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Nordic Model – The Way Ahead

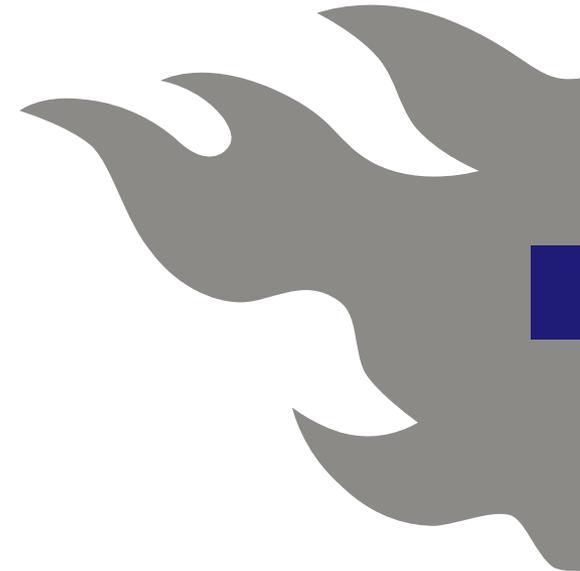
Tampere, 7 September 2013

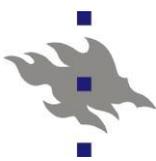
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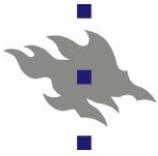
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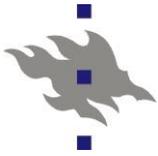
The popularity of the welfare state in the Nordic countries

- the concept of 'welfare state' at present: an assumed common national project of 'us'
- increased use of the concept after the period of an expansive welfare state
- arguments for radical social-political deregulation have been pushed in the margin
- almost all political parties and interest groups in the Nordic countries today talk warmly and sympathetically about the welfare state
- no political party can expect to gain electoral support by declaring to oppose the welfare state



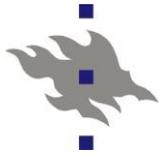
Paradoxes of the debate 1

- practitioners and researchers of social policy have made pessimistic accounts on the present and the future of the welfare state
- representatives of business life and many economists have expressed optimistic views on the crucial role of the Nordic model of societal risk sharing for economic performance and competitiveness



Paradoxes of the debate 2

- those defending the welfare state against the pressures of globalised capitalism argue that the welfare state generates competitive advantages
- those concerned about economic competitiveness or government budget discipline motivate these concerns by the necessity to rescue the welfare state or welfare society.
- → welfare state is a means that sanctifies many different goals
- → rescuing the welfare state is a goal that sanctifies many different means
- does the welfare state withstand being instrumentalised as means for national competitiveness?
- does the welfare state withstand the means of rescuing it? operation was successful, although the patient (or the doctor) died?



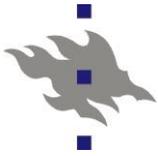
Beyond Welfare State Models

Transnational Historical Perspectives on
Social Policy

Edited by
Pauli Kettunen and **Klaus Petersen**

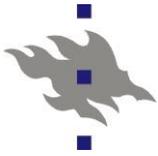


Globalization and Welfare



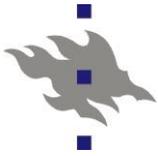
The ambiguous “Nordic model”

- 1) the notion of “Nordic model” as a target of external challenges
- 2) the notion of “Nordic model” as a response to external challenges
- in both cases, defining globalisation as a **national** challenge
- welfare state, competition state
- how is the making of the globally competitive national “us” in the Nordic countries related to the older notions of “Nordic society” and “Nordic welfare state”?
- the limits of national framework in defining problems and solutions



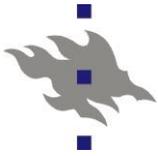
The society of virtuous circles

- since the Nordic class compromises of the 1930s: confidence in positive-sum game between organised economic interests within a national society
- linking three ideological aspects of Nordic modernisation: idealised heritage of the free Nordic peasant; spirit of capitalism; utopia of socialism
- post-war horizon of expectation: a self-reinforcing circle of social equality, economic growth/competitiveness and widening democracy
- a widely shared but all the time contested framework for political conflicts and compromises
- the dual role of 'society' in everyday life: the possibility to blame 'society' for the hard conditions of living, and the possibility to seek for support from 'society' against the troubles and suppressive practices



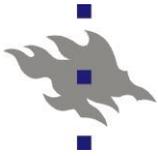
Egalitarian wage-work society

- equality through and within wage-work relationships
 - full employment, associated with ideas of gender equality
 - social security and labour market rationalities
 - public social services and education, a particular complex of welfare state, labour market regime and gender system
 - parity-based agreements between labour market parties
 - equality by reinforcing the weaker party in social relationships and by preventing the stronger party from presenting its interests as universal interests
- the normalcy of waged/salaried work and the principle of social citizenship as intertwined principles
- increasing individual freedom by means of collective and public regulation



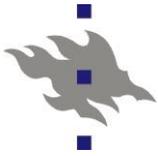
Competitive community

- globalisation and increasing asymmetries
 - exit, voice, loyalty (Albert O. Hirschman 1970)
 - virtuous circles within national society?
 - symmetries of labour market parties?
- old welfare-state institutions gradually modified to fulfil competition-state functions
 - national competitiveness in the competition between different “operational environments”
 - “national adaptations in global economies”, in which “the maximization of human capital must take priority to egalitarianism ‘here and now’” (Esping-Andersen 1996)



”Social policy as a productive factor”

- the Lisbon strategy of the EU, 2000-2010
- 1) ”social policy as a productive factor” as an argument for the importance of social policies
- 2) ”social policy as a productive factor” as an argument for revising social policies for meeting the needs of competitiveness
- cf. the confidence in virtuous circles in Nordic social political thought
- cf. productivism in Nordic social political thought

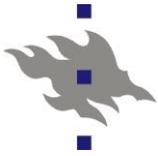


The Janus-faced 'social'

- 1) social policies providing a social infrastructure for innovative competitive community
- 2) social policies dealing with social exclusion and problems of social cohesion

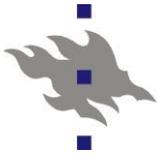
- 1) "social capital"/"social investment" instead of "social equality"
- 2) "social cohesion"/"activation" instead of "social equality"

- 1) post-welfare-state meanings of the social
- 2) pre-welfare-state meanings of the social



A dualism of work

- 1) work as an unending demonstration of a person's individual innovative capacity
- 2) work as the basis of social order and self-discipline
- from 'active labour market policies' to 'activation policies':
- from the principle that everybody should have the right to fulfil his or her duty to work ...
- ... to the principle that everybody has the duty to fulfil his or her right to work
- individual rather than society to be blamed and changed



The limits of (Euro)national gaze

- a new self-reinforcing circle: dealing with globalisation as just a national or a European challenge is bound to reinforce the imperatives of competitiveness in political agenda setting
- alternatives to competitiveness-oriented nationalism:
 - nostalgic welfare nationalism
 - xenophobic and racist right-wing nationalism
 - combinations of these two in Nordic populist parties
- conclusions from current economic crisis:
 - the logic of competition state (perhaps with protectionist ingredients)?
 - opening space for inter- and transnational economic and social regulation – but what kind of regulation?
 - EU as a mediator of the imperatives of financial capitalism into national politics?
 - the multi-level problem of democratic legitimacy
 - the need of transnational democratic dimension in defining problems and solutions