Nordic democratic system allows scrutiny by the whole population of those who govern, which ought to be the ideal state of democracy. This is also why many Chinese are interested in the latter.

On the other hand, China is one of the most highly criticised countries when it comes to democracy, mainly due to its one-party political system. Would it, then, be feasible to introduce Nordic-style democracy in China?

Let me tell you two true stories from China.

The first story is from rural China, where a democratic electoral system with universal suffrage had been instituted. Nor is it necessary to be a member of the Communist Party to get elected as village chief. Anybody could stand for election. Journalists at the People's Daily covered the elections in five villages around Beijing and discovered a very interesting phenomenon: all those elected were represent-

atives of the dominant families in the respective villages. For example, in the village of Zhang Ge where the Zhang family accounts for 55% of the inhabitants, the election was won by a young Mr Zhang. We conducted a survey and found that the villagers tended to base their choices on the candidates' family names instead of their ideas.

The second story concerns the demolition of houses and resettlement in a street in Beijing. House demolition is often a major cause of social conflict in China.

68

Following their study tour to northern Europe, a group of local officials from Beijing decided to learn from their European counterparts and solve this problem through a 'referendum'. Detailed plans were made. After three rounds of voting, plan A obtained 52% support. Normally that would have been the end of the story. However, the proponents of plan B published an open letter arguing that 'personal property should not be decided upon by democratic means', and therefore, they refused to implement plan A.

I must reiterate my appreciation for the democratic system in northern Europe and I do hope that it will become reality in China as soon as possible. But in practice, this form of democracy, when applied to China, has not achieved the same results as in its home countries.

Based on my observations, there are two factors that have made it possible for democracy to play a vital role in northern Europe: 1. Northern Europe has a long tradition of democracy, as is the case in France; 2. Democracy is embedded in the culture and achievements of these countries.

In China, however, it was not until the last century that people began to hear of the term democracy. For several thousand years before that, the Chinese had only experienced autocratic monarchies. That is why elections based on one man, one vote and referenda did not work in rural or urban areas.

Furthermore, I think the multi-party system, parliaments and elections in northern Europe are only particular types of democracy and cannot be called democracy per se. As long as the people's will can be fully expressed, their rights respected and their interests guaranteed, then that is democracy. Therefore, constructs other than a multi-party system and parliaments, etc. can also result in democracy.

3. HUMAN RIGHTS

This year, the issue of Tibet has aroused tremendous controversy over China's human rights problem, adding to the long-standing criticism of China on subjects like freedom of speech and freedom of the press. I can understand the importance attached to human rights by northern Europeans as well as their concern. Human rights are also a significant component of the 'Nordic model'.

I do not intend to defend my motherland on issues like Tibet, but I would merely like to share my personal experience and my perspective on human rights.

My paternal grandparents had 10 children, which was one of the causes of their poverty at that time. My father told me he did not have enough to eat in his childhood. When they made steamed buns, they had to mix elm seeds with the flour to make up the quantity. My parents were so scared by the prospect of poverty being carried over to the next generation that they decided to have only one child, even though the government had not yet introduced family planning. After I was born, living conditions improved somewhat – at least we were not starving, although life was all about getting enough food. My parents earned 10 dollars per month. When the food was paid for, there was nothing left, no money for television or newspapers. We could afford one item of new clothing a year. Now I have a much better life, but nearly all the Chinese retain memories similar to mine. About 30 million people still live in the same kind of destitution today. And over 85 million Chinese people have received less than three years' schooling.

69

To the hungry, survival is undoubtedly the most essential and pressing goal.

Naturally, I do not mean to say that human rights such as freedom of speech are trivial, but to those whose stomachs are empty, elaborate deliberations on the subject are a luxury. We should first and foremost allow the Chinese to become wealthy and to eradicate hunger and poverty.

In addition, an outstanding feature of human rights in the 'Nordic model' is the protection of individuals' rights. In this matter, equal treatment is provided to everyone, whether they are officials, bankers, prisoners or drug addicts. After I arrived in northern Europe, I spent nearly two years trying to understand this approach. For most Chinese, 'good' guys need to have their rights protected and it is not necessary to protect the rights of the 'bad' guys.

Now I know that it is wrong to protect only the rights of the 'good guys'. But what can one do? That is the philosophy of the Chinese. Therefore, although Nordic human rights are excellent, there is a huge gap between these rights and Chinese culture. So they will not be accepted by the Chinese any time soon.

4. ECONOMY

China's economic achievements in the past 30 years have been enormous. But the northern Europeans I have spoken to have made diverging comments on them.

Some admire China's vibrant economy, believing that the Chinese economic model is one of the most successful in the world so far.

Others approve of the economic progress made by China, but consider the 'Nordic model' better, because, in spite of its economic development, China has not been

equally successful in terms of education, health care, social security, etc.

I personally agree with the second group. I admit that China's economic reforms have succeeded in certain areas only, unlike the 'Nordic model' in which economic progress is accompanied by excellent social security.

However, my predecessor, Mr Gang Ding, a journalist at the People's Daily who worked here from 1991 to 1996, held a different view.

Gang Ding said that the Chinese economy has been able to advance in giant steps, just because it has not adopted the welfare policy of the 'Nordic model', which takes 'equity' as its priority. The rich have to pay more taxes so that the poor can share the benefits. But 'efficiency' is more important to a country like China, which is not yet rich, i.e. the first step has to be to make part of the population wealthy as quickly as possible before thinking of 'equity'.

Until now, China has undoubtedly been on the right track in its pursuit of 'efficient' economic development. If it had not been for this pursuit of 'efficiency', China might not be better off than North Korea now in terms of economic status. Of course, now it is time to start the pursuit of 'equity'.

But even when pursuing 'equity', China cannot follow the 'Nordic model'.

Firstly, China has not yet reached the same level of wealth as Northern Europe. The high tax rate necessitated by the model would scare away investors and even Chinese investors themselves would move to other countries.

Secondly, operating in a huge labour market with fierce competition, many enterprises in China simply have not sufficient motivation, at least for now, to improve the wellbeing of their employees. The government is unable to solve the welfare problems of such a large population single-handedly.

Gang Ding also shared his discovery with me: the 'Nordic model' was already showing signs of serious crisis.

Before and during the period when he worked here, northern Europeans were extremely hard-working and the value they created for society was far higher than the welfare they enjoyed. That contributed to the rapid economic growth of northern Europe. In addition, people were very honest and did not deceive their governments and employers in order to obtain better welfare benefits. Regrettably many people nowadays just enjoy the welfare benefits and produce limited value. Even worse, more and more people have learned to cheat. For example, they feign illness, etc. All this puts the 'model' in great danger. To be honest, this is exactly the problem in China. If we created a high-welfare state on the lines of the 'Nordic model', I would be worried that the Chinese would also try to obtain benefits by cheating or they would not work as hard.

In conclusion, I reiterate that I am envious and respectful of the 'Nordic model', which comes closest to the kind of 'harmonious society' that the Chinese hope for.

However, the 'Nordic model' is only applicable to northern Europe, and is not directly transferable to other countries, because each place has its own specific situation. Naturally, the 'democracy, order, environmental protection and dynamism' embodied by this model can be striven for by all other countries, including China. Others can learn from some of its practices, such as its use of technology for environmental protection.

Finally, northern European countries have found the path which is most appropriate for them. Other countries are also searching for the most appropriate path in their own way. If northern Europeans want to help others, I suggest that instead of trying to extend the 'Nordic model' to other places they should help other countries find the model that is appropriate for them.

