The long making of Nordic welfare states and their slow dismantlement

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Approach

- beyond comparisons interested in “national adaptations in global economies” (Esping-Andersen)
- beyond approaches for which “history” is synonymous to national specificities, to the origins of these specificities, or to path dependencies
- transnational economic, political and cultural processes were constitutive of the national institutional and discursive forms of social regulation
- globalisation does not just happen in the external environment of national entities but very much within and through nation-centred modes of thought and action
The popularity of the welfare state in the Nordic countries

- the concept of ‘welfare state’ at present: a conceptual historical construction of 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.
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 create or rescue resources for the welfare state or welfare society.

→ welfare state is a means that sanctifies many different goals.

the ways of discussing and contextualising the welfare state have changed.

discursive changes have been associated with institutional ones.

Paradoxes of the debate 2
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”?
Universalism as a lost horizon of expectation

- universalism and its limits in the making of the Nordic welfare state
  - the role of local self-government in the provision of public services
  - the role of organized labour market interests in the shaping and functioning of social security
  - the strong and politically effective notion of ‘society’ settling these characteristics with the idea of universal social rights
  - the societalisation of the state: the state or public power was supposed to be capable of involving the associative, integrative and inclusive principles of ‘society’
  - in Nordic political languages the state or the state+municipalities is often called “society”

- in the context of globalized capitalism, the hidden tensions of universalism transformed to open controversies
  - a new combination of market and community against the old notion of society
  - the growing asymmetries of mobility and the changing dynamics of inclusion and exclusion
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: the 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 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 wage work and the principle of social citizenship as intertwined principles
  - cf. Esping-Andersen and "decommodification"
  - cf. Marshall and social citizenship through more extensive individual rights
Competitive community

- globalisation and increasing asymmetries
  - exit, voice, loyalty (Albert O. Hirschman 1970)
  - virtuous circles within national society? symmetries of labour market parties?

- the dual meaning of “operative environment” in dealing with globalization as “our national challenge”:
  - 1) globalization taking place in ‘our’ external environment
  - 2) ‘we’ are producing an innovative and competitive environment for globally mobile economic actors

- reactive and active politics in the competition state
- naturalized globalization and commodified national communities

- old welfare-state institutions gradually modified to fulfil competition-state functions
  - “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 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