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Editorial introduction to special issue:

***Public policies in the Nordic welfare states.
Challenges and responses***

Leszek Balcerowicz, professor of economics and prominent politician, known as one of the key architects of the neoliberal restoration of capitalism in Poland (Kowalik, 2012), in his 1995 book published a chapter titled “Szwecja – raj zbankrutowany” (Eng. “Sweden – the paradise that went bankrupt”). In this work, Balcerowicz elucidated the inevitable decline of the Nordic model of the welfare state. He states that since a critical juncture in the 1990s, the model appears to be facing inevitable deterioration (Balcerowicz, 1995, p. 293). The chapter outlined various factors contributing to this perceived decline, including stagnant wages, unnecessary efforts to curtail income inequalities through solidarity policies, active unemployment leading to inefficient allocation of public resources, and GDP growth deemed merely a statistical “illusion”. Balcerowicz saw these phenomena as both consequences of flawed economic assumptions behind the Nordic model and as triggers of the impending crisis that necessitated its downfall. This chapter serves as an illustrative example within a broader body of scholarship and socio-economic commentary that predicted the ultimate failure of the Nordic welfare state.

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Fast forward 29 years. Since 2012, the World Happiness Report is published annually. The ranking of the world's happiest countries is based on self-assessed life evaluations. This report ranks countries based on self-assessed life evaluations, drawing upon polling data from 143 societies. The attention is paid to six categories with the most crucial relative impact on the study's outcomes: GDP per capita, social support, healthy life expectancy, freedom to make own life choices, generosity of the general population, and perceptions of corruption levels. The World Happiness Report is coordinated by the Wellbeing Research Centre at the University of Oxford, the Gallup Institute, and the United Nations Sustainable Development Solutions Network. In the report's latest edition, all five Nordic countries have been situated within the top seven, with Finland leading the rank, followed by Denmark, Iceland, and Sweden, and Norway securing the seventh position (Helliwell et al., 2024). Similar outcomes have been observed in every edition of the study. Never has any Nordic state been outside of the top ten in previous rankings. The Nordic countries remain among those that provide the inhabitants with the best conditions for well-being. They also assure stable socio-economic conditions, being in the top 20 of the world's most competitive and innovative economies (IMD, 2023; WIPO, 2023).

Most recently, the Nordic welfare states have demonstrated resilience and effectiveness during the COVID-19 pandemic. Iceland, Norway, Finland, and Denmark have reported among the lowest coronavirus death rates, more than halving the European Union average. Even Sweden, which adopted a distinctive and controversial approach to pandemic management in its initial stages, had a coronavirus death rate lower than the EU average. Socio-economic and monetary indicators show that the economies of the Nordic states bounced back quickly after the downturn caused by the pandemic and lockdowns. They achieved the seemingly contradictory task of combining egalitarian values and relatively generous welfare spending while fostering an active and entrepreneurial state which facilitated both economic and technological growth and a rapid increase in the quality of life of their citizens. However, it seems notable (see: Davesne in this volume) that intra-regional cooperation did not play a significant role in achieving those goals as it used to in the past.

Despite their internal diversity, all the Nordic states have effectively challenged the opinion that governments "should simply not interfere". Many of their achievements are attributed precisely to the proactive role of the state and the implementation of evidence-based policies. In the substantial volume published by Oxford University Press in 2022, titled *Successful public policy in the Nordic countries: Cases, lessons, challenges* (de la Porte et al., 2022, see also: de la Porte et al., 2023), evidence is provided for successful policies spanning various domains, including green energy innovation and sustainability, oncological treatment in healthcare, retirement policies, social investment through the education system, gender mainstreaming, cultural policy, green taxation, vaccination, homelessness reduction, and defence policy. Concerning, the last example, we can read the chapter titled: "Sweden's Policy of Neutrality. Success Through Flexibility" (Bromesson et al., 2022). The following years brought another example of the flexibility and adaptability of Nordic states in this area when Sweden and Finland departed from their long-lasting tradition of neutrality to join the North Atlantic Treaty Organization, demonstrating diplomatic adeptness during the accession process. The processes ignited

by Russia's invasion of Ukraine substantially changed the geopolitical landscape. Nordic states responded promptly to a new profound challenge, applying for NATO membership just three months after the invasion, showcasing their agility in the situation that could be the most significant geopolitical test in decades.

For many scholars and commentators, the Nordic model represents a beacon of hope and the most inspiring example in the contemporary world. In some cases, this leads to the idealisation of the Nordic model or some particular solutions implemented in the Nordic states. For instance, Daniel Dorling, Professor of Social Geography at Oxford University, and otherwise very critical scholar, entitled his recent book (co-written with Annika Koljonen, 2022) on Finland with an enthusiasm rarely seen in scholarly publications: *Finntopia: What we can learn from the world's happiest country*. Viewing contemporary Finland from the perspective of the UK after 12 years of Tory rule characterised by austerity measures and all-encompassing neoliberal policies, it seems to restrain criticism and invoke a tendency to adopt an overly optimistic outlook (see: Rek-Woźniak's review essay in this issue).

Nonetheless of the ubiquitous praise, the Nordic welfare states face diverse challenges. Some are universal for all states in the Western hemisphere, and some are specific to the Nordic conditions and concern how public policies are being agreed upon and implemented. One of the foremost concerns pertains to social citizenship and welfare chauvinism in the era of increasing national and ethnic diversity. The surge in support for far-right parties with radically anti-immigration stances raises doubts about the feasibility of existing solutions and the future of migration policies, pivotal in the context of ongoing and anticipated demographic transitions. It underscores the significance of political discourse and conflicts surrounding the integration of migrants and their socioeconomic standing in Nordic societies, which is crucial for maintaining social cohesion.

In the field of political discourse and its impact on social policies, many are under constant pressure to incorporate pro-market solutions in accordance with the neoliberal narrative. The gradual erosion of certain aspects of traditional Nordic welfare regimes is ongoing, although the process is very diversified. Additionally, the growing domestication of the start-up culture and expansion of a digital platform economy, as elsewhere, threatens the stability of labour relations, even within the most advanced segments of the labour market. While the healthcare systems of the Nordic states are renowned as the most stable, efficient, and cost-effective, they are under growing pressure from multinational corporations to privatise or at least further commercialise the services. From a global perspective, while promoting internal social cohesion, some Nordic states and private companies actively participate in aggressive competition in international markets as investors, thereby exerting direct and indirect economic pressure on other economies and societies in and outside Europe.

Therefore, the Nordic model's future is unclear. This special issue of *Social Policy Issues* is yet another modest attempt to further the discussion on this topic.

The volume's opening offers a broad, birds-eye overview of the problems following the absorption of global socio-economic and policy trends. The text by Ivan Harsløf adopts a critical realist perspective to assess and interpret the interrelation between the growth in social inequalities in the Nordic countries and the emergence of the

“new” social risks since the 1970s. By combining the literature review with comparative data analysis, the paper shows how social problems have been reproducing and cumulating within the most vulnerable social categories and handled by the Nordic states. The analysis suggests that while the redistributive effects of education have become less effective, the labour precariousness distribution remains relatively democratic, with a notable exception of non-Western migrants. The complexity of problems experienced by this category shows how the structural drivers of new risks in the Nordic countries intersect with transnational dynamics.

Johannes Kananen reflects on the interconnections between the rise of neoclassical economics followed by the international competition state paradigm and the theory and practice of social policy in the Nordic countries. The paper reconstructs how the anthropological model rooted in the competition state paradigm has been facilitated by the leading intellectuals and gradually penetrated the welfare discourse in Denmark and Finland. Despite clashing with constitutional constructs of social citizenship, it triggered the transformation of public policies, which used to be built upon social solidarity and justice. The author also demonstrates how three decades of such developments have generated systemic instabilities. Thus, the paper adds to the discussion about the role of endogenous factors related to the ideational sphere in building a crisis-prone culture.

The problematic status of resilience has been also undertaken from a supranational perspective. Alban Davesne accounts for the evolution of the regional integration between Denmark, Norway, Sweden, and Finland. The model built upon formal political and administrative coordination mechanisms and cooperation between those countries has declined since the 1970s. Nevertheless, some scholars argue that the effective implementation of soft mechanisms has counterbalanced the decline. However, the scrutiny of the responses to the COVID-19 pandemic shows that neither the informal coordination of domestic policies nor intergovernmental cooperation became decisive in handling the pandemic in the Nordic states. Thus, the analysis adds up to the body of studies pointing at the challenges for Nordic solidarity in times of crisis by demonstrating how the mechanisms of international cooperation and coordination seem increasingly disconnected from domestic decision-making.

The following articles focus on country-case studies and diverse policy fields. Kjetil Wathne, Sidsel Therese Natland, and Ragnhild Hanse point to the risk of losing synergy between the state and municipal level of welfare provision structures in Norway. The authors track the outcomes of the Norwegian Labour and Welfare Administration (NAV) reform of 2006, drawing on the results of a multi-method qualitative study carried out in Oslo. The empirical investigation was organised by the question of how municipal leaders and social workers have accommodated reducing both school dropout/marginalisation and social budget expenditure. The case analysis enabled a more general conclusion that the construction of the partnership between the state and municipality at the local offices might hamper the organisation’s ability to use the organisational resources effectively and, thus, deliver holistic support to the citizens.

In the final paper, Wojciech Woźniak approaches sport policy in Finland. Traditionally, combining significant successes in elite sports with mass sports participation

and the promotion of “sports for all” policies and lifestyles has undergone substantial changes in recent years. On the one hand, the traditional class divisions in organised sport ceased to exist, and the field’s professionalisation was observed, along with gradual commercialisation and neo-liberalisation in accordance with new public management principles. On the other hand, the field remains influenced by active politicians, mostly from one political party, who control crucial institutions.

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Nordic egalitarianism at the face of evolving social risks

Abstract

This article relates growing social inequalities in the Nordic countries to evolving social risks in the era of globalisation. Vital redistributive arrangements in the Nordic model, and their underlying rationales, are challenged by profound structural changes. New social risks have emerged since the 1970s, stemming from destabilised family and labour market structures. The article considers theories that vary in emphasizing negative, but also positive (emancipatory) aspects of these developments. It adopts a critical realist perspective to delve deeper into the historical and ontological dimensions of social risks. Combining literature review and analyses of comparative data the article assesses how the Nordic welfare states are protecting groups in vulnerable positions such as single providers, their children, low-educated groups in the labour market and non-Western immigrants. As a window to probe the Nordic model's bulwark protecting these groups, discussions are particularly centred on the situation in the aftermath of the 2007–2008 Great Recession. Results suggest that new social risks are evolving, primarily affecting the most vulnerable. While publicly funded

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education, previously crucial in social redistribution, has become less effective, the Nordic countries still exhibit a relatively democratic distribution of precariousness in the labour market, providing a sense of security even for unskilled workers. However, non-Western immigrants continue to face a disproportionate risk of poverty, leading to increased segregation.

Keywords: family, globalisation, labour market, new social risks, Nordic welfare model

Introduction

From the early 1990s and onwards, social inequalities in the Nordic countries have risen at a rate that is modestly but yet notably higher than in other OECD countries (Pareliussen et al., 2018). Although inequalities are still comparatively low, this development has raised concerns about the Nordic welfare model's longer-term ability to maintain comprehensive redistribution in the era of globalisation and profound demographic changes (Abrahamson, 2015; Kvist et al., 2012). The purpose of this article is to discuss these challenges and how they relate to evolving social risks in the Nordic welfare societies. Hence, this article argues that contingencies that have become known as "new social risks" have evolved significantly during recent decades, putting the late modern welfare state to the test.

The article starts by revisiting some of the foundational principles for redistributive welfare policies to combat industrial social risks as adopted in European countries at the turn of the 20th century. These principles, particularly important in the Nordic countries, include a broad recognition of an interdependence of capital and labour as well as of the deservingness of groups that are especially exposed to industrial risks. It subsequently discusses how these principles may be gradually withering away in the post-industrial social order, characterised by a destabilisation of labour market and family structures. Theoretically, discussions of risks in late modernity are examined and discussed through the lens of the metatheoretical perspective of critical realism². Using comparative data sources, the European Social Survey and Eurostat, alongside a literature review, the article subsequently discusses if and how "destabilisation" is passed on and reinforced across the post-industrial generations, and how these risks are distributed across different groups in society. As a window to probe the Nordic model's bulwark protecting groups in vulnerable positions, discussions are particularly centred on the aftermath of the 2007–2008 Great Recession. This choice is made as

² This critical realist approach primarily functions as a conceptual aid for interpreting societal developments. In that regard, it should be mentioned that influential figures within this theoretical perspective have objected to the very notion of a post-industrial society. Instead, they prefer conceiving the changes as an intensified (international) division of labour (Sayer & Walker, 1992). Furthermore, the empirical part of the article cannot claim to be grounded in critical realist methodology. However, the methodological choice of considering patterns in social risks during the time of economic crisis, leans on Bhaskar's insight that "in periods of transitions or crisis, generative structures, previously opaque, become more visible" (Bhaskar quoted in Danermark et al., 2002, p. 104).

this socio-economic juncture clearly demonstrated the impact of economic globalisation (Lane, 2013).

Background

The year 2023 marked a significant milestone in the history of the welfare state, the 150th anniversary of the *Verein für Socialpolitik* (VFS). This German association, established in 1873, brought together economists, legal scholars, sociologists, and business owners. From the onset, the association produced a high number of discussion papers calling for social reforms to alleviate social risks caused by an unfettered industrial capitalism. These writings had a significant influence on Bismarck's social reforms carried out in the 1880s, and which were soon spreading around Europe (Wehler, 1985). VFS's analyses pinpointed a growing interdependence between owners of enterprises and workers. Laissez-faire economics, the economist Adolf Wagner (1871, p. 193) argued at a meeting leading to the founding of VFS, "weakens the desire to work, the interest of the workers in the flourishing of the business, the striving to save on the processed material and the work tool through careful use"³.

To realise the workers' full productive potential, the owners had an interest in their protection against the ubiquitous risks of work accidents, sickness, unemployment, etc. In a report concerning the need for national disability insurance, VFS-member, Fritz Kalle (1878, p. 655) outlined an important part of the rationale: "The worker who has the awareness that the first accident damaging his labour power can push him and his family down into beggars easily thinks that the moment must be devoted to enjoyment, since the future is an uncertain one."

In other words, by the means of social protection, one saw a potential for installing a new temporality among workers. Allowing them a more stable and predictable future, they were expected to develop an interest in the prospects of the enterprise and a corresponding work ethic. Although a cynical and harsh tone towards the working class at times, and the well-known concern for countering "socialist agitation" appearing numerous times throughout the VFS publications, one traces a certain understanding of the miserable situation of workers and their families. Hence, we notice how deservingness was gaining a foothold as an important driver of social reform. Indeed, as de Swaan (1988, p. 161) notices, during that period, social risks were increasingly construed as caused "by a loss of earning capacities or opportunities, devoid of any connection with the victim's character or walk of life".

In the 1890s, spurred by the sweeping state-driven social policy innovation in Germany, Denmark, Norway, and Sweden introduced different social insurance programmes (Kuhnle, 1978). Finland, while also influenced by these developments, was somewhat slower, implementing its first social insurance programme in the 1910s. As in Germany, Nordic governments were of a conservative observation then (only in Denmark had social democrats gained representation in parliament), and introducing

³ As regards quotations from all non-English sources, translation has been provided by the author.

these programmes clearly aligned with the interests of their constituencies, improving conditions for the dawning industrial economy (Baldwin, 1989). Among other things, enhancing social conditions resonated with Scandinavian employers' vested interest in catering to an increasingly scarce workforce at the face of significant overseas emigration at the time (Senghaas, 1985, pp. 91–92).

Also in the Nordic countries, we notice how social security programmes were conceived of as a potential productive factor. For example, the Norwegian Ministry of the Interior presenting the proposal for the sickness, disability, and old age insurance argued that mandatory coverage of these programmes would spur workers' self-direction and responsibility (Ormestad, 1948, 27–30). Likewise, the argument presented by the Swedish commission established to consider a compulsory social insurance system, was coined along the lines of promoting an interest among workers in upholding the emerging industrial social order (Rothstein & Trägårdh, 2007, p. 237). The Swedish state's support of the expansion of union unemployment funds in the early 20th century were motivated by the expected positive socio-economic consequences in terms of maintaining effective demand in times when the economy slowed down (SOU, 1996).

The first half of the 20th century saw a further consolidation of the notion that capital and labour, beneath the overt conflicts characterising their relationship, were fundamentally interdependent. A way of understanding of workers having an important role in the economy also as consumers gained a foothold. Epitomised in industrialist Henry Ford's "ideology of high wages" (Gramsci, 1971, p. 311), its underlying rationale was further entrenched through Keynesian economic policies, with comprehensive social security programmes playing a critical counter-cyclical role (Kaufman, 2012).

Particularly, the Nordic countries went to great lengths in institutionalising their political economy along these principles, with Finland, with its non-Keynesian, procyclical model, as the exception (Mjøset, 1993). Strong corporatist structures were established, with employers and workers developing "encompassing interests" (Olson, 1982). In this framework, negotiations were structured to ensure mutual respect for each other's fundamental interests, fostering the development of compressed wage structures. Along with the relatively generous social security benefits, this arrangement was vital to securing a high degree of equality within the Nordic societies (Barth et al., 2015).

The idea of conceiving workers and other risk-groups as deserving subjects of social protection gained broad political support. As Kildal and Kuhnle (2005, p. 16) write on the development of universalism in the Nordic welfare states: "the categories of citizens with 'undisputable' legitimate needs for protection [...] gradually expanded". Hence, in line with Titmuss's (1976) perspective on universalism, social benefits were largely regarded as "compensation [...] for social costs and social insecurities which are the product of a rapidly changing industrial-urban society" (Titmuss, 1976, p. 133). The expansion of social services for families was driven by the belief that it would have wider positive impacts on society, with healthy and qualified citizens stimulating economic growth and productivity (Myrdal & Myrdal, 1934).

The purpose of this historical sketch is to highlight that the allegedly "solidaristic" welfare arrangements that were developed to benefit wide parts of the working population, also served a critical purpose in the Nordic accumulation regime, i.e., its

core model for growth and prosperity across the sphere of production and social reproduction (Mjøset, 2001). The encompassing social protection and institutionalised industrial relations were instrumental in strengthening the Nordic countries' international competitiveness, and as such were an important part of the mode of economic growth of small, open economies (Katzenstein, 1985).

The 1970s marked the transition to a post-industrial social order. Beyond most workers now being employed in the service sector, this new era became characterised by a feminisation of the labour force and an accelerated internationalisation of the economy. The post-industrial transition coincided with a crisis in Keynesian economics. New supply-side economic policies were introduced. From around the 1990s, the internationalisation of the economy attained a global scale. It allowed companies to make locational decisions on an activity-by-activity basis; value chains could now be distributed across various companies, whether situated in the same region or overseas, with some of the stages potentially located on the other side of the globe (Nordic Council of Ministers, 2011). These processes entailed massive outsourcing of low-skilled jobs, causing a partial separation of markets from societies.

Compared with other European countries, during the 1990s and 2000s, the Nordic manufacturing sector saw remarkable sourcing of goods and services from suppliers abroad (Eurostat, 2019). Hence, the structural interdependence between capital and labour within the confines of the nation-state gradually deteriorated. With reference to Finland, Ali-Yrkkö et al. (2011, p. 368) contends that in this period "large corporations are detaching themselves from their original home countries and national institutions".

Marking a dramatic step away from the interdependence rationale, in 1990, Swedish employers terminated centralised wage bargaining, and in 2007 their Finnish counterpart did the same. In Denmark and Norway, however, the centralised wage bargaining system remained in place. Yet, both countries, along with Sweden, saw slightly declining union membership rates starting around 1990 (Bhuller et al., 2022). Neo-corporatist practices and institutions persist in the Nordic countries, and this arrangement is still vital to the Nordic model but the modifications heralded a shift towards a more decentralised and fragmented bargaining system, with greater emphasis on local negotiations and individual employment contracts.

Workers were also using new possibilities for seeking work experience abroad in an emergent transnational division of labour. This trend was notably observable among Nordic workers (Harsløf & Zuev, 2022), while the Nordic countries have also received high numbers of job seekers, in particularly from Eastern European countries (OECD, 2012). These developments are also weakening the structural interdependence between capital and labour. For example, the interest of Nordic employers in making heavy investments in apprentices arguably declines when they can hire fully-trained workers from abroad (Brox, 2005). Moreover, the within-country recruitment of apprentices has been found to decline following increased competition from educated foreign workers, with the consequence of deteriorating capacities for vocational training (Brekke et al., 2013).

New social risks appeared, emerging from the interrelated destabilisation of labour markets and families. In large part, the Nordic countries spearheaded these

developments (Harsløf & Ulmestig, 2013; Sandstrom & Gardarsdottir, 2018). Labour markets became more knowledge-intensive, dynamic, and characterised by higher turnover (Bonoli, 2007). One manifestation of these dynamics was the surge in organisational changes adopted in public and private companies. Indeed, the Nordic countries have been exhibiting immense organisational changes, topping European league tables on most parameters (EuroFound, 2017). The nuclear family took a blow: family dissolutions, nonmarital cohabitation, and single parenthood rose (Popenoe, 1987). From declining union density pertaining to the sphere of production to growth in single-adult households in the sphere of social reproduction, individualisation increased.

However, critical realism, a perspective that will be elaborated on in the subsequent section, invites us to delve deeper into the historical and ontological dimensions of these risks. Whilst seemingly a story of decay, the rise in new social risks does not necessarily reflect a rise in underlying problems. Indeed, during the age of industrialism, severe problems of abuse and misery were hidden behind the factory gates or within the confines of the family home. To some extent, societal growth, more job opportunities for women and men, the gradual expansion of the welfare state, and cultural emancipation, allowed such hidden problems to manifest, and be attended to (Harsløf & Ulmestig, 2013). Hence, the emergence of new social risks also reflects the parallel emergence of new social opportunities.

Nevertheless, from the 1970s, new contingencies arose. These included in-work poverty, finding oneself with low or obsolete skills, school drop-out, work-life imbalances, and single parenthood (see: Bäckman et al., 2011; Lindberg et al., 2018). A critical property of these types of risks is their apparent individual manifestation. While old social risks were obviously related to circumstances that victims could do little to prevent (cyclical unemployment, sickness, old age, the death of a providing spouse, etc.), the new social risks generally lacked a “smoking gun”. Hence, victims of new social risks may more easily be construed as undeserving, while the measures that could potentially alleviate these types of risks may more easily be construed as encouraging moral hazard.

A critical realist perspective on evolving social risks in late modernity

In the previous section we alluded to the ambiguities lurking in the development towards a post-industrial social order, entailing both opportunities and risks, both emancipation and subtle subjugation. This section reviews some theoretical positions that put different emphasis on these aspects. First, however, it briefly sketches a metatheoretical approach set up to critically discuss these perspectives and tease out the central theoretical elements to be taken further in the analysis.

In recent years critical realism has become a popular metatheory, with its aim to relate observable events with more deep-seated, “real” structures (Sayer, 1992, 2000). In this perspective, the relationship between capital and labour that developed in the early 20th century, discussed in the previous section, can be theorised as a structure which generates a mutual interdependency conducive to the taming of social

inequalities. One promising approach within this school of thought is Jessop's (2004) evolutionary perspective that relates gradual changes in structural conditions to the shifting articulation of social mechanisms. For the present analysis, such a perspective encourages us to abandon the dichotomous distinction between old and new risk in favour of a perspective that acknowledges the gradually changing dynamics that may complicate, reinforce or concentrate social risks, as the underlying mutual interdependence diminishes.

In an approach that resembles critical realisms' line of reasoning, Offe and Hinrichs (1977) argue that when analysing why certain phenomena occur in society, it is not enough to demonstrate the interests underlying their persistence. One must also consider why certain societal phenomena do not encounter resistance or why the resistance they encounter is insufficient; it is necessary to investigate why reality "accepts" these phenomena. Following this logic, one may argue that social risks evolve and take new forms, as these developments do not obstruct the prevailing interest constellations and are thereby (partly) accepted⁴.

Among scholars attending to the societal shifts occurring in the late 20th century, and the individualisation it brought about, sociologist Anthony Giddens probably articulated the most positive perspective. Giddens's viewpoint suggests that the evolving social structures during that period were not solely restrictive or limiting to individuals but could be harnessed as forces for individual autonomy. In the increasingly volatile labour market, structural changes allowed individuals more agency to pursue careers and disrupt traditional and predefined employment trajectories (Giddens, 1991). Considering the fundamental changes in peoples' intimate life, he emphasised the "pure relationship [...] entered into for its own sake, for what can be derived by each person from a sustained association with another; and is continued only in so far as it is thought by both parties to deliver enough satisfactions for each individual to stay within it" (Giddens, 1992, p. 58).⁵

Giddens hereby advocates a view that implies that the structural changes associated with late modernity and their impacts on people's intimate lives are acceptable. More critically, fellow sociologist Zygmunt Bauman, emphasised how the fundamental insecurity entailed by the structural changes was "[...] penetrating all aspects of individual life – the sources of livelihood as much as the partnerships of love or common interests, parameters of professional as much as cultural identity, modes of presentation of self in public as much as patterns of health and fitness, values worth pursuing as much as the ways to pursue them" (Bauman, 2000, p. 135).

A central point in Bauman's perspective is that the choices of individuals have

⁴ This dialectical perspective resonates with Bhaskar's (2014) emphasis on looking for what is "absent" in the given study context.

⁵ In a discussion of Giddens's structuration theory, Bauman (1989) offers a critical argument that resonates with the tenets of critical realism. He finds that while Giddens focuses on how structural conditions in society often remain unrecognised by individuals, influencing their misfortunes in social life, one should rather consider the tangible, real-world conditions – the "zero-sum game" inherent in many societal interactions (like applying for a study programme in a situation of limited university places) where some individuals' adversities are inevitable, irrespective of their awareness of these conditions.

wider social ramifications. Alluding to the dynamic “secondary effects” and “trickling down mechanisms” of individualisation he explicitly opposes Giddens’ optimism, pointing to the weaker groups, including children of disrupted families, losing out under conditions where individuals can act as free agents (Bauman, 2000, p. 90).

Although initially counterintuitive, it is possible to argue that individualisation entails an *increase* in the quantity and diversity of the social relations of individuals. A departure from traditional employment patterns characterised by lifelong tenure in a single workplace, as well as the growing potential for shifting between professions or areas of specialisation, generates an array of accumulated relationships such as those between present and former employers, colleagues, collaborators, customers, professional networks, and associations etc., just as the post-industrial family dynamic is likely to foster novel and varied social relations, that may include former partners, acquaintances of ex-partners, former in-laws, stepchildren, and stepparents.

The dynamics within these domains reinforces each other, as job changes may necessitate a change in residence, in turn, impacting the family, while changes in family life can affect one’s work life and so forth. Forces subsumed under the notion of globalisation adds further complexity in terms of transnational work and family commitments. Importantly, the effects of individualisation extend beyond the proliferation of personal relationships, generating an abundance of institutional ties linking the individual to a complex network of social systems. In critical realist terminology, a great deal of such relationships can be referred to as “necessary” or internal, in the sense that one position in the relationship is dependent on the other and vice-versa (Sayer, 1992). In Bauman’s (1989) terms they can be considered as (often asymmetric) networks of dependencies. Being material social relations, they are exerting causal powers. Co-parenting ex-partners have legal and moral obligations that tie them together. Obligations among ex-employers-ex-employees may involve pension rights, non-disclosure or non-solicitation agreements but also the possibility of continuing collaboration, obtaining a valuable reference for a future employment, and so forth.

Ulrich Beck situated the rising new social risks in wider discussions about the risk society (Beck, 1986). A central claim in Beck’s approach was the penetrating force of risks across all strata of society. Short spells of poverty and unemployment are becoming challenges for an expanding range of social groups (Beck & Beck-Gernsheim, 2001). In his treatment of the post-industrial, flexible, labour market, Beck (1999) pointed to a “democratization of risks”; the destabilisation of the labour market, he argued, created insecurity across all layers of society. Also in peoples’ private lives, he argued, risks that were once confined to specific groups of people are now distributed in multiple spheres of life and social groups, as a result of the erosion of traditional sources of stability and security, such as family, community, and religion. Beck’s democratisation thesis has been criticised for neglecting the enduring class-based inequalities (Rasborg, 2022). However, this line of criticism may partly be missing the mark. In essence, while pointing at growing inequalities, his argument is that reflexive modernisation blurs the perception of social classes (Beck, 1997).

Methodology

In this article, we explore trends in new social risks using a combination of a literature review and the analysis of international datasets. Regarding the latter, to provide a comparative perspective, a number of European countries were selected in addition to the four large Nordic countries. Hence, in the proceeding analyses, also the United Kingdom, Germany, France, Spain, Portugal, and Czechia are included. Combined, this selection includes a variety of welfare state models.

Data from the European Social Survey Round 5 (European Social Survey European Research Infrastructure, 2018) is used to assess labour market risks. Fielded in 2010, this round included the module “Work, Family and Wellbeing”, from which questions on various aspects of job security were used, as well as information on single parenthood. Using this round is of particular interest, as it concerns living conditions in Europe in the immediate aftermath of the 2007–2008 Great Recession, with several retrospective questions specifying a reference period of 2007–2010 (depending on the date of the interview).

We identified single parents by combining the following information: respondents living with at least one person under the age of 18; having replied that they live with their own children at home; and having replied that they do not live with any husband, wife or partner. This way of approaching the issue of destabilised family structures cannot catch the group who have formed new families. However, from existing Norwegian research (Breivik, 2008), it has been found that living with step-parents does not reduce the risks of being a divorced child, and it is these risks that we will focus on in this study.

With the same data, a variable was constructed using information on employees’ perceived risk of losing their current job (a four point scale, which we dichotomised), whether their job security had deteriorated during a reference period of three years, i.e., the crises period of 2007–2010 (dichotomous), and whether special effort they put into their job was, in part, motivated by wanting to keep their job (two questions concerning primary and secondary reasons for putting effort into one’s work, transformed into one dichotomous variable). Moderate positive correlations between the three variables are presented in Appendix Table 1, suggesting a relationship without complete overlap. With this composite variable, an analysis of variance was conducted to determine the relative precariousness of unskilled workers (using the ESS-syntax provided by Tawfik & Oesch, n.d.) compared with the remaining group of respondents in paid employment.

The post-stratification weight was used in the analyses of ESS to reduce the impact of nonresponse error. Eurostat’s statistics on income and living conditions (EU-SILC), 2019, was used to assess how the risk of poverty (measured as having a disposable income below 60 per cent of the median level) for different groups in the above selection of countries.

A review of evolving social risks

Combining literature review and data analyses, this section points at how new social risks have further evolved in the Nordic countries, with some comparison with a selected group of other European countries. It considers the broad notion that under the post-industrial social order, risks are spread more evenly across social groups.

Considering the literature, there may be a reason to question the democratisation thesis as predominant in post-industrial family life. Rather, the literature demonstrates how social risks are increasingly concentrated among children of separated parents. A Danish longitudinal study of time use (Fallesen & Gähler, 2020), found that single parents and parents in stepfamilies spend significantly less time on developmental activities, such as engaging in conversations, reading, and playing with their children. The study controlled for factors likely to influence selection into family type. A Norwegian study revealed that this group of children received less cognitive stimulation concomitant with skill development (Breivik & Olweus, 2006); demonstrating that children of divorce were exhibiting significantly poorer outcomes as regards school achievement. The study also found that divorced children have more frequent changes of schools, showing how individualisation is indeed a social process that multiplies and complicates personal and institutional relationships.

Furthermore, the authors pointed to this group of children being more likely to develop a range of internalising and externalising behavioural problems. This group was found to be significantly more likely to adopt unhealthy behavioural dispositions, such as the use of (illegal and legal) drugs and tobacco. While lower school achievement is likely to be an ever-larger impediment as the knowledge society unfolds, such health dispositions may add to the burden, as exhibiting a seemingly healthy lifestyle has been found to be an ever more salient symbolic quality in the post-industrial labour market (Harsløf et al., 2022).

Of particular interest for the present review, through a metaanalysis, Breivik and Olweus found that the Norwegian welfare state, despite its comprehensive provision of services in cash and in kind, did not exhibit lower differences between children of divorced and nuclear families than those prevailing in a liberal welfare society such as the US. In fact, regarding disadvantage in terms of lower academic achievement, the effect size was 33% higher for Norwegian divorced children, than their US counterpart.

Secondly, one can argue that risks are not democratised as social class is significantly affecting risks of family separation. A longitudinal Danish study (Hjern et al., 2021) documented how both parental educational level and household disposable income prior to the birth of the child were strong predictors of separation eleven years later. A Swedish study (van Houdt, 2023) documents how the consequences of separation are also more severe for families of lower social classes, considering more frequent post-separation moves, longer distances between parents, and more shifts from home ownership to rental housing. However, the study also showed that higher social classes experienced larger relative downgrades of housing conditions. The author interprets this fact as indicating a convergence between post-separation families of different class backgrounds – which we can take to support the democratisation thesis. However, her overall conclusion remains that families from lower social classes still face more

significant housing disadvantages in the aftermath of separation. The prominence of social class is an example of how new social risks are evolving; marital instability which in previous decades predominantly affected the higher educated, is now most prevalent among the lower educated (Esping-Andersen, 2013). In Breivik and Olweus' (2006) Norwegian study, children of divorce had fathers with significantly lower education than children from intact families, but the difference concerning the mothers was not statistically significant. Comparing Sweden to continental European countries, Blossfeld (1993), identified the same pattern, pointing to Sweden having reached a stage where divorce has become normalised to the extent that it trickles down from the higher to the lower educated.

Thirdly, and interesting in respect to how new social risks evolve, the offspring of divorced couples have a higher risk of divorcing themselves (Amato & Patterson, 2017). Again, research demonstrates how welfare state spending does not prevent such intergenerational divorce transmission (Härkönen & Dronkers, 2008). This fact, again, points at how social risks are gravitating towards disadvantaged groups. This gradual change in risk structures is further related to processes of globalisation and immigration. A Swedish study found that non-Western immigrants had elevated risks of divorce and were generally exhibiting high "churning rates" in the sphere of family life (Andersson et al., 2015). Another study found Swedish children of divorced immigrant families more at risk, with less contact with their fathers, and also economic risks due to lacking alimony payments etc. (Kalmijn, 2015). Further adding to the severity of the problem, a Danish study pointed out how the ethnification of the social risk of lone parenthood has entailed a changed construction of the group, now being considered as less deserving of social protection, and subjected to more restrictive control by the social authorities (Jørgensen, 2018).

Figure 1 presents the results from a series of linear regression analyses, considering single parents' exposure to risk of experiencing income deterioration during the 2007–2008 Great Recession. The analyses have been run separately in each of the Nordic countries, and in our European comparative cases. The outcome measure is a subjective variable on experienced economic situation, and as such, needs to be considered as only tapping into *relative* aspects of deprivation. Moreover, when comparing results across the countries, one needs to be aware of intricate selection processes that are likely to play out (for some groups the knock-on effect of the crisis may have discouraged people from forming single parent households, while it may simultaneously have forced others into them). However, the figure suggests that, except for Finland, the Nordic countries have not provided a particularly secure economic buffer for the single parents-risk group during the turbulent years of the crisis and its immediate aftermath.

The literature generally praises the Nordic countries for their abilities to tackling new social risks. It has emphasised their investments in universal, educational services (free college tuition, student grants, subsidised loans, and the like), to prepare citizens of all social strata for the dynamic and knowledge-intensive world of work (Timonen, 2004; Mjøset, 2001). However, research from Denmark and Norway indicates that in recent years, the very investments themselves have had little effect on social mobility (Heckman & Landersø, 2022; Carneiro et al., 2015).

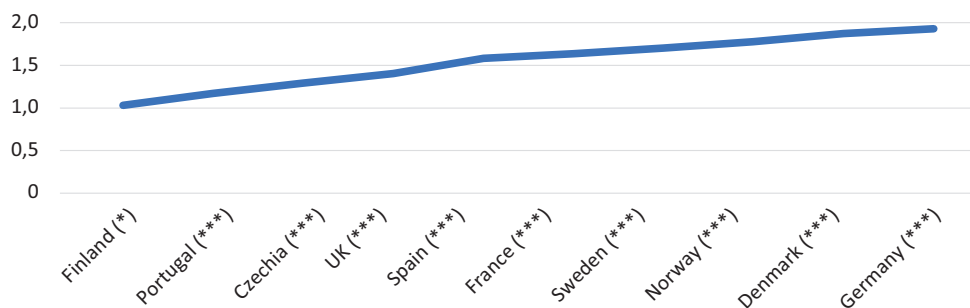


Figure 1. Single parents' exposure to risk of experiencing income deterioration during the 2007–2008 Great Recession. Selected Nordic and European countries

Annotation: The diagram plots the unstandardised coefficients of the variable “To what extent [the respondent] had to manage on lower household income [over the] last 3 years [referring to the 2007–2010 period]” (ranging from “Not at all” = 0, to “A great deal” = 6), regressed against being single parent, controlled for age and gender. *** = significant on 0,1% level; * = significant on 5% level. Number of cases: Finland = 1,854; Portugal = 2,035; Czechia = 2,334; UK = 2,327; Spain = 1,834; France = 1,712; Sweden = 1,470; Norway = 1,535; Denmark = 1,543; Germany = 2,990. Source: European Social Survey, Round 5.

Again, what we seem to be witnessing is the evolvement of social risks. Hence, while welfare state investments in higher education were instrumental in redistributing life-chances for the post-war generation, starting with the cohort born in the 1970s – the first post-industrial generation – this mechanism seems no longer effective (Heckman & Landersø, 2022). Several countervailing mechanisms may be relevant. First, societal disparities of importance for children and young peoples' accumulation of resources necessary for skill development are growing. We are witnessing an increasing neighbourhood segregation, meaning that children of the same background will increasingly be socialising primarily with others who share their cultural, ethnic, or socioeconomic characteristics (Andersen et al., 2016).

Second, this trend is reinforced, in particular in Denmark and Sweden, by middle-class parents preferring private schools. In these countries, enrolment in private schools has grown dramatically during the two recent decades, in 2020 reaching a level of 28% and 19%, respectively, bringing both countries above the OECD average (OECD, 2020). Finland and Norway have much lower levels of private school attendance (both countries about 4%). Yet, regional differences are significant, in Norway being 16 times as high in the big cities of Oslo and Bergen, compared to the most peripheral county, Finnmark (Gunnulfson & Møller, 2021). In Finland, the still predominant role of public schools is diverting competitive pressures into growing school catchment area segregation (Bernelius & Kosunen, 2023). Adding to this picture of parents investing more in their offspring's competitiveness, evidence suggests that a sector of private tutoring (so-called “shadow education”) has been expanding during the recent two decades, in particular in Sweden and Denmark, and moderately in Finland (Bray, 2021).

Now, we move our attention to the labour market. Are risks in the labour market equally distributed along educational divides, as expected by the democratisation

thesis? To assess how different groups of workers are affected by instability in labour markets, under the special conditions of the Great Recession, again ESS Round 5 data was employed. We observe that perceived precariousness is relatively low in the Nordic countries compared with European countries representing other welfare models. Among the Nordic countries, perceived precariousness is highest in Denmark. Indeed, Denmark has relatively lax employment protection, something which is likely to explain this finding (Nordic Council of Ministers, 2011). Perceived precariousness is highest in Czechia. When we consider the relative degree of precariousness felt by the group of unskilled workers, the Nordic countries appear to be shielding this group against experiencing particularly strong risks. Finland is the country with the smallest difference between the skilled and the unskilled. That said, countries representing other welfare models, France and the UK, exhibit differences in this regard that are not much larger. Portugal and Germany stand out as countries with relatively high differences between these groups of workers.

Table 1. Perceived precariousness (composite variable ranging from 0–3) among skilled and unskilled workers in ten European countries. Mean and Standard Deviation.

Country	Workers' type	Mean	Standard deviation
Czechia	Skilled	1.54	0.94
	Unskilled	1.84	0.91
Germany	Skilled	0.80	0.88
	Unskilled	1.26	0.83
Denmark	Skilled	0.62	0.82
	Unskilled	0.76	0.84
Spain	Skilled	0.95	0.97
	Unskilled	1.58	1.02
Finland	Skilled	0.50	0.72
	Unskilled	0.66	0.74
France	Skilled	0.83	0.86
	Unskilled	1.02	0.92
UK	Skilled	1.02	0.96
	Unskilled	1.24	1.03
Norway	Skilled	0.48	0.72
	Unskilled	0.70	0.75
Portugal	Skilled	1.38	0.91
	Unskilled	1.80	0.88
Sweden	Skilled	0.49	0.79
	Unskilled	0.69	0.83

Source: European Social Survey, Round 5. N = 8,253. “Skilled worker” in this analysis denotes all occupational groups except the “unskilled” group as specified in Tawfik and Oesch’s (n.d.) 5-class schema.

Finally, we consider the notion that new social risks are gravitating towards more vulnerable social groups. The underlying idea is that these risks evolve as changes in labour market, family and processes of globalisation increasingly intersect. Figure 2 plots risk-of-poverty rates for citizens and non-citizens from countries outside Europe, as well as the ratio between the two groups. We notice how non-citizens in Sweden are the ones in our analysis carrying the highest risk of living in relative poverty, while patterns for Norway, and to less of an extent, Finland and Denmark, are alike. Again, the figure points out how new social risk-groups are not particularly well protected in the Nordic welfare states.

Even more than in our previous analysis of single providers, very strong, country-specific, selective processes are likely to lie behind these patterns. In Sweden, the group of non-citizens from outside Europe is predominantly people having arrived as refugees or through subsequent family reunification, while in countries such as the UK and Portugal, a much larger proportion is labour migrants (Pareliussen et al., 2019). However, this fact does not counter the observation that the Nordic welfare model displays overt patterns of inequality in how social risks are affecting different groups of the population.

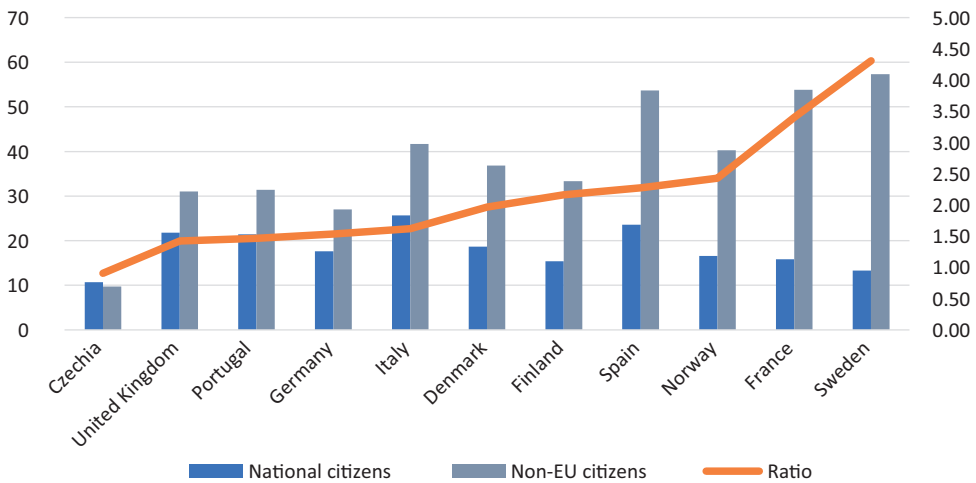


Figure 2. At-risk-of-poverty-rate by citizenship, 2019. Per cent (left axis), Ratio (right axis)

Source: Eurostat 2019; own analysis

Conclusion

From the outset the Nordic welfare states were predicated on a structural interdependence between capital and labour. Employers and business interests saw a need to invest in the protection of workers against industrial social risks. Among central societal actors, there was an awareness that alleviating social risks across the sphere of production and social reproduction was fundamentally beneficial to the achievement of societal growth and productivity. People who found themselves facing

industrial risks were largely regarded as deserving compensation, as their risk exposure was conceived as integral to an accumulation regime, delivering growth, and prosperity.

The gradual separation of markets from society occurring along the process of globalisation and post-industrial development, partly undermines this idea of interdependence. In important respects, the institutions that had been set-up to foster a constructive relationship between capital and labour were abandoned, although this pattern did not apply across the board in the Nordic region. To put it somewhat simplistically, in the early 20th century, dominant interests made considerable efforts to improve the social conditions of the working population, as it benefitted the industrial economy. However, in the post-industrial era, it appears that interest groups are more willing to “accept” the accumulation and reinforcement of social distress among certain at-risk groups.

Hence, the structural changes occurring around the 1970s gradually changes the game, as new risks appear that are harder to attribute to the conventional social risk antecedents. This article has argued that in the subsequent decades, these new social risks have continued to evolve, further exacerbating social inequalities.

In family life, divorced children seem to face a disproportionately high risk of disadvantage in the post-industrial society. Despite the presence of generous benefits and services, this group struggles to find adequate protection against these risks. Their exposure to a wide range of challenges parallels those faced by children of divorced parents in the United States, an otherwise completely different welfare setting. In particular, they are vulnerable in terms of achieving competencies needed in a knowledge-intensive and competitive post-industrial economy.

The sudden eruption of global economic forces, as witnessed with the Great Recession, captured Nordic single-providers, with the exception of Finland, in (relative) economic hardship, close to what was experienced in European countries approximating other welfare models. The growing intersection of family disruptions with low-education and immigrant background is also a critical issue, as it concentrates and perpetuates marginality. The ethnification of social risks, in itself, may entail that the group loses out also symbolically when it comes to perceived deservingness, as suggested in some research reviewed in this article.

The role of publicly funded education as a vital catalyst for social redistribution seems to have diminished. Studies from Denmark and Norway indicate that it is primarily the children of the middle-class who reap the advantages of universal educational services. Moreover, disparities in educational achievement are perpetuated by factors such as housing and school segregation, enrolment in private schools (in Denmark and Sweden), and, as a relatively new trend, parents’ personal investments in “shadow education” to enhance their children’s competitiveness.

When we consider developments in the labour market, the picture changes slightly. Here, the Nordic countries do exhibit more “democratic” distribution of precariousness. Hence, unskilled workers are to a large degree shielded. It seems likely that the still relatively strong unionisation and the availability of relatively generous social benefits contributes towards Nordic workers’ sense of security. In other words, the notion of the Nordic model as offering “decommodification” may still be valid (Esping-Andersen, 1990).

Considering the risk of poverty, we observe that this is disproportionately concentrated among Non-Western immigrants, a pattern seen most clearly in Sweden. As already mentioned, this disparity may have implications for ideas of deservingness, and is likely to amplify processes of segregation on a wide range of arenas.

Across the period discussed, significant variations exist among the Nordic countries. Finland, owing to late industrialisation, limited overseas emigration, and its distinct turbulent modern history, diverged from the initial pattern observed in the other nations. In our review of later developments, we also note how the countries exhibit different social risk patterns. A critical realist approach may encourage us to regard some of these differences as merely distinct expressions of the same underlying structures. This could be the case concerning various drivers of social inequality. According to the reviewed literature, in Sweden and Denmark, such a driver may be the growing divisions into public and private schools, whereas in Finland and Norway, the same inequality generating mechanism may be channelled through the housing market (in the form of competition for housing in the right catchment area). In Denmark workers have been exposed to the highest degree of labour market risks in the aftermath of the financial crisis. Sweden is seeing the most dramatic development in inequalities, and also inequalities that are most conspicuously concentrated on immigrants.

Yet, to sum up in a general vein, new social risks are indeed evolving in the Nordic countries. First, disadvantages are reproduced and aggravated across generations, in the sense that the offspring of those hampered by new social risks are even more prone to encounter them themselves. Second, risk factors that in previous decades predominantly affected the middle-class, are now gravitating towards the lower educated. And the mechanism which in the past allowed people from lower educated groups to elevate their social status through access to free education is now appearing less effective. Finally, we observe, in line with Bauman's argument, how different structural drivers of new social risks are intersecting, and their degree of complexity is aggravated. The most noticeable example is how they are intersecting with transnational dynamics, as represented with migration flows, leading to large groups of migrants living at risk of poverty.

In terms of international standards, the Nordic countries still stand out as comprehensive, and, on many metrics, successful welfare states. They are maintaining large public sectors, spending considerable amounts on social services and benefits, demonstrating their commitment to alleviating social risks, old as new. However, from a policy perspective, the observations highlighted in this article carry important implications. Hacker (2004) argues that when faced with more complicated social risks, the welfare state may be less capable to meet its goals of solving social problems – even when upholding the same level of output. The evolving nature of new social risks and their growing interconnectedness may contribute to policy drift. This implies that policies designed to address specific social issues may gradually deviate from their intended goals or become less effective over time. Hence, there is a need to substantially rethink social policies in the Nordic model to hinder growing social inequalities in the years ahead. Of utmost importance is the implementation of measures to reinstate the mechanism of social redistribution through the educational system, considering supportive social services for groups struggling to keep pace.

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Appendix

	Less security in job	Put effort into work to keep job	Current job is not secure
Less security in job	1	0.116**	0.267**
Put effort into work to keep job	0.116**	1	0.269**
Current job is not secure	0.267**	0.269**	1

** = significant on 1% level

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The economisation of social policy and the rise of a crisis-prone culture

Abstract

The economisation of social policy implied the emergence of neoclassical economics as a contestant for the foundation of social policy in theory and practice. A crucial phase in this process is the emergence of the international competition state paradigm, which urges governments to cut taxes, reduce generosity and tighten eligibility criteria for social security benefits. The adoption of the competition state paradigm reversed social policy in advanced welfare states, which used to balance the injustices of capitalism through an expansion of social citizenship rights. In Nordic welfare states, such as Denmark and Finland the advance of the competition state paradigm resulted in a clash with the constitution, which seeks to guarantee a minimum standard of living for all citizens. The economisation and subsequent reversal of the purpose of social policy was followed by increasing social inequality and a more general development characterised by a series of crises in the areas of economy, health, politics, environment, security, and global mobility. A seed of this development is endogenous, or internal, in other words, and lies in the representation of the human being associated with neoclassical economics and the competition state paradigm, according to which the pleasure-seeking human being is a potential free-rider and lazy idler in need of subordination and control. The article

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distinguishes between exogenous (or external) and endogenous (or internal) aspects of welfare state change and highlights our role as citizens and academics in both creating and resolving challenges related to societal development.

Keywords: crises, Nordic countries, social policy, economisation, labour markets

Introduction

Economisation is the process whereby the logic of economics stretches wider and penetrates deeper into society, gradually encompassing realms previously outside the economy, such as the state and cultural life. A corresponding process or phenomenon is medicalisation, whereby scientific medicine occupies territories previously outside the medical, such as ageing or substance abuse (Conrad, 2007; Clarke et al., 2010). Both phenomena are symptomatic of modern epistemology, which separates strictly between the knowing subject and the object of knowledge. While successful in developing techniques to utilise natural resources, modern science proved incapable of resolving the tensions leading to recurrent crises in our contemporary societies – crises in areas such as health, economy, security, politics, and global mobility.

Modern epistemology and the evolution of modern science was scrutinised with great insight by Michel Foucault, who outlined both processes of economisation and medicalisation (see: Foucault, 2010). Foucault showed how delineating and defining the object of knowledge depends on the language we use while doing so. Claiming universal validity of defining an object of knowledge is a linguistic act, and simultaneously, an act of power. Hence, power and knowledge are deeply intertwined in modern societies. Economisation is associated with the evolution and hegemony of neoliberal reason which creates the framework and grammar for our shared understanding of issues, such as “unemployment” and “productivity”. Associated with the evolution of neoliberal reason in general and neoclassical economics, in particular, is a de-politicisation of the state, whereby matters concerning values, virtue, purpose, and morality are turned into technocratic and quantifiable questions of governance with associated expert knowledge (see also: Ylöstalo & Adkins, 2020).

Related to the more general process of economisation, political scientists, such as Mark Blyth and Bob Jessop, outlined the transformation of the modern welfare state and the curtailment of social citizenship. This transformation was associated with the rise of neoclassical theory as the dominant economic doctrine and the demise of Keynesian economic reasoning around state redistribution of material resources and promotion of full employment (Jessop, 2002; Blyth, 2002). Looking at the social sciences, in particular, scholars identified “economics imperialism” as a key development, whereby the methods and theoretical assumptions of mainstream neoclassical economics are extended to other social sciences (Fine & Milonakis, 2009; Mäki et al., 2017). In this process, neoclassical economics challenged past academic understandings of the purpose of social policy.

Economisation is a wide and versatile phenomenon, and in this article, I will limit the discussion to the ways in which social policy, and particularly labour market policy

is informed and directed by neoclassical economic ideas in the Nordic countries. I will argue – in line with the existing research on political economy – that the neoclassical economic doctrine has been translated into a “competition state paradigm”, which informs current labour market policy. At the same time, traditional social policy, which used to balance the injustices of the capitalist market economy quite successfully in the Nordic countries, has been reversed into its opposite. As a consequence, labour market policy is now centred upon the idea of workfare, which is a policy with origins in the neoclassical idea of unemployment as a choice and ideas of moral paternalism of an imagined “underclass”. Penalising the unemployed for deviant behaviour, workfare creates and maintains hierarchies in the labour market, contributes to deteriorating terms and conditions of work and paves ways for cuts in taxes and social benefits (see: Wacquant, 2009; Peck, 2001).

Instead of scrutinising these ideas on an abstract or semantic level, I will show how economisation has occurred in practice and in political reasoning about social policy. In order to do so, I will draw on the cases of Denmark and Finland – two Nordic countries where the reversal of social policy has been the most obvious and striking. Having pursued distinctively egalitarian Nordic welfare policies for decades after World War II (Esping-Andersen, 1990), these countries – along with the rest of the Nordic countries – began to reform social policy in accordance with the imperatives of the competition state paradigm, as envisioned by international organisations such as the OECD, the World Bank, and the EU in the 1990s.

Reversed social policy, including work-for-your-welfare policies whereby disadvantaged people are penalised, contributed to and aggravated social inequalities and a widespread experience of social injustice, which fed into the rising popularity of populist, xenophobic and authoritarian parties and political leaders. The economisation of social policy is part of this development.

The external (or exogenous) aspects of our crisis-prone contemporary culture are well known: global warming, pandemics, war, and potential escalation of armed conflict, volatile and unstable financial markets, wealth inequalities and the rise of totalitarianism as well as the subsequent demise of democracy, and rational deliberation (see also: Alberola, 2024; Brysk, 2023; Craig, 2023; Dauvergne & Shipton, 2023; Greve, 2023).

In this article, I will argue that there are significant endogenous qualities in our culture that are reflected in, or give rise to, the more exogenous, external aspects of the current series of crises. These endogenous qualities are related to core beliefs and values derived from the competition state paradigm and neoclassical economics, which regard the human being as rational, utility maximising, and which regard competition as an organising principle of society and culture. The economisation of social policy consolidated utilitarianism as the dominant ethical doctrine of our time and contributed to a culture in which means become ends². Rather than being mere abstract or

² Utilitarianism is an ethical doctrine, according to which choices are ethical if they maximise pleasure and minimise pain. The doctrine may be criticised because it tends to imply that other people become means to the increase of our individual pleasure and directs our attention away from the needs and interests of other people. Utilitarianism may also exaggerate our focus on performance and production.

theoretical assumptions, the tendencies of our governing rationale are shaping social and labour market policy, and the ways in which people behave. In other words, assumptions made at the theoretical scientific level have repercussions in real life – not necessarily because these assumptions are true but because those in power act as if they were. The recurrent crises demonstrate tangibly how damaging the effects of such assumptions are and that the effects are not limited to the economic sphere but affect culture as a whole. The analysis points to our own role (as citizens) in social development – our capacity to create problems but conversely also our capacity to solve them in the future.

The article will proceed as follows. First, I will detail how neoclassical economics has turned into what I call the competition state paradigm, which is essentially a rationale indicating how the labour market works and what governments should do in order to promote employment and economic growth. This paradigm is a crucial ingredient in translating the theoretical doctrine of neoclassical economics into practical policy-making and hence, a significant aspect of the process of economisation. Second, using the cases of Denmark and Finland as examples, I will show how the competition state paradigm is associated with the reversal of the idea of social policy and how it casts the constitutions and social rights of these countries in a new light of what proponents of the paradigm regard as “economic facts”.

Obviously, it would be interesting and important to review the core ideas and actions of institutional actors, such as political parties, trade unions, government departments as well as various lobby groups, and coalitions. For example, the Finnish Ministry of Finance has been a rather powerful actor playing a key role in paradigmatic policy change. However, due to limitations in scope, this article focuses on the quality of core ideas informing policy change starting off from the observation that powerful institutional actors must adapt to these ideas if they wish to influence the policy-making process.

Finally, at the end of the article, I note that the economisation of social policy has been followed by recurrent crises and a frustration among the political electorate effectively channelled by populist parties. The analysis prompts us to rethink popular and academic notions of the Nordic model of welfare.

Neoclassical economics and the international competition state paradigm

In the area of social policy, economisation implies the gradual abandoning of notions of social justice (however defined) and rights as the basis of legislation and policy. Instead, social policy reform, besides social security benefit reform, becomes a means to faster economic growth and higher employment levels defined in terms of neoclassical economic ideas.

Neoclassical economics is a school of thought with origins in the work of the marginalists of the 1870s. A handful of economists, such as Leon Walras and Stanley Jevons, began to look for alternative approaches to Marxist economics and focused their attention on the micro-level of the economy and individual economic incentives.

Instead of reflecting on the concept of capital, alienation or the generation of surplus value, they discussed how marginal utility affects economic demand at the individual level and assumed economic actors seek to maximise utility, pleasure, and avoid pain (Syll, 2007, pp. 197–258).

After the 1960s and 70s, economists such as Milton Friedman and Edmund Phelps – now as a reaction to macro-level Keynesianism – built on the marginalists’ ideas and reflected on labour supply and demand and ways in which the labour market aspires toward equilibrium (Friedman, 1968; Phelps, 1967). When job search theory applied the concept of marginal utility in analyses of the ways in which firms hire workers (Pissarides, 1990; see also: Mortensen & Pissarides, 1999; 2006), an elaborated neoclassical framework for the understanding of labour markets was in place. Consequently, international organisations such as the OECD, the World Bank, and the EU – backed up by think tanks funded by organised business interest – could develop a policy paradigm and translated the economic ideas into the language of governance (Blyth, 2002; Jessop, 2002).

According to this paradigm – let us call it “the competition state paradigm” because it aims at securing national economic competitiveness – in order to promote employment and economic growth, governments should adhere to five imperatives (see also: Layard et al., 1991):

- Income taxes should be as low as possible;
- Social security benefit levels should be as low as possible and coverage should be minimal;
- Wage setting should occur at the individual level instead of the collective level;
- Employment protection legislation should be as relaxed as possible;
- Governments should implement administrative measures to increase the labour supply.

There were two key concepts crystallising the logic: structural unemployment and inflation targeting. Structural unemployment may occur if labour market structures, such as the tax-benefit system maintain the wrong incentives to take up work. Structural unemployment, also known as the Non-accelerating Inflation Rate of Unemployment (NAIRU) may not be reduced by demand management without an increase in inflation. Therefore, according to the international competition state paradigm, the only remaining measures to combat unemployment are the five imperatives listed above. Macroeconomic policy should target a certain inflation rate by managing the money supply. Usually, the desired inflation rate is considered to be around 2%.

This competition state logic typically goes hand in hand with austerity, the effort to maintain a balanced state budget regardless of economic cycles (Blyth, 2013) and New Public Management, the idea that public sector organisations should be managed like private, for-profit companies (Clarke et al., 2007). With origins in business economics, the idea of New Public Management is associated with performance indicators as well as efforts to measure and quantify output, and productivity in the public sector.

Hence, the question arises: what is the relationship between ideas of social justice and the ideas of the competition state paradigm? The imperatives listed above are matters of legislation and they are regulated by the state. What is the purpose of the state? To maintain justice or economic competitiveness?

In the history of the modern welfare state, specific legal and economic ideas accompanied political reforms. Legal ideas of equality, justice, wider citizenship, and social life were associated with policies aiming to level out opportunities to participate in economic and social life. Such ideas were compatible with economic ideas of full employment, redistribution of resources, and demand management, for instance. Full employment as an economic goal thus complemented legal ideas of social justice and social policies aiming at the redistribution of resources and equal access to public welfare services. This type of relationship between legal and economic ideas was also associated with emancipatory societal development (Kananen, 2014; Kananen, 2024), whereby prevailing hierarchies and class structures were replaced by a new social order.

From another – perhaps Marxist – perspective, legal ideas and institutions can also be seen as a counterbalance to the capitalist market economy. Classical social policy was very much about balancing the exploitative and commodifying tendencies of capitalist production, which relied on competition between producers, accumulation of capital, and the availability of a willing and able bodied work force (Polanyi, 1944; Esping-Andersen, 1990)³.

The economisation of social policy alters, however, the balance between legal and economic ideas and the former become subordinated to the latter. In order to demonstrate this in more detail, I have chosen to look at the Danish and Finnish cases because these countries have been active in carrying out practical labour market reforms since the 1990s (for a summary of labour market reform in Sweden, see: Sørensen, 2009, pp. 241–246). Denmark attracted international attention due to its “flexicurity” (a combination of flexibility and security) model and Finland is a good comparative case in relation to Denmark as it is of a similar size and shares a similar tradition of aspiring towards the egalitarian Nordic model of welfare with distinct notions of social justice as the basis of legislation.

Like in other Nordic countries, social security benefits used to be generous and comprehensive in Denmark. However, over the past decades, the criteria of unemployment insurance and income support became stricter, while the coverage weaker and sanctions tighter.

Key reforms in the Danish labour market and social policy over the recent 20 years include:

- 1997 Act on Active Social Policy;
- 1998 Revised Act on Active Labour Market Policy;
- 2003 “More People in Work” Reform;
- 2010 Unemployment Policy Reform;
- 2014 Social Assistance Reform;
- 2018 “Ghetto Package”.

The list is not exhaustive (for related reforms, see: Kvist & Harslof, 2014 and Bredgaard & Madsen, 2018), however, it suffices to show that Danish reforms have followed the five competition state imperatives listed above, distancing Danish social policy from the traditional Nordic welfare model with every reform. More recently,

³ Pauli Kettunen noted that social policy was not a counter balance to capitalist wage work but rather enforced its historical development (Kettunen, 2008).

welfare chauvinism has strengthened considerably in Denmark and immigrants have been identified as a moral underclass in need of excessive penalisation and control (Milman, 2022).

This makes Denmark an interesting case concerning the economisation of social policy and the relationship between economic and legal ideas in policy-making.

Key labour market reforms in the Finnish context include:

- 1997 Social Assistance Act;
- 2001 Act on Rehabilitative Work Activity;
- 2010 Revision of Social Assistance Act;
- 2013–2014 Reform of Unemployment Insurance;
- 2018 Reform of Unemployment Insurance (“Activation Model”);
- 2021 Reform of Unemployment Insurance (“Nordic Job Search Model”).

Like in Denmark, these reforms progressed along the path established by the competition state paradigm. They implied weaker coverage of benefits and more stringent compulsion, and conditionality. One example is what is called the “activation model” (*aktiivimalli*), a workfare policy reform which was implemented in the beginning of 2018. The reform implied a shift of administrative burden from labour market offices to the unemployed, who were given a responsibility to participate in workfare measures or in paid work for at least five days during a period of 65 days regardless of availability of work or activation measures. The responsibility was, in accordance with the principles of the competition state paradigm, backed up by sanctions. This policy was slightly modified by the centre-left government in 2021 as the number of job applications became a central criterion but the essential components of workfare remained in place. The most recent Finnish majority government since 2023 consists of a coalition between the right-wing party and the populist party with a coalition agreement influenced by the competition state paradigm stronger than ever before.

Legal and economic dimensions of Danish Labour Market Reform: the Constitution as a burden

Jamie Peck argued that in the Nordic countries, workfare was about “(re)investment in human capital” in a context of generous social provision and a commitment to full employment (Peck, 2001, pp. 74–75). This statement is in line with regime theory, which clearly distinguishes between the US/UK type of liberal welfare regime with a focus on social assistance and a Nordic/Social Democratic type of welfare regime with a focus on universal social provision and redistribution of income.

My impression is that there is only one kind of workfare: that which originated in the US in the 1980s (see also: Adkins, 2018, p. 186). The logic of workfare – detailed by Peck in his analysis of the US – is opposite to the logic of the traditional post-war Nordic welfare regime. Instead of adapting workfare to Social Democracy, the Nordic countries abandoned the core principles of their welfare model the more activation and workfare reforms progressed (Kananen, 2014; see also: Torfing, 1999; Larsen & Andersen, 2009). Adopting the competition state paradigm as the framework of social

and economic policy also implied giving up full employment as a political priority.

Hans E. Zeuthen was a leading intellectual with a key role in establishing the competition state paradigm in the Danish debate. Born in 1936, he chaired an influential state committee (what was called the Zeuthen Committee) in the early 1990s. Danish labour market reforms during the 1990s progressed along the ideological path established by this committee (Ministry of Finance, Denmark, 1992).

Hence, Zeuthen's ideas about labour market policy are of general significance, which underlined by the fact that the competition state paradigm was the single source of economic rationale with regard to labour market reform. Had there been multiple competing rationales, Zeuthen's ideas would obviously not be as relevant and significant as they currently are.

In terms of the relationship between the legal and the economic it is, therefore, interesting to look at the way in which Hans E. Zeuthen consolidated the rationale for labour market reform. In 2005, he stated that:

There is little doubt that long-term passive subsistence that is the payment of unemployment benefits or social assistance for a long period of time, many times will increase structural unemployment. Attained qualifications will become outdated and productivity will be reduced in many cases when one has not been on the labour market for a long period of time. Therefore, it is in the interest of both the individual and society that an individual's 'value' in the labour market is not strongly reduced. That is why it is quite logical that there are rights and obligations in this area and it is also fairly widely accepted (Zeuthen, 2005, p. 206).

Zeuthen's usage of the terms "passive subsistence" and "structural unemployment" is directly derived from the competition state paradigm. The practical argument one must infer from this reasoning is that the duration of unemployment benefit should be shorter – an argument followed through in Danish labour market policy.

Most interestingly, from the point of view of the relationship between the legal and the economic, Zeuthen subordinates changes in the balance of rights and obligations, including the introduction of sanctions for non-compliance under the economic logic ("That is why...", last sentence in the quotation above). Rights and obligations are there – not to express any sense of justice – but to retain the "value" of an individual job seeker.

On combatting "structural unemployment" Zeuthen goes on stating that: "It is difficult to deny that structural unemployment would probably be lower if wages to a larger extent, both in the shorter and the longer term, reflected existing differences between employees' qualifications and productivity" (Zeuthen, 2005, p. 209).

Demanding that wages reflect differences in personal productivity (however that is measured) is in direct conflict with the traditional rationale of the Nordic welfare state, which sought to ensure equal pay for equal work. Zeuthen suggests instead that two persons doing the same job could be paid differently if their "productivity" was different.

After a thorough presentation of the benefits of neoliberal labour market policy (Zeuthen does not use this term), Zeuthen ends his article with a powerful statement on the relationship between the legal and the economic:

Recently, there has been much debate about the forthcoming problems associated with a declining workforce as a consequence of the demographic development. [...] To do something about it is by no means easy with our demand that the paragraphs of the constitution regarding social assistance should be interpreted in a way that benefits should grant the possibility for a decent standard of living. But as there is not much indication that the development will stop by itself, something needs to be done⁴ (Zeuthen 2005, p. 215).

It is not difficult to interpret this statement assuming that Zeuthen presents and represents the competition state paradigm in the Danish context. He is referring to population ageing (“the demographic development”) and the reduction of the labour force in size. The competition state paradigm provides the rationale for solving associated challenges regarding employment and economic output, however, according to Zeuthen, the problem is the constitution that seeks to secure a decent standard of living for everyone. Zeuthen implies in a subtle way that, irrespective of the constitution, social assistance and unemployment benefit *should not* provide a standard of living that is acceptable because otherwise people would not actively look for jobs but rather stay on benefits.

The ideas of Hans Zeuthen not only reflect the influence and dominance of the competition state paradigm in Denmark but also the relationship between the legal and the economic in Danish debates. The legal dimension appears subordinated to the economic logic.

Another case in point is the discussion about “flexicurity”, a key concept used particularly in connection with Denmark. “Flexicurity” is used synonymously with the Danish unemployment policy and is often presented in a positive way: “In the mid-2000s, Danish flexicurity achieved celebrity status for combining (1) a flexible labour market with low levels of job protection, with (2) generous – in international comparison – unemployment benefits, and (3) strong activation and education policies” (Bredgaard & Madsen, 2018, p. 3).

From one perspective, this kind of understanding of “flexicurity” seems contradictory to the international competition state paradigm because it is associated with generous unemployment benefits. However, looking at the trend of Danish labour market policy reform, there was actually no contradiction between competition state imperatives and Danish labour market policy. Benefit generosity eroded along with every wave of reform. Therefore, the effect of the debate around “flexicurity” was such that the concept and associated debates contributed to consolidating and legitimising the economic rationale of labour market policy (for the debate on “flexicurity” see: Bredgaard & Madsen, 2015).

The concept of “flexicurity” was immensely powerful, and part of its appeal was an associated promise of compromise between neoliberalism and traditional values of the Nordic welfare state. In the early 2000s, many commentators described how “the bumblebee keeps flying” (see: Nannestad & Green-Pedersen, 2008) referring to economic success in the 1990s in spite of relatively high unemployment benefits. In

⁴ Translation from Danish to English by the author.

this metaphor, generous unemployment benefits made the bumblebee of the Danish economy fat and in theory, i.e., according to the neoclassical doctrine, it should not have grown but it did.

Eventually, the faith in the capacity of the bumblebee to keep flying was shaken and benefit eligibility criteria were tightened, and replacement rates fell. In other words, the security element of “flexicurity” eroded and ideas of flexibility have informed policy reform.

In 2010, the maximum duration of unemployment insurance was reduced from four to two years. The reform was achieved by an agreement between the minority government and the Danish People’s Party (Dansk Folkeparti) and the agreement stated that:

The maximum duration of unemployment benefit will be reduced from four to two years. Experience from similar reforms in the 1990s shows that a reduction in the duration of unemployment benefit increases job search activities and contributes to a quicker definition of preferences among the unemployed. [...] It will be implemented together with a harmonisation of criteria for renewed eligibility of unemployment benefit and a longer period according to which the rate of unemployment benefit is calculated. These proposals will result in higher employment (Ministry of Finance, 2010, p. 11).

The quote shows that the rationale for shortening the maximum duration was that it would increase employment rates. The reform would imply a change in the balance between legal rights and obligations but again, like in previous reforms, it was justified by the competition state paradigm, according to which unemployment benefits should be minimal (see list of five imperatives above). Legal arguments were not a driving force in the reform.

In 2014, the government reached an agreement over reforming the social assistance system, and reduced benefit rates particularly for young people. The government justified the reforms by arguing that they would increase incentives to take up education. In addition, it wanted to “combat the culture of passivity” (Coalition Agreement, 2013, p. 7) among social assistance users. Among the new administrative categories invented for the reform was *nytteindsats* a form of subsidised employment in the public sector which was, in line with previous workfare policies, presented to social assistance recipients as “offers they could not refuse” (Lodemel & Trickey, 2001). In other words, refusal to participate in *nytteindsats* would lead to sanctions and a withdrawal of social assistance.

Blurring the difference between unemployment and employment (Adkins, 2018) the term *nytteindsats* is interesting as it describes the rationale of workfare. *Nytte* means ‘utility’ or ‘being useful’. *Indsats* means ‘effort’. Therefore, the impression one gets from the term is that social assistance recipients need to adhere to benefit administrators’ demands in order to be active and useful members of society. The new administrative category is also a clear example of efforts to distinguish between deserving and undeserving poor (see also: Wacquant, 2009).

Anticipating a discussion on the culture of activation, Jørn Henrik Petersen described Danish politics during a time in which discipline was the main goal of social policy:

The political rhetoric has further had the side-effect that people talk without batting an eyelid about those who sponge, cheat, and abuse societal benevolence and that the needy are seen as inept and lazy idlers who are not only unable but unwilling to work, preferring to live at the hard-working taxpayers' expense. They are simply seen as a 'burden to society' whose disappearance seems to be the eventual aim of so-called welfare policies. The needy are not, as in former days, objects of pity and compassion. Rather they are turned into objects of resentment and anger. The adoption of the competition state paradigm as a belief beyond doubt means that the welfare state is on the defensive and that ethical thinking is experiencing hard times (Petersen, 2015, p. 160).

Portraying people in vulnerable life situations as responsible for their own situation and “lazy idlers” could be interpreted as a logical consequence of the reasoning embedded in the competition state paradigm. Such reasoning reverses the traditional ideas of the post-war Nordic welfare state, including efforts to widen citizenship rights.

This development took a new qualitative turn in 2018 when what was called the “Ghetto Package” was enacted. Along with this reform, immigrants and asylum seekers were singled out as the moral underclass in need of penalisation and control (Milman, 2022). In public debates, the work ethic of immigrants was questioned and they were portrayed as a financial burden on the welfare state.

Thus, we witnessed a development whereby the economisation of social policy led to the erosion of social policy, which fuelled tension and frustration articulated as xenophobia. Political elites exploited this xenophobia by deepening the hierarchies of Danish society and by creating a new underclass based on ethnicity.

Legal and economic dimensions of Finnish Labour Market Reform: “Now we must think of all our fellow human beings as free riders”

There is one Finnish policymaker, whose role in the political debate corresponds to that of Hans Zeuthen in Denmark. Before coming back to Finland in 2012, Juhana Vartiainen acted as Director of the Swedish National Institute of Economic Research (Konjunkturinstitutet). In Finland, he took an active role in the public debate – first, as Director of Finnish Institute of Economic Research (Valtion taloudellinen tutkimuskeskus), and later, as a Member of Parliament representing the right-wing National Coalition Party (Kokoomus).

Frequently cited in the media, Vartiainen has a prominent role in the Finnish public debate. He is credited for having first explicated some central premises of the Finnish competition state paradigm since coming back to Finland in 2012, particularly, the aim to increase the supply of labour. As the above list of key reforms suggests, the competition state paradigm had been pivotal to Finnish labour market policy already before, but reform had occurred by stealth, without public debate. Politicians and key

office holders had argued publicly that reforms originating in the recommendations of the competition state paradigm were “necessary to maintain the Finnish welfare state” and thus remained silent about the true rationale of policy reform. By publicly advocating the competition state paradigm, Vartiainen also explicated the practical arguments behind political reform.

Regarding cultural change Juhana Vartiainen remarked that:

Thus far social policy has been about improving benefits. When we must re-evaluate benefit levels and when we have included elements of compulsion in social policy, the political character of the welfare state changes and people will no longer feel only positively about it. This change challenges our notions about the way we are as human beings. [...] Now we must think of all of our fellow human beings as potential free riders. Perhaps this change could be compared to the well-known gangster movie scene ‘no more Mister Nice Guy’ where a previously polite villain or kidnapper suddenly starts behaving in a threatening manner. Suddenly the welfare state not only gives but also demands, and suddenly workers’ benefits are not only ‘improved’ but also tightened and made weaker (Vartiainen & Uschanow, 2017)⁵.

Here, Vartiainen is referring to the introduction of sanctions in social security policy. He explicates the representations of the human being and human relations underlying the competition state paradigm: human beings are potential free riders and we should think of our fellow human beings as being potential free riders. He thinks of the competition state paradigm as such a self-evident rationale of policy-making that he does not even need to justify it. He uses the phrase “when we must re-evaluate benefit levels”, and does not discuss whether there ever was a choice to do so. “Thus far” presumably refers to the period before the 1990s.

As in Denmark, the relationship between the competition state paradigm and the constitution became an issue. Vartiainen noted that:

[...] the constitution tends to slow down social change. This is already because the demand to act constitutionally places restrictions on possible reforms. In addition, interpretations about the constitution probably reflect interpretations made about a world at least 10 or 20 years ago (Vartiainen & Uschanow, 2017).

Much like Hans Zeuthen in Denmark, Vartiainen argues that demographic change creates a stronger pressure on state finances compared to 10 or 20 years ago. He refers to a key concept which is used in Finland to legitimate the ideas associated with the competition state paradigm, namely, “the fiscal sustainability deficit” (*kestävyyssvaje*). A frequently repeated official narrative states that demographic change and an ageing population in Finland implies that public spending must be reduced and “structural reforms” in accordance with the competition state paradigm must be carried out because of an increasing dependency ratio on the labour market (number of pensioners in proportion to working aged population). According to this narrative tax increases

⁵ Translation from Finnish by author.

are out of the question because they would reduce incentives to take up work and business profitability (cf. Sorsa, 2017).

In the quote, the phrase “social change” refers loosely to the changes framed as necessary in the narrative surrounding the “fiscal sustainability deficit”. According to Vartiainen, legal experts not quite understood the narrative as they keep on referring to the constitution and to citizenship rights.

In the Finnish constitution, there is a paragraph about the right to work and the right to choose one’s occupation. Regarding the right to work Vartiainen notes:

In a society with freedom to form contracts no one can have a ‘right to work’, simply because it needs another party who is willing to form a contract of work. Some people have such characteristics that no one wants to hire them (Vartiainen, 2016, January 7).

This nihilist representation of human beings where some people are worthy of employment while others are not, is arguably something that is built into the international competition state paradigm. While the paradigm is based on neoclassical economic theory, someone like Juhana Vartiainen, who represents the paradigm in political debate, must explicate the idea (or construct it discursively if you will) in order for it to become visible. In other words, Vartiainen does not just voicing personal preferences but manifesting the practical arguments driving policy reform in Finland, Denmark and arguably in the rest of the Western world where the competition state paradigm is influential.

A seed of contradiction exists between the competition state paradigm and the UN Declaration of Human Rights (UN, 1948) as in the Nordic countries the former implied participation in activation under the threat of sanctions. Such activation measures may include subsidised work and, one could argue, work performed under the threat of a reduction of unemployment benefit, which is not in compliance with the first paragraph of Article 23 in the UN Declaration of Human Rights granting everyone the right to work and to free choice of employment (see also: Dean, 2007).

Similarly, the competition state paradigm may be in contradiction with the second paragraph of Article 23 as proponents of the paradigm argue that pay should be determined according to the “productivity” of each individual worker. Paragraph two of Article 23 states that everyone has the right to equal pay for equal work (UN, 1948).

Illustrating and exemplifying the contradiction between the constitution and the international competition state paradigm in Finland, Jorma Ollila, ex-CEO of Nokia argued that: “Legal experts interpret any reform as being against the constitution, regardless of economic facts” (Ollila, 2016).

The context of this statement was a negotiation between the government led by Prime Minister Juha Sipilä between 2015–2019 and the labour market parties, where the government threatened to use its legislative powers to reduce the price of labour (for an account of the negotiations, see: Adkins et al., 2017). Legal experts reacted against this threat. According to Jorma Ollila, who has a prominent position in the Finnish political debate like Juhana Vartiainen, economic facts demanded individualised wage setting and economic competitiveness – corresponding to the

imperatives of the competition state paradigm. The title of his article in the leading Finnish daily newspaper Helsingin Sanomat was “Finland is on the brink of an abyss”.

In the beginning of 2018, the Finnish government implemented a new, stricter model of workfare known in popular discourse as the “activation model” (*aktiivimalli*). In the relevant bill, the government justified the reform by stating that it will increase incentives to take up work and presented a rationale perfectly in line with the competition state paradigm (Government Bill HE 124/2017 vp). The government took for granted that the reform would increase employment by 5–12,000 persons per year and the government particularly wished to encourage the take up of temporary and part time work.

In Finland, there is a tradition of consensus-seeking and tripartite negotiations between government, trade unions, and employers concerning labour market issues. When preparing for the activation model, the government tried to negotiate with the labour market parties but could not ensure trade union support for the reform⁶. As a consequence, the trade unions, encouraged by a citizens’ initiative, organised mass protests against the activation model in early 2018 and the issue of activation was widely politicised.

On the podium, in front of a crowd demonstrating against the activation model Juhana Vartiainen stated that: “The higher the level of unemployment insurance, the more conditionality it requires. If there were no conditions in our unemployment insurance, the level would be lower than it is today” (TheBeamStar, 2018) In other words, Vartiainen tried to explain the logic of the competition state paradigm to a demonstrating crowd.

For a long time, Finns lived with the self-understanding of inhabiting a Social Democratic Nordic welfare state and the open neo-liberalism of the government led by Prime Minister Sipilä, therefore, caused confusion and bewilderment. Adkins et al. showed how the “Competitiveness Pact” designed by the government in 2015–2016 was in fact a devaluation of wages although it was publicly framed as a necessary response to increasing public debt and declining international competitiveness (Adkins et al., 2017). Adkins et al. conclude that:

[...] current reform commands Finnish citizens to give up forms of state protection (i.e., in regard to wages) and sacrifice themselves to the whole in order to maintain the productivity, growth, fiscal stability, credit rating and competitiveness of nation. Confronting the organised devaluation of the price of labour, therefore, entails coming face to face not only with the ongoing reform of the state but also with the turning inside out of the social contract (Adkins et al., 2017, p. 696).

The centre-left government led by Prime Minister Antti Rinne and Prime Minister Sanna Marin did not fundamentally deviate from the path of workfare established by previous governments. The minor reforms of 2021 changed the terms and conditions of sanctions to some extent but the logic of workfare and the underlying neoclassical economic rationale remained intact. Most recently, the current right-wing government

⁶ At the same time, the union for Finnish white-collar workers (*Toimihenkilökeskusjärjestö STTK*) was involved in designing the “activation model”.

continues along the path indicated by the competition state paradigm with aims at odds with the constitution.

Conclusion

An economic rationale, here termed the competition state paradigm has dominated social policy reform since the 1990s. Labour market reforms in advanced welfare states are justified with reference to the economic logic derived from the competition state paradigm and typically, no separate legal rationale is presented. There is seldom any reference to fundamental sense of justice in connection with labour market reform and legal arguments, for instance, concerning benefit recipients' obligations are typically derived from the logic of the competition state paradigm, which concerns economic growth and employment.

The dominance of the competition state paradigm implied an economisation of social policy, which used to be concerned about balancing the capitalist market economy through the widening of social citizenship rights. Strikingly, the paradigm gradually transformed the established welfare models, such as the Nordic welfare model, which used to be associated with ideals and goals such as solidarity, redistribution of income, generous social security benefits and progressive taxation. In the process, our perceptions about the quality and distinctiveness of the Nordic welfare model are challenged (cf. Partanen, 2017; Dorling & Koljonen, 2020)

In the past, when legal and economic ideas and arguments were more in balance, welfare states contributed to a relatively stable and balanced development associated with democratic openness. The current development is anything but stable – characterised by recurrent crisis in the areas of health, economy, environment, politics, security, global mobility, and most recently, international relations. It appears that the culture emerging after three decades of economisation is more prone to crises compared to the period of relative stability during the decades after World War II. This article has demonstrated some of the endogenous, internal aspects of this crisis prone development – aspects that are related to our choices, beliefs, values, and actions as opposed to exogenous, external circumstances beyond our immediate control.

As demonstrated in this article, the competition state paradigm clashed with the constitutions in Denmark and Finland. Leading representatives of the paradigm, Hans Zeuthen in Denmark and Juhana Vartiainen in Finland argued that the competition state paradigm should be regarded as authoritative in relation to the constitution, which in both countries seeks to guarantee minimum social protection and fundamental rights regarding employment. The competition state paradigm urges governments to cut taxes and reduce levels of social security benefits, which increases hierarchies and inequalities in the labour market. Immigrants are constructed as a new moral underclass in need of penalisation and control. At the same time, xenophobic far-right political powers gain influence.

Loic Wacquant pointed to a paradox of “small government” in the economic register (deregulation of labour markets and capital) and “big government” in the twofold frontage of workfare and criminal justice (Wacquant, 2009, p. 308). This

paradox appears to apply to the Nordic countries as well but there is one important difference between US and the Nordic countries. Whereas the US ideologues, such as Charles Murray and Lawrence Mead articulated the moral logic associated with workfare, leading intellectuals in the Nordic countries, such as Juhana Vartiainen in Finland and Hans Zeuthen in Denmark departed from an economic rationale leaving open the question of legal or moral justification. Limiting public debate to matters concerning economic rationale effectively excludes lay persons from the debate thus undermining and preventing an open and democratic discussion about the values and ideas behind economic policy.

More recently, both in Denmark and Finland, this economic logic has been complemented by paternalist and moralist voices raised particularly against immigrants and asylum seekers, perceived as a threat to social order.

In his analysis of the transformation of the Danish policy paradigm, Stahl demonstrated how macroeconomic policies changed gradually in the 1980s and 1990s following international trends. The discursive, rational, and ideological justification for the reforms only came afterwards, when the new reform path was already established (Stahl, 2022). The situation was quite similar in Finland, where reforms in the 1990s were typically justified with pragmatic arguments. External events, such as the fall of the Soviet Union in 1989 and the financial crisis of 2008 apparently deepened and intensified the transformation, the origins of which are, as demonstrated in this article, more endogenous, i.e., the result of autonomous and deliberate choices in the realms of politics and culture (particularly academia). In future research, it would be interesting to compare the historical experiences of the Nordic countries with those in South America and Central and Easter Europe, where deindustrialisation of certain sectors of the economy was followed by reforms prompted by the competition state paradigm.

The collective self-understanding in the Nordic countries is yet to grasp the transformation of the Nordic welfare state into a competition state. Inequalities and precarious conditions of work – in addition to not being able to discuss the legal or moral premises of political decision making caused frustration among Nordic citizens who experience the domination and subordination associated with the competition state paradigm without being able to express it in political debates. This frustration was channelled by right-wing populists who exploit the irrationalities associated with this aggravation (Ruzza, 2018). Population groups oppressed on the labour market as a consequence of the implementation of the competition state paradigm turn against other population groups, most notably immigrants and asylum seekers. The forces of frustration and hatred, coupled with racist nationalism have created tensions with tendencies towards violence, creating a vicious circle.

Although this article deals with labour market policies, other policy areas are likewise affected by the competition state paradigm. In education there used to be a strong orientation in the Nordic countries to the central European idea of *Bildung* (ennoblement including moral/ethical development and ethical individualism). Education was supposed to be available for all on equal terms, as famously argued by Gruntvig in Denmark and Snellman in Finland in the 19th century. The competition state paradigm strengthened a tendency to instrumentalise the value of education as a gateway to economic production thereby subordinating education to the needs of

capitalist, profit-oriented corporations.

The dominance of the competition state paradigm and the economisation of social policy raises the question how it affects culture more generally. Amadae has noted that the idea of rationality embedded in the dominant economic understanding portrays human beings in need of control and penalisation (Amadae, 2016). Quite in line with this idea, the competition state paradigm represents people as “potential free-riders and lazy idlers whose productivity must be maintained by the threat of poverty” (freely interpreted from the quotes above). Such a representation – while creating the foundation of social structures – is more likely to contribute to anomy and hostile and inflammatory social relations rather than co-operation, integration, mutual respect, and informed dialogue. The most recent militarisation of public debate and consequent increases in military spending appear as logical consequences of this development.

The economisation of social policy, associated with shifts in public management and the dominance of the competition state paradigm was accompanied by cuts in social security benefits and cuts in public budgets. This led to increasing public and private debt as those in vulnerable positions on the labour market find that social security benefits do not cover the costs of living (on the problem of over-indebtedness, see: Hiilamo, 2018). In recent years, debt has been turned into a security tradable on financial markets fueling a development which scholars call “the financialisation of the economy” (Mazzucato, 2019; Adkins, 2018). The economisation of social policy is a crucial phase in this development whereby the productive capacities of entire populations are being tied to the generation of surplus value via financial assets (Adkins, 2018).

Thus far, the recurrent crises following the economisation of social policy have not resulted in a reconsideration of the position of the competition state paradigm as the dominant rationale for economic and social policy. The latest in the series of crises is the war in Ukraine, which has tremendous consequences for international relations. Finland quickly abandoned military neutrality and joined NATO in 2023. Several European countries have significantly increased military spending. Public discourse is loaded with rhetoric and images of the enemy. There is a real danger that the seed of violence endogenous to the competition state paradigm will result in an escalation of violent conflicts.

Acknowledging the endogenous aspects of societal development allows us to recognise our own role– not only when we create problems but also when we solve them. It is also possible to envision a future development in which the relationships between the economy, culture and politics are more balanced and where the dominance of one sphere no longer causes imbalances and crises. Academic social policy could, e.g., engage in a critique of the economic rationale associated with the competition state paradigm thus paving way for a more balanced development. Such a critique would have to be founded on an alternative way of understanding the purpose and essence of the economy.

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How Nordic solidarity failed the COVID-19 test: uncoordinated pandemic responses and the decline of Nordic health cooperation

Abstract

The inability of Nordic governments to coordinate their COVID-19 pandemic responses on social distancing and travel restrictions has puzzled observers and raised concerns for the future of Nordic cooperation. However, little academic attention has been directed so far to the collective Nordic response to the pandemic. In the first comprehensive account of Nordic health coordination and cooperation during the pandemic, this article investigates a paradox: how did one of the oldest regional units in Europe, with the current ambition of becoming the “most sustainable and integrated region in the world in 2030”, become one of the most inconsistent and divided once the pandemic hit? This paper argues that the recent developments have roots in the overall decline of the Nordic regional model. Increasingly based on broad commitments and informal coordination, Nordic solidarity has shown its limits in a time of crisis – leaving the Nordic project on the brink of marginalisation between the domestic and European levels.

Keywords: Nordic countries, Public Health, Coordination, Cooperation, COVID-19 response

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1. Introduction

As all European countries were grappling with the COVID-19 pandemic, the Nordic region stood out as a paradox. It was on average less impacted by the virus than the rest of Europe. Yet, the region faced this global threat in a scattered way and Nordic cooperation as a political project – one of solidarity, trust, and cooperation – has been uniquely destabilised by the handling of the pandemic. On September 25, 2020, Anders Tegnell, the then Sweden’s state epidemiologist, was asked by a reporter to reflect on the way Nordic countries had handled the COVID-19 pandemic up to that point:

Reporter: *As the situation has developed, would it have been better to have a common Nordic coronavirus strategy?*

A.T.: *Yes, it probably would have been. But it is not always easy to have a common strategy. Things look very different in each country, with different ambitions and levels, so unfortunately, it did not work out this time. Let’s hope we can do better next time.*

Reporter: *So, there are things to learn for the next epidemic?*

A.T.: *Yes, you hear from many that more collaboration would make life easier².*

The Swedish state epidemiologist has been otherwise one of the most controversial figures of the pandemic, however, his casual and dismissive answer on the Nordic cooperation is illustrative of a wider sentiment amongst Nordic policymakers and observers. To be sure, the lack of unity and solidarity across the regions has been almost unanimously lamented, and its potential long-term consequences have roused passionate discussions but interest in understanding how and why Nordic countries failed to work together more efficiently on public health and preparedness has remained surprisingly low. As if this outcome was inevitable. Some actors quoted by Creutz et al. (2021, p. 100) have even argued that Nordic cooperation was simply not to be expected for crisis management and public health policies. While is true that those policies are, like most, primarily the responsibility of national and local governments, Nordic health cooperation dates back to the early days of Nordic cooperation and has contributed to the shaping of similar and interconnected national health systems (Davesne, 2017). Pandemic preparedness has furthermore been highlighted as a priority by the Nordic Council of Ministers in recent years. Admittedly, even with this background, no sensible observer would go as far as to expect from a group of sovereign countries to hastily adopt a common pandemic strategy, pull resources together, or seamlessly harmonise their social distancing decisions amid such crisis but some degree of Nordic unity was to be expected. In the first weeks of the pandemic, a certain confidence even reigned in the Nordic circles regarding the ability of Nordic cooperation to generate pragmatic solutions, as expressed by the Foreign Minister of Norway Ine Eriksen Søreide: “We [...] have a long tradition of helping each other. In this crisis, Nordic solidarity and unity give us strength”

² Extract from *Dagens Nyheter* (2020, September 25). English translation by the author.

(Norwegian Ministry of Foreign Affairs, 2020, March 17). It seemed indeed reasonable to assume that highly interconnected small countries would be more likely to quickly coordinate and unite against a sudden threat such as a pandemic. Nordic states have developed a specific model of regional cooperation based on limited harmonisation and dense politico-administrative networks. Comparing Nordic cooperation to the European Union would thus be misguided. Yet, the collective Nordic response to the pandemic appears underwhelming even correlated to that of the Baltic countries, despite stronger regional networks and more established regional institutions. So why did Nordic countries struggle to react in a coordinated and cooperative manner to the COVID-19 pandemic?

The bulk of the emerging literature on COVID-19 policies in the Nordic region focuses on single-country studies (Kavaliunas et al., 2020; Ludvigsson, 2020; Pierre, 2020) or compares policy responses and epidemiological indicators with the specific purpose of establishing which national strategy was the most efficient (Yarmol-Matusiak et al., 2021; Saunes et al., 2022; Helsingen et al., 2020; Andersen et al., 2020; Greve et al., 2020). Studies addressing the Nordic dimension of the crisis have been focused mostly on assessing the impacts of border closures (Hansson & Stefánsdóttir, 2021; Creutz et al., 2021; Etzold, 2021; Giacometti & Wøien Meier, 2021; Wøien Meijer & Giacometti, 2021). Yet no study has so far provided a detailed and comprehensive analysis of both the national and Nordic responses to the pandemic and their implications for our understanding of regional integration and multi-level health policymaking in Northern Europe.

This article adopts a distinctively Nordic perspective and builds an analytical framework which articulates formal cooperation and coordination of domestic policies. Our framework is informed by the golden age of Nordic cooperation in the 1950–1970s when coordinated domestic reforms and formal cooperation initiatives fuelled each other. Our account challenges recent arguments according to which Nordic cooperation is “alive and kicking” despite a decline in formal cooperation and still thrives through informal networking and soft coordination among national administrations and stakeholders (Stie & Trondal, 2020). We suggest that the difficulties encountered cannot be solely blamed on the unique challenges posed by the pandemic. They are the symptoms of a weakening of Nordic regionalism regarding cooperation through formal institutions, as it has been widely acknowledged (Olesen & Strang, 2016, p. 28) but also affecting informal policy coordination mechanisms. The article further argues that superficial policy exchanges and non-cooperating practices further marginalised formal Nordic institutions (Olsen & Sverdrup, 1998) to the point of having little to no relevance in the handling of the pandemic (Etzold, 2020, p. 17).

The study focuses on the four continental Nordic countries (Denmark, Finland, Norway, and Sweden) which are all comparable in size, and share a land border – or a bridge crossing – with at least one Nordic country. Official policy documents from the selected countries and Nordic institutions have been analysed to trace the content and timing of national restrictions and Nordic initiatives (official investigations, legislative acts, parliamentary debates, speeches) as well as relevant newspaper articles.

2. Divergence, distrust, and closure: how uncoordinated COVID-19 strategies weakened Nordic solidarity

Convergence, mutual trust, and open borders (also referred to as “deborderisation”) are pillars of the Nordic coordination model. A detailed analysis of the handling of the pandemic by national authorities has laid bare limitations and vulnerabilities in all three respects. Usual soft coordination mechanisms such as mutual learning, sharing expertise through informal networks and seeking policy inspiration from close neighbours (Læg Reid & Rykkja, 2020) were unable to foster convergence at the outbreak of the pandemic and, as national strategies solidified, were partly supplanted by more competitive relations exacerbated by unprecedented international scrutiny. Uncoordinated social distancing responses led to equally uncoordinated, confusing, and at times contentious border control decisions. While Sweden has been an obvious outlier throughout the pandemic, discrepancies in the timing of key decisions, unilateralism, and a general lack of interest in coordinating national strategies have been a dominant feature of all national responses.

2.1. Diverging and uncoordinated responses: a comparison of Nordic social distancing strategies

The first case in the region was recorded in a resort in the North of Finland on January 29, 2020. All Nordic countries took nationwide measures to tackle the growing infection in the middle of March 2020, shortly after the World Health Organization had declared COVID-19 a pandemic. The Finnish Prime Minister activated a national emergency law for the first-time during peace on March 16, giving the government extended powers (Finnish Government, 2020, March 16). Norway and Denmark passed similar laws days later. Only the Swedish government refrained from passing an emergency law in the first month of the pandemic, citing constitutional differences with its neighbours³.

Overall, Nordic social distancing strategies differed in terms of objectives, instruments, and timing. Two fundamental objectives have been identified in the literature: mitigation, which focuses on slowing down epidemic spread, reducing peak healthcare demand while protecting those most at risk, and suppression, which aims to maintain low case numbers for as long as possible (Kavaliunas et al., 2020, p. 598). The Swedish approach was closer to the first strategy while the other three countries applied the latter. Different policy instruments were also used, with Sweden mostly relying heavily on voluntary compliance and individual responsibility instead of mandatory regulations. Finally, significant differences in the timing of social distancing measures have been observed. Whenever Sweden resorted to more stringent measures, these decisions have been delayed or more gradual, as opposed, for instance to Denmark which was in many respects an early mover (Seeing et al., 2021, p. 2). These different trajectories were made particularly noticeable and politically sensitive due to the fact that Sweden had

³ A pandemic law was eventually passed by the Swedish Parliament in January 2021 (SOU 2021:89, p. 223).

significantly higher COVID-19 incidence (see: Figure 1), hospitalisation, and mortality rates than the three other countries for most of the period covered.

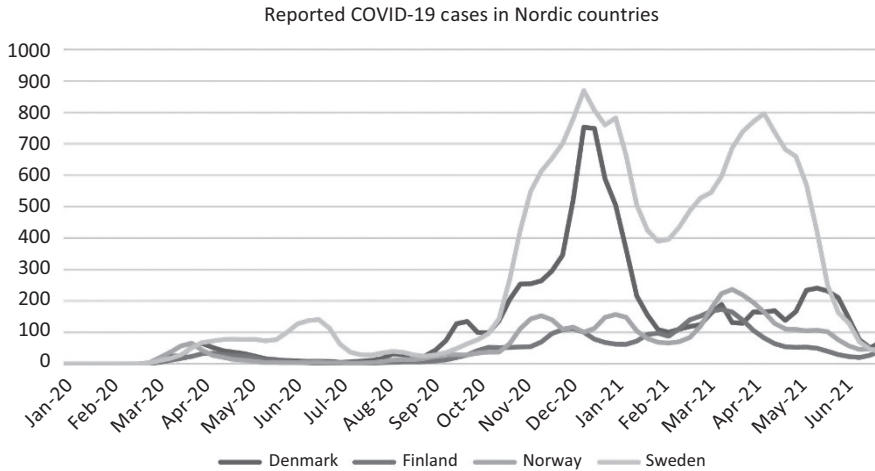


Figure 1. The 14-day notification rate of reported COVID-19 cases per 100,000 population (Source: ECDC)

The lowest common denominator: remote work recommendations

Provisions to encourage remote work were relatively uniformly implemented by Nordic governments. On March 10, 2020, the Norwegian authorities required all non-critical public sector employees to work from home and asked the private sector to implement it as much as possible (NOU 2021:6, 2021, April 14, p. 127). Denmark and Finland followed suit a few days later (Danish Parliament, 2021, p. 206). The Swedish Public Health Agency also encouraged people to work from home and issued a directive to allow non-essential public employees to work remotely a few weeks later (SOU 2021:89, 2021, p. 91). In all four countries, the recommendations were shortly paused, and reinstated when the “second wave” of the pandemic hit in the fall of 2020. The Swedish Statistics Office estimated that 40% of the workforce was working from home at the beginning of 2021 (SCB, 2021, May 20). Equivalent results were found in other Nordic countries (Eurofound, 2022, p. 12). Policy convergence was facilitated by the consensual nature of these measures (mostly recommendations) and the fact that the region was already amongst the most advanced in terms of remote work infrastructure (Randall et al., 2022). Looking at other social distancing measures, however, consensus on remote work appears to have been an isolated rather the result of a coordinated crisis management response.

Nordic tensions over school closures

Highly digitalised Nordic countries also easily turned to remote teaching for upper secondary schools, universities, and other adult education institutions during the pandemic (Hall et al. 2022, p. 3; OECD, 2021). However, national decisions dealing

with compulsory school closures have been much more controversial – sparking heated domestic and international debates.

Denmark and Norway closed schools on March 12, 2020. Two days later, the Finnish government also decided to enforce distance learning for all levels except for grades 1–3. Sweden introduced distance learning in upper secondary schools but did not implement compulsory school closure during the pandemic, despite a temporary law making it possible in March 2020 (Swedish Parliament, 2020). The Public Health Agency stressed early that such measure lacked scientific evidence and was not warranted given its potential negative effects on younger children (*Dagens Nyheter*, 2020, March 13). Up until the end of 2020, Swedish authorities even refrained from advising pupils to stay home if someone in their household had COVID-19. Given the divergence between Sweden and its neighbours, the Nordic dimension became an integral part of domestic debates. While publicly striking a defiant tone, Swedish authorities were uneasy with their isolated position. Some Swedish officials reportedly attempted to sway Finnish authorities to their approach, an effort that was poorly received according to Finnish sources cited by Mörttinen (2021).

Regardless, most Nordic experts converged towards the Swedish position on school closures, as concerns for the well-being of children mounted (*Aftenposten*, 2023, May 30). Denmark became the first European country to gradually reopen elementary schools in April. Contact teaching for young children resumed in Finland a few weeks later. Norwegian schools were allowed to reopen for 1–4 grade pupils under the condition that all pupils are not at school at the same time (Norwegian Government, 2020, April 17). During the “second wave” of the pandemic in the winter of 2020–2021, the Swedish government extended distance learning options to lower secondary schools but remained opposed to comprehensive compulsory school closures. This time around, Norway and Finland followed a similar approach, albeit with temporary exceptions in areas or schools with high infection rates. Denmark was the only country to enforce significant primary school closures from December 2020 to February 2021 (Hall et al., 2022, p. 13).

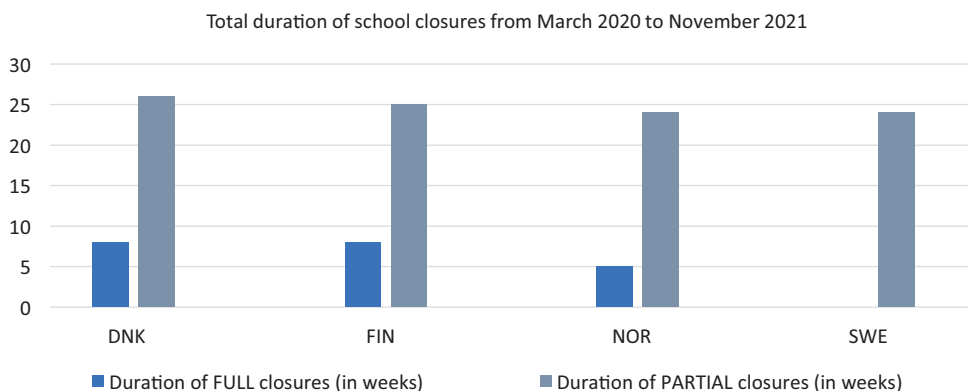


Figure 2. Primary schools closure (Source: UNESCO global dataset on the duration of school closures)

All over the place: limits on crowds and public gatherings

In the first days of the outbreak, a specific event caught the attention of Nordic media and became a symbol of the growing inconsistency of Nordic responses. On March 7, 27,000 Swedish fans attended the annual song contest Melodifestivalen while its Danish equivalent Melodi Grand Prix was happening on the same day without any audience (*Dagens Nyheter*, 2020, March 16). The day before, Danish Prime Minister Mette Frederiksen had advised against events with more than 1,000 attendees (*Ekstrabladet*, 2020, March 6). On 18 March, an emergency law prohibited gatherings of more than 10 persons and implemented a partial lockdown of public venues such as restaurants, shopping centres and hotels (DR 17/03/2020). The Finnish government applied similar restrictions on the same day and asked the public to avoid spending unnecessary time in public places (Finnish Government 2020). The list of closed facilities was later extended. Norwegian authorities adopted the most stringent measures after few days of hesitation. On March 10, they advised the public to cancel or postpone events with more than 500 participants but two days later a shutdown of all indoor and outdoor events was announced by the Prime Minister. The same applied to all hospitality businesses except for restaurants where visitors could always keep at least one metre distance (NOU 2021:6, 2021, April 14, pp. 127–129). Swedish authorities were the most restrained in their approach to business closures. The cap for public gatherings was initially set at 500 people, as big events were deemed more likely to attract visitors from all over the country (*Dagens Nyheter*, 2020, March 12). It was lowered to 50 people at the end of March, leaving most shops, restaurants, and bars opened if they complied to serving restrictions (Swedish Government, 2020a). A temporary law passed on 18 April allowed the government to close such venues but it was never used and expired in July.

After a short relaxation of restrictions during the summer of 2020, all countries gradually tightened the rules again. In Denmark, the maximum number of people allowed to gather was again reduced to 10 until the end of February 2021 (Creutz et al., 2021, p. 23). Norway briefly postponed all public events in January, while private events were limited to 5 persons and serving alcohol was temporarily banned (Norwegian Government, 2021, January 4). Finland took a softer touch with a nationwide limitation of public gatherings to 50 people and temporary restrictions on opening and alcohol sales hours. The government instead started to focus on a differentiated set of recommendations depending on the epidemiological situation of regions and cities, as did Denmark in December 2020. Norway waited until April 2021 to adopt a similarly decentralised approach. Once again, Sweden stood out from other Nordic countries both in timing and intensity. The Swedish Public Health Agency raised the crowd limit from 50 to 300 in November 2020 – despite a deteriorating epidemiological situation. The decision was criticised by many experts and several regions refused to implement it. Only two days later, the limit was lowered to 8 people (Public Health Agency of Sweden, 2020, November 10). The Swedish government finally limited crowds in shops to a maximum of one person per 10 square meters in January 2021. However, controls were rare, and compliance remained uneven.

Overall, social distancing measures in Nordic countries remained comparatively less stringent than in other parts of Europe. No comprehensive curfew laws were for

instance imposed in Nordic countries during the pandemic (Saunes et al., 2021, p. 5). Only Denmark had a general mask mandate in October 2020 (*DR*, 2020, October 26) while Norway and Finland simply issued recommendations for wearing face masks in public. Regardless, the Nordic response was, to say the least, fragmented. With this brief overview of key domestic social distancing measures, a picture of two contrasting approaches in terms of objectives, instruments, and timing emerges. The Swedish authorities opted for a more relaxed strategy from the start and partially held on to it despite mounting political pressure and growing cases. Denmark, Finland, and Norway had initially a more hands-on crisis management approach, albeit with variations in both timing and intensity. They also followed a relatively similar trajectory, gradually adopting more flexible arrangements when the conditions allowed.

2.2. Insurmountable diversity or unwillingness to coordinate?

Variations across national policies, and specifically the diverging Swedish strategy, have attracted much attention from academics and observers. A culturalist approach suggests that different political cultures and social norms could explain, for instance, why recommendations based on individual responsibility had more sway in Sweden, where social trust is highly valued (Lindström, 2020, p. 3), or why Finnish citizens have been more accepting of strict measures in line with a certain “crisis mentality” (Creutz et al., 2021, p. 101). Linking policy decisions to essentialised national cultural differences is problematic on many levels, not the least because such arguments have been made by policymakers themselves to justify their own choices. A constitutional approach argues that different legal structures could account for the diverging strategies. The fact that Sweden had no constitutional provisions for emergency powers in time of crisis could have played a role in the early decisions of March 2020 (Ludvigsson, 2020, p. 2464). Yet, this explanation is only partial and national strategies fluctuated significantly. After claiming they could not, Swedish authorities did pass an emergency law, which they did not trigger, proving it was more of a political choice than a constitutional problem. An institutionalist explanation focuses more convincingly on governance, administrative autonomy and the role of public health agencies. The Public Health Agency led the national strategy, while its counterparts had to compromise and were occasionally overruled by cabinet decisions (Saunes, 2022, p. 424; Pierre, 2020, p. 480). The Danish government issued for instance travel restrictions that had not been recommended by the Danish Health Authority (Creutz et al., 2021, p. 101). The Norwegian COVID-19 inquiry also reported similar disagreements (NOU 2021:6, 2021, pp. 130–131) but overall there is no clear indication that the strategy of Norway, Denmark, and Finland would have been markedly different if their public health experts had the same influence as in Sweden.

None of these cultural or institutional differences can explain the intensity and scale of the variations observed between Nordic countries – nor can they explain why countries with relatively similar approaches also failed to coordinate their response. Our contention is that the weakening of Nordic coordination in the field of public health is the cause and not the consequence of divergence. The institutionalist hypothesis presented above assumes, for instance that national experts had similar recommendations and that the focus of investigations should, therefore, be the

mechanisms through which expert knowledge was translated into public policies. Yet, far from building a “Nordic epistemic community” (Kettunen et al., 2016, p. 69), national public health experts were not aligned in their approach to preparedness and crisis management despite regular exchanges (Creutz et al., 2021, p. 47). The formation of initial responses was, for instance informed by different risk assessments made by national experts prior to March 2020, in which the number of hospitalisations projected by the Norwegian Institute of Public Health was double the number calculated by their Swedish colleagues (*Dagens Nyheter*, 2020, March 27).

During the first weeks of the pandemic, different approaches between public health authorities went from going virtually unnoticed to making world news. Contrasting and comparing Nordic strategies became a major part of domestic debates, either to criticise or legitimate national decisions. Swedish officials justified their approach as evidence-based, rooted in individual responsibility, and preserved from political interferences (*Dagens Nyheter*, 2020, May 7), while some of their Nordic colleagues prided themselves on their pragmatism, collective responsibility, and responsiveness to a rapidly evolving situation (*Dagens Nyheter*, 2020, August 21). Efforts to dismiss reports about Nordic disagreements were often quashed by national experts themselves, most notably Swedes and Norwegians, who publicly quarrelled on their respective approach⁴.

Diverging and scattered domestic responses to COVID-19 relate to broader trends in Nordic policymaking. Firstly, close contacts between experts and administrative networks do not always translate into tangible policy coordination and often only created superficial consensus or “window-dressing” (Strangborli Time & Veggeland, 2020, p. 61). When an unprecedented and highly volatile crisis put immediate pressure on policymakers and civil servants to act, those close relations were simply not substantial enough to foster coordination. Secondly, closeness and interconnectedness within the Nordic region made uncoordinated responses both problematic and difficult to justify to the public – thus creating an incentive (mostly for Swedish health officials and politicians) to build a political rationale for what was at its core expert disagreement. Thirdly, and probably more profoundly, the handling of social distancing strategies shows how Nordic countries rely increasingly on competitive benchmarking practices in which national policymakers seek to promote their national “Nordic” model rather than participate in shaping the Nordic model (Kettunen et al., 2016, p. 69). During the pandemic health authorities and national politicians have become entrenched in defending their national strategies and seemed overall more interested on being proved right than on learning from their neighbours.

2.3. Border closures: how diverging and uncoordinated social distancing strategies undermined mutual trust

Domestic policy divergence and disagreements between public health agencies spilled over into a wider Nordic crisis when national governments started to unilaterally close their borders.

⁴ See: *Dagens Nyheter* (2020, August 28) and *Göteborgs Posten* (2020, September 17).

At the beginning of the pandemic, all Ministries of Foreign Affairs advised against any international travel that was not strictly necessary. As the virus spread in Europe, most Nordic countries turned to increasingly drastic border control measures. They initially carved exemptions for inter-Nordic border travels but did so in an uncoordinated manner since no “Nordic bubble” was ever instituted. Denmark was the first to ban incoming passengers arriving from high-risk areas on March 12, 2020, a decision that did not apply to Nordic countries (*DR*, 2020, March 10). However, only three days later the government closed its borders to all foreigners without a worthy purpose such as work (Danish Police, 2020, March 14). Norway and Finland came the closest to creating a coordinated Nordic scheme in March 2020. They both introduced a 14-day quarantine for individuals returning from abroad, with exemptions for people residing or working in border communities. However, neither Norway nor Finland included Denmark in these exemptions. From April 2020, the exemptions were gradually tightened, making cross-border travels increasingly difficult. Finland limited work travel to/from Sweden and Norway to “strictly necessary” occupations. Work commuters were also ordered to self-isolate when returning to Finland (Finnish Government, 2020, April 7). Here again, Sweden chose a different approach. Up to the very end of 2020, the only coercive measure implemented by Sweden was the EU-wide entry ban on all non-essential travellers from non-EU-EEA countries. Travellers to Sweden were encouraged to be attentive to symptoms and practise general caution but were not systematically placed in quarantine unless symptomatic (Public Health Agency of Sweden, 2020, March 19).

This softer approach led in turn the other Nordic country to keep considering Sweden as a potential risk area when they gradually re-opened their borders in the summer of 2020 (*Dagens Nyheter*, 2020, May 18). In June, Denmark and Norway lifted border restrictions to EU/EEA countries following national infection rates. Both countries chose to break down Nordic countries into zones to allow for more flexibility in border regions. Nearly all Swedish regions remained listed as “orange”, which entailed stronger quarantine requirements. Norwegian infection level limits (20 new cases for 100,000 inhabitants) also meant that border restrictions remained in place for most of Sweden except the island of Gotland (*Bohuslänningen*, 2020, June 20). In the following weeks, travellers from Blekinge, Kronoberg, and Scania were allowed in (Norwegian Government, 2020, July 7). In May, the Finnish Government added family matters, personal reasons, or attending to property in Finland to the initial list of valid motives for commuting to and from Norway and Sweden. In June, travel restrictions for Baltic and Nordic countries were lifted but not for Sweden (Ministry of the Interior of Finland, 2020, June 12). New entry rules to Finland were introduced on July 13, 2020. The country was now open to all travellers from countries with less than eight new cases per 100,000 persons in the previous 14 days – a threshold which still excluded most of Sweden (Finnish Government, 2020, July 10). The border to Sweden was finally reopened on September 19, when the limit was raised to the EU level of 25 new COVID-19 cases per 100,000 inhabitants (Finnish Government, 2020, September 11).

Despite the application of region-specific restrictions instead of nation-wide bans, there was no escaping the optics of Finns, Norwegians, and Danes being able to travel freely in the Nordic region but not the Swedes. Two competing narratives started to

emerge: the Swedish authorities voiced concerns over the long-term impacts of border closures for border communities and for Nordic solidarity (*Aftenposten*, 2020, July 13), while Norway and other Nordic governments justified them as a pragmatic response to different local situations (Creutz et al., 2021, p. 52). The Minister of Foreign Affairs Ann Linde sought to present the Swedish position as a principled defence of a Nordic region where people could move freely. As a symbolic gesture, Sweden lifted the advice against travels to Denmark and Norway in July (Swedish Government, 2020, July 29). In fact, the advisory against non-essential travel to most EU countries had already been lifted – and had arguably more to do with easing summer holidays than improving Nordic relations. Moreover, the advisory against non-essential travel to Finland remained in place until September 21 – two days after Swedes were allowed to Finland again (Swedish Government, 2020c). The timing of these decisions indicates that, despite the official claims, the Swedish government did in fact consider the restrictions its citizens were facing in other Nordic countries when making its own decisions.

Uncertainties around new variants made travel restrictions increasingly stringent in all Nordic countries from August 2020 to January 2021. In a dramatic policy shift, Sweden introduced a temporary travel ban from Denmark on December 21, 2020. The measure was justified by concerns over the spread of the “UK variant” to Denmark. (Swedish Government, 2020b) The entry ban was extended to travellers coming from Norway on January 25, 2021, following an outbreak in the Oslo region (Swedish Government, 2021, January 24). At this point, the new variant had already spread to Sweden (SOU 2021:89, 2021, p. 225). On 29 January, the Swedish government required foreign nationals to show a negative COVID-19 test (*The Local*, 2021, January 29). Border controls and requirements for a negative COVID-19 test became the norm in the Nordic region, until the vaccine roll-out allowed for a relaxation of intra-Nordic border controls in the spring of 2021. This belated convergence was not born out of coordination and mutual trust but emerged after months of unilateral, abrupt, and sometimes contradictory national decisions which exposed the vulnerability of free mobility, one of the oldest and the most celebrated *acquis* of Nordic cooperation.

3. Health cooperation during the pandemic: in search for the “Nordic added value”

During the COVID-19 crisis, Nordic cooperation found itself in a paradoxical situation: almost unanimously celebrated as a common good to be preserved in the face of chauvinism and inward-looking policies, while at the same time, somehow not legitimate or relevant enough as a regional organisation to be trusted with concrete problem-solving capabilities in times of crisis. Unequipped to react rapidly and seize political opportunities, Nordic institutions took the back seat and let the EU become the main locus of pandemic cooperation in Northern Europe, while informal bilateral cooperation based on personal contacts punctually delivered practical stop-gap solutions in the grey area between the Nordic and wider European political spaces.

3.1. Nordic institutions weathering the storm: resilience or inertia?

With national health agencies publicly at odds with each other and governments unable to coordinate their social distancing and border management strategies, Nordic institutions tiptoed around the most sensitive issues and focused on fulfilling their mandate despite the crisis.

The Nordic Council, created in 1952, promotes cooperation among national parliamentarians. It normally meets twice, during a spring “theme” session and a “plenary” session in the fall, where the Council adopts recommendations and presents statements of opinion to the Council of Ministers or directly to national governments. These activities are conducted by the Presidium, which can act as a plenary assembly in-between sessions. The Nordic Council of Ministers, established in 1971, is the intergovernmental cooperative body and meets 3–4 times each year to adopt Council recommendations and propose decisions to the Council. Travel restrictions initially disrupted this long-established routine but Nordic institutions quickly adapted. The 2020 spring theme session was replaced by digital committee meetings and the 72nd Plenary session was replaced by a digital meeting held together with prime ministers. Overall, Nordic institutions succeeded in maintaining regular activities and keeping the lines of communication open despite the circumstances. In fact, more meetings were held in 2020 than the year before, albeit digitally (Norwegian Parliament, 2021).

Substantively, the Nordic Council was a useful damage control mechanism at the height of tensions surrounding border closures. The Freedom of Movement Council, appointed by the Nordic Council, has contributed to concretely solve COVID-19 related disruptions to cross-border commuting (Swedish Government, 2021). Yet, as Giacometti and Mejler put it, this action could more adequately be described as “an effort to mitigate the initial failure of national governments to coordinate” rather than a success of Nordic cooperation (Giacometti & Mejler, 2021, p. 9). Nordic institutions played their role, presenting a unified front and defending the principles of Nordic cooperation but rarely ventured outside of their comfort zone. The 2020 plenary session did feature a debate on the COVID-19 crisis in a global and Nordic perspective (Swedish Parliament, 2021, p. 12), for which the President of the Nordic Council Silja Dögg Gunnarsdottir had high expectations: “I think we can have an extra interesting debate because the subject is so burningly topical. Our Nordic countries have chosen slightly different strategies in the fight against the virus, and it will be exciting to hear how the countries reason. I hope that we can learn lessons from our mistakes to avoid repeating them when the next crisis comes” (Nordic Co-operation, 2020, September 28). Yet little of substance was discussed. Despite holding regular meetings over the course of the pandemic, the Nordic Council of Ministers was never used as a platform for joint crisis response. The Prime Ministers, critically, appeared moderately interested in launching a Nordic task force. As the Secretary General Paula Lehtomäki lamented it, “Nordic institutional cooperation is simply not seen as a tool to manage everyday issues”⁵.

⁵ Presentation by Secretary General of the Nordic Council of Ministers Paula Lehtomäki at the webinar “Nordiska scenarier – kickoff” on July 7, 2021 (cited by Creutz et al., 2021, p. 20).

Nordic institutions started to engage in a structured pandemic response only once the re-opening phase and the vaccine roll-out had begun, most notably by launching a revision of the existing crisis preparedness agreement. The ministers for cooperation have appointed Jan-Erik Enestam, a former Finnish minister, to carry out an investigation on how Nordic institutions have worked during the crisis and how to strengthen Nordic cooperation in the future. The report was first discussed with prime ministers during the 73rd Session of the Nordic Council (which was held physically again) in October 2021 (Swedish Parliament, 2022, p. 17). Based on these initial discussions, it is, however, relatively unlikely that this reform will bring forward significant policy changes or institutional innovations.

3.2. Emergency assistance during the crisis: a few bright spots in a sea of missed opportunities

In 2002, Nordic ministers have signed a health preparedness agreement in to help each other in times of disasters and crisis. The agreement could be triggered on short notice to deliver any type of assistance and support. A Nordic Group for Public Health Preparedness (also known as the Svalbard Group) has also been set up to improve the sharing of information, skills, and knowledge. Its mandate was later expanded in 2017. If the COVID-19 has provided Nordic countries with opportunities to implement this assistance mechanism, especially as Sweden was more impacted by the pandemic than its neighbours, a combination of vague provisions and national susceptibilities have limited its impact.

Vital but not unique: joint repatriation of Nordic citizens

Amidst frantic efforts to repatriate stranded citizens from all over the world, Nordic governments agreed to help each other with consular assistance in areas where some countries did not have representation. They also allowed repatriated Nordic citizens to transit through any Nordic countries on their way home. National officials have praised this cooperation as “particularly close and operational” (Norwegian Government, 2021, April 9). Yet, as pointed out by Creutz et al. (2021, p. 49), this joined effort can hardly be seen as exceptional internationally. Nor can it, despite its undeniable usefulness, be considered a significant collective response to the COVID-19 pandemic. The fact that it has often been cited by Nordic actors as a major achievement is, in itself, revealing⁶.

The competitive undertones of Nordic solidarity: when being right matters more than getting help

Nordic governments were willing to help one another but they were not always ready to be seen in a position of needing help. In April 2020, Swedish authorities first

⁶ See, e.g., the joint declaration by the Norwegian Minister for Nordic Co-operation Jan Tore Sanner and the Norwegian Minister of Foreign Affairs Ine Eriksen Søreide (Søreide & Sanner, 2021) as well as the interview of the Danish Minister for Nordic Cooperation Mogens Jensen (Preisler, 2020, September 3).

announced their plans to open some hospitals to Finnish COVID-19 patients (Blomqvist, 2020, April 7). However, as the domestic situation deteriorated, the National Board of Health and Welfare (NBHW) faced calls to accept assistance from neighbouring countries instead (Kleja, 2020, December 10). In December 2020, the Finnish Ministry of Health declared that, despite also experiencing an increase in cases, Finland was ready to allocate emergency beds to Swedish patients (Björkqvist, 2020, December 12). Denmark's Health Minister told *Dagens Nyheter* that they made a similar offer, as did Iceland previously (*Dagens Nyheter*, 2020, December 15). The Deputy Health Minister of Norway declared that the country was also willing to contribute: "We have not received any formal request for assistance from Sweden yet. If the Swedish authorities contact us, we will have a positive attitude to it" (Aanensen, 2020, December 12). She did not specify which type of support could be provided but it was speculated that Norway could send a medical task-force similar to the one deployed to worse-hit Italy during the Spring of 2020, typically a team consisting of 20–25 nurses, doctors, and logistics experts. Norway also envisaged accepting Swedish burn patients to relieve Swedish ICUs. Swedish officials seemed uneasy with these offers and tried to underplay the acuteness of the situation. Johanna Sandwall, head for preparedness at NBHW, replied that the Nordic agreement could only be triggered once all national resources were exhausted: "The situation of the healthcare sector is very tense in some regions but we still have sufficient national capabilities to meet those needs right now" (*Dagens Nyheter*, 2020, December 15). Swedish authorities did not ask for assistance in the following weeks. Even at the peak of infection, no Nordic country reached a level of ICU saturation comparable to what other European countries experienced. But this is unlikely to be the only reason why this cooperation did not materialise. With Sweden choosing a different strategy and being the most affected country in Northern Europe, the politics of Nordic benchmarking stood in the way of pragmatic collaborations.

A rare case of complementarity: bilateral agreements on protective and medical equipment

Diverging national strategies lead to limited but mutually beneficial bilateral cooperations between Norway and Sweden in two specific cases. In the spring of 2020, the global chain supply of protective and medical equipment, as well as specific pharmaceutical products, was upset by spiking demand, delays, and shortages. As the authors of the Swedish Coronavirus inquiry put it, "The whole world competed for the limited amount of protective equipment available. [...] it was the law of the jungle that prevailed" (SOU 2021:89, 2021, p. 318). Nordic countries were all impacted by the global supply chain crisis, albeit to varying degrees. Denmark was relatively less affected by shortages thanks to a stronger domestic health and pharmaceutical private sector (SOU 2020:80, 2020, p. 158). Finland reaped the benefits of its long-established stockpiling legislation, according to which pharmaceutical companies, healthcare providers, and importers are mandated to keep a several-month worth of reserves. Other Nordic countries had reduced their stockpiles before the crisis (Bhaskar et al., 2020). In Norway, a third of municipalities reported a shortage of protective equipment in 2020 (SOU 2020:80, 2020, pp. 158–159). In Sweden, shortages of personal protective

equipment (PPE) and vital equipment such as ventilators have greatly disrupted hospital care and often led health professionals to work without adequate protection (Swedish National Board of Health and Welfare, 2020a).

Supply chains gradually recovered in the second half of 2020 but shortages of specific equipment or drugs continued well into the following year (Swedish National Audit Office, 2022). In this context, Nordic solidarity in the form of re-selling excess stocks have been a valuable short-term solution. When stocks of various essential medicines such as the anaesthetic drug Propofol were running low in April 2020, Swedish authorities turned to other Nordic countries for help and Norway answered the call (Pramsten, 2020, May 12). Sweden soon returned the favour. On July 9, 2020, the National Board of Health and Welfare was authorised to negotiate re-selling agreements whenever a surplus identified in Sweden could benefit another EU-EEA country, provided that the transaction was carried out with full cost recovery. As a general advice for wearing face protection was in effect in Norway but not in Sweden, Swedish authorities were able to sell 100,000 FFP-3 masks to Norway (SOU 2021:89, 2021, p. 68).

3.1. Access to European procurements: the main added value of Nordic cooperation during the pandemic?

While bilateral re-selling arrangements have created limited cross-border synergies, Nordic countries were looking elsewhere for securing access to critical supplies. Internally, they created centralised procurement units wherever they were missing, such as in Sweden (SOU 2021:89, 2021, p. 325), and sought to solve bureaucratic inefficiencies (Swedish National Board of Health and Welfare, 2020b). Internationally, they first tried to negotiate separate deals with European drug companies and Chinese manufacturers (SOU 2021:89, 2021, p. 336). However, it quickly became apparent that collective international action was needed – and that Nordic cooperation would not be the solution. Besides a few public calls for a Nordic initiative, participation in the EU joint procurement of personal protective equipment launched by the European Commission (EC) stood out as the only viable path. Somewhat ironically, it is in this context that Nordic solidarity made the most decisive impact on the handling of the pandemic.

European cooperation – the preferred track to secure protective equipment and medical products

On February 28, 2020, the Swedish Government decided to sign the EU-wide Joint Procurement Agreement (JPA) on medical products, with an uncharacteristic promptness given its cautious approach towards increased EU competencies and its own Public Health Agency's assessment that the risk of spreading the new coronavirus was low (Swedish Government, 2020e). The European JPA on protective equipment did not lead to any purchase, initially because of quality concerns on the first bid and then because there was no shortage of PPE after the summer of 2020 (Swedish National Audit Office, 2022). Yet Sweden also participated in the JPA on medicines

and decided to authorise the Civil Contingencies Agency to house medical stockpiling within the framework of the EU civil protection mechanism RescEU (Netz & Axelson, 2021). Overall, the Swedish national enquiry found that participating in the JPAs had been instrumental to securing the availability of key medical products and medicines used in the treatment of COVID-19 (SOU 2020:80, 2020, p. 369). The early Swedish commitment to European schemes left little room for any potential Nordic alternative. Denmark and Finland opted out of the first failed JPA attempt but then joined the subsequent EU-wide JPAs.

The growing importance of EU procurements put non-EU members Norway and Iceland in an increasingly precarious position. Their supply chains were highly dependent on Western European exports and transit but as EEA-EFTA countries they were initially excluded from European procurements. More concerning yet, on March 15, 2020, the EU introduced a ban on the export of infection control equipment to prevent actors outside Europe from purchasing infection control equipment from the European market. The ban applied to EEA-EFTA countries such as Norway and Iceland. Soon after this decision, a delivery truck full of infection control equipment was stopped at the Swedish border on its way to Norway. An agreement between Norway and Sweden resolved the matter but Sweden could not open its border without authorisation from the European Commission. Norway called an extraordinary meeting of the EEA Committee and Foreign Minister Ine Eriksen Sørreide had phone conversations with EC President Ursula von der Leyen and Commissioner for Trade Phil Hogan (NOU 2021:6, 2021, April 14, p. 106). On March 19, 2020, Norway and the other EFTA countries were exempted from the EU export ban, and trucks loaded with infection control equipment could again roll across the Swedish border to Norway. According to Norwegian and Swedish officials, Sweden played a significant role in advocating in favour of its Nordic neighbours.

While the divide between EU insiders and outsiders could have further eroded trust among Nordic countries, Sweden's active role been regarded as proof that Nordic solidarity did not collapse despite ongoing tensions over national strategies. Creutz et al. even described it as an "example of well-organised Nordic cooperation during the pandemic" (2021, p. 49). Such assessment should however be qualified, given that institutional Nordic cooperation was not directly involved in any stockpiling or purchasing scheme and that Nordic countries joined the EU effort on an individual basis. At best, Nordic cooperation could be described as a successful "stop gap" solution.

Norway's race to joining EU vaccines procurements: how the "allies from within" saved the day

Nordic solidarity was even more crucial in helping secure Norwegian and Icelandic participation in the EU vaccine purchasing deal. This section addresses specifically Norway's efforts to access COVID-19 vaccines, as the high-stakes negotiations that unfolded over almost two years encapsulate the strengths and limits of Nordic cooperation as secondary to EU integration.

When the pandemic broke out, the European Union had a long history of thwarted and limited involvement in health policy, some institutional capacities (the ECDC)

but no specific mandate to manage vaccine purchase and distribution among its Member States. Yet within a year the EU had acquired a common strategy and had become a key player in the global rush to purchasing vaccines. This effort started with the informal intergovernmental initiative called the Inclusive Vaccine Alliance (IVA) initiated by France, Germany, Italy, and the Netherlands. The IVA initiative compelled the European Commission to step up on June 17, 2020. The Commission was able to sign agreements with vaccine developers on behalf of Member States which had an obligation to acquire the agreed number of vaccine doses. Before each agreement was signed, a deadline of five working days was set for the Member States to decide whether they wished to be covered by the agreement. There have been EU-wide agreements for COVID-19 vaccines with eight different manufacturers, for a total of 4,625 million vaccine doses to be delivered up to the end of 2023. In May and June 2021, the Commission secured additional agreements with the companies Pfizer/BioNTech and Moderna to provide additional vaccine doses if required during 2022 and 2023⁷. The Swedish government informed the Commission on June 22, 2020, of its decision to enter the agreement on vaccine procurement. A week before this decision, Richard Bergström was appointed national vaccine coordinator and was tasked to represent Sweden in the procurement negotiations. He was also appointed by the Commission and the Steering Group of Member States to be one of the experts in the EU negotiating team (SOU 2022:3, 2022, p. 101). This appointment granted Sweden a strategic position and played a decisive role in the extension of JPAs to non-EU Nordic countries. Sweden took part in all major individual agreements with AstraZeneca on August 20, 2020, Janssen on October 15, 2020, Pfizer on November 17, 2020, and Moderna on December 1, 2020 (SOU 2022:3, 2022, pp. 105–110). The national inquiry on the vaccine strategy later considered that Sweden's participation in the common EU procurement process was a crucial contribution to the country's successful vaccination roll-out (SOU 2022:3, 2022, p. 30).

The Norwegian authorities considered various alliances and international partnerships to secure access to a vaccine. They showed an early interest in COVAX, a vaccine programme run by Gavi, an international vaccine alliance whose main task has been to secure vaccines for children in low-income countries. Being hardly a low-income country, and amongst Gavi's main financial contributors since its creation in 2000, Norway worked with the UK and other isolated high-income countries on several proposals to change its vaccine allocation system and went as far as to suggest that countries that pay first could take some precedence. The controversial effort failed, and it became clear that within the existing COVAX distribution rules, Norwegian authorities would not meet their goal of vaccinating the entire national population (NOU 2022:5, 2022, April 26, pp. 262–263). The MoH also investigated the possibility to join forces with the UK in its ongoing negotiations with AstraZeneca and explored a variety of "loose coalitions" with other countries (NOU 2022:5, 2022, April 26, p. 265). The Norwegian authorities also investigated the domestic potential for producing vaccines against COVID-19. In May 2020, the Norwegian Drugs Agency

⁷ 3,860 million come from the companies AstraZeneca, Janssen, Pfizer/BioNTech, Moderna, and Novavax (SOU 2022:3, 2022, p. 25).

pointed out that Norway had leading vaccine producers for the fish farming industry that could be redirected to COVID-19 vaccine production but the idea was quickly dismissed⁸. For all the alternatives explored in this frantic search for a vaccine plan – including the most improbable ones – the internal documents show that very little consideration was given to a Nordic solution. The May 19, 2020, Memorandum presenting all the options in preparation to the government only vaguely hinted at the possibility to engage in Nordic cooperation on vaccine production⁹. With no realistic perspective for domestic or Nordic vaccine production in the short term and limited international options, joining the EU initiative soon became the only viable option. Contacts had already been established with the European Commission, as well as Germany and France, to ensure that Norway would be included in future European vaccine plans. On June 9, it was decided that the Norwegian Government would submit a request to take part in the Inclusive Vaccine Alliance led by France, Germany, Italy, and the Netherlands¹⁰. Norway was officially invited by France to join (NOU 2022:5, 2022, April 26, p. 266).

As Norway's participation in the European vaccine programme seemed all but guaranteed, the take-over of the IVA initiative by the European Commission changed everything. The EC decided on June 17 to use the Emergency Support Instrument (ESI) to finance Joint Procurements, a mechanism Norway was not part of (European Commission, 2020). Despite Norwegian complaints, the EC was not interested in creating a specific funding mechanism for EEA/EFTA countries, citing disagreement amongst Member States and fears that extending the scope of the JPA beyond the EU-27 would open a “pandora box” (NOU 2022:5, 2022, April 26, p. 267). Facing a political and legal deadlock, Norwegian officials called Sweden's vaccine coordinator Richard Bergström for help. A meeting was held on August 12, 2020, between DG Santé, Richard Bergström, his Danish colleague Nikolai Brun, and Norwegian officials. The Commission rejected Bergström's suggestion that Member States should share their vaccine doses with EEA/EFTA countries as being too favourable to AstraZeneca (who would then get paid more for the same delivery). It was suggested instead that Member States could resell some of their vaccine doses. Norway would thus become dependent on one or more EU countries taking on the role of re-seller for Norway. Richard Bergström proposed a solution in which Sweden, on behalf of the EU, was given control over a given proportion of all vaccines that would then be sold to third countries (NOU 2021:6, 2021, April 14, p. 117). Bergström's “fait accompli” solution received the approval of Swedish Foreign Minister Ann Linde and Sweden's government announced at a press conference on August 20 that the country would assume the role of intermediary (Swedish Government, 2021, p. 23). The first contract for the delivery of AstraZeneca vaccines was signed on October 15, 2020, and another

⁸ Helseidrettsdirektoratets referat fra møte i HOD mellom HOD, FHI, Statens legemiddelverk, Helseidrettsdirektoratet og Forskningsrådet, 19. mai 2020 (cited by NOU 2021:6, p. 116).

⁹ R-notat til regjeringskonferanse 19. mai 2020, fremmet av utviklingsministeren, utenriksministeren, helse- og omsorgsministeren, forsknings- og høyere utdanningsministeren (cited by NOU 2021:6, p. 116).

¹⁰ Notat til RCU-konferanse 9. juni 2020 (cited by NOU 2021:6, p. 116).

agreement was signed by the end of 2020 (Melchior, 2021).

The final hurdle arose in March 2021, when the EU installed export controls for vaccines similar to the ones on protective equipment one year earlier, following a legal dispute with AstraZeneca. To the dismay of Norwegian officials, Norway was unexpectedly not exempted from the export ban to third countries. A delivery expected from Italy via Sweden was in jeopardy but after a back and forth with Swedish customs, Norwegian officials called no other than Sweden's vaccine coordinator Richard Bergström who found a pragmatic solution with Swedish customs (NOU 2022:5, 2022, April 26, p. 277). Norway had finally achieved its main goal of securing EU deliveries of vaccines, which came at the cost of having no possibility to negotiate the price, quantity, delivery time or any other aspect of the deals. Norway, however, could thank its ally from within: "In our opinion, the Swedish authorities have done more for Norway in this matter than one might expect from a neighbouring country. For Norway, Bergström was the right man in the right place during this crisis. It is not a given that we will be just as lucky next time" (NOU 2022:5, 2022, April 26, p. 288). As the dust settled on the race to securing access to European JPAs, Norwegian and Swedish vaccine experts extended their fruitful EU-driven cooperation. They worked together with the European Commission on redistributing vaccine through loans, resale, and donations. Sweden was given the main responsibility for reallocating AstraZeneca vaccines to COVAX and Norway volunteered to support Sweden to alleviate some of the administrative workload.

Informal Nordic cooperation through interpersonal relations has delivered tangible results in connection to broader EU initiatives. This is by no means a minor point, as missing out on the JPA would have had significant consequences for Norway and Iceland. These developments could explain why Norwegian officials, in particular, have been more positive in their overall assessment of Nordic cooperation during the pandemic (Creutz et al., 2021). However, at no point has any potential Nordic alternative to European vaccine schemes been realistically pursued, even though Nordic governments had been – uncharacteristically since the beginning of the pandemic – in agreement regarding vaccine strategies. What lessons will be drawn by Nordic policymakers from these extraordinary events? The Norwegian Coronavirus investigation provide us with the first indication: while Nordic solidarity was praised in the report, its main recommendation was for Norway to strengthen its direct ties with the European Union to avoid future uncertainty (NOU 2022:5, 2022, April 26, p. 264). Furthermore, it ruled out any future Nordic joint-venture on vaccines and medical production: "It is not realistic to believe that an alliance between Nordic countries will be a solution [...]. It would be too little an alliance" (NOU 2022:5, 2022, April 26, p. 288).

4. Conclusion

This article conceptualises coordination and cooperation as two distinct yet interconnected dynamics of regional integration. The historic model of Nordic regional integration was built on the coordination of national policies, through mutual learning and close contacts, and cooperation, i.e., the limited pooling of problem-

solving capabilities. Since the heyday of Nordic cooperation in the 1950–1970s, the latter has receded markedly. Yet some scholars have argued that the mechanisms of soft politico-administrative coordination are still vibrant and in essence offset the weakening of formal cooperation mechanisms.

Our overview of Nordic responses to COVID-19 crisis shows that neither the informal coordination of domestic policies nor intergovernmental cooperation has made a decisive impact on the handling of the pandemic in Nordic countries. Overall, national governments and administrative bodies responded to this unprecedented crisis by implementing inward-looking national measures, which further put Nordic solidarity to the test, while Nordic institutions solely focused on mitigating some of the effects of these uncoordinated national policies. Ultimately, Nordic cooperation only made a decisive impact on the pandemic response through isolated individual initiatives in the framework of a wider European pandemic cooperation. Observations from the Nordic responses to COVID-19 are thus congruent with more general studies made in another context (Olsen & Sverdrup, 1998) and hint at a specific challenge for Nordic solidarity in times of crises: informal coordination and institutional cooperation continue to endure, and in some instances thrive but they seem increasingly disconnected from the core of domestic decision-making.

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The great divide: state vs municipality in local welfare administration in Norway

Abstract

This study delves into the intricate internal dynamics of the Norwegian Labour and Welfare Administration (NAV), tasked with delivering comprehensive welfare services through state-municipal partnerships. While NAV's mandate promotes empowered local offices and holistic services, realising this can present significant challenges. Our ongoing research focuses on an organisational development process within a NAV

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office in a city district in Oslo marked by alarming school dropout rates and substantial social budget expenditure. We pose the question of whether the state-municipal partnership aligns with the municipal agenda.

Methodologically, we employ a qualitative approach encompassing individual and focus group interviews and observations over an extensive period. Our exploration of municipal perspectives and perceptions regarding the state partnership as well as daily collaboration unveils hurdles to comprehensive service delivery.

The findings illuminate the challenges to local collaboration that can arise from merging cultures and service functions, resulting in tensions in understanding roles, employment codes, and service delivery systems. NAV State's absent role in addressing dropout rates in the district is noteworthy.

The study underscores the pressing need for customised, integrated services tailored to individual needs and bolstering internal social work capabilities. In conclusion, the paper discusses some aspects of the local partnerships that might impede offices from harnessing organisational resources effectively, delivering holistic welfare services, and aligning with ambitious social work agendas.

Keywords: welfare, Norway, organisational culture, local partnership, state vs. municipality

Introduction: An organisational duality

The Norwegian Labour and Welfare Administration (NAV) is a marriage of convenience between the state and the municipalities, which does not always lead to ideal local outcomes. As intended by the NAV reform launched in 2006, NAV offers comprehensive welfare services to Norwegians, with state and municipal employees cohabiting at 264 local offices. However, the assertion that state and municipal employees cooperate to provide excellent and holistic services to the users warrants empirical investigation. This paper delves into the findings of our research project conducted at a local NAV office in Oslo. We investigate how the partnership between the state and municipality at the local office influences the organisation's ability to deliver holistic welfare services to the population. Our project follows the organisational development process undertaken by the municipal side of the NAV office. Notably, NAV State's absence in this ambitious local mobilisation raises questions, given the reform's overarching objective of enhancing coordinated and holistic welfare services. Applying qualitative methodology (individual and focus group interviews, observations), we study how municipal leaders and social workers have accommodated an ambitious mandate of reducing school dropout/marginalisation *and* social budget expenditure. Building on municipal perspectives, we believe that NAV's organisational structure sometimes works to complicate the central political aspiration of a coordinated and flexible social services apparatus. To address this issue, we query how municipal leaders and social workers perceive internal coordination and collaboration challenges. How do these perceptions shape behaviour and interactions? How do municipal leaders and social workers feel the organisational divide weigh-ins on the ongoing development process?

We draw on findings from an initial data-gathering phase of the research project in which we documented the development process from its inception. Observing this process over time, we applied a triangulation of qualitative methodologies, resulting in extensive empirical material (see below). We rely on findings from interviews and observations from meetings where municipal staff and office leaders, in various capacities, functions, and contexts, reflect on the framework for everyday cooperation between the two organisational halves. Municipal employees believe that the organisational duality inherent in the organisation has led to a lack of intra-organisational collaboration and coordination, which impedes the organisation's ability to provide and maintain flexible frameworks. Social workers believe this precludes a shared culture of social work practice at the office and hinders the development of optimal services. Relying on a symbolic interactionist framework, we circle in empirically on a disputed issue in the form of talk about establishing a client-run cantina on the premises to exemplify perceived intra-organisational differences in approach. Thus, we explore frontline experiences of a wicked problem at the core of NAV's mandate. We pursue this topic because a lack of transparency and cooperation within the organisation at the local level may arrest the development of flexible and targeted frameworks tailored to the specific needs of local service users.

Background: the NAV reform and holistic service provision

The NAV reform reflected a long-established Norwegian tradition of subnational self-government (Hansen et al., 2012; Løegreid et al., 2012; OECD, 2019). To contextualise the scope for collaboration at the local office, we introduce the thinking behind collocation. The NAV reform aimed to provide the welfare apparatus with comprehensive means to develop coordinated services to meet individual needs by offering more holistic and accessible welfare services to end users (see: Christensen & Løegreid, 2011; Fossetøl et al., 2015; Vabø, 2015). To achieve vertical and horizontal coordination in policymaking, implementation, and service provision (Breit, 2014), three hitherto separate agencies – viz. the National Employment Agency System, the National Insurance System, and the Municipal Social Service System – were fused. Hence the idea of NAV as a “one-stop shop” (Askim et al., 2011). Representing a complicated organisational arrangement and division of responsibility between central and local authorities, the welfare reform introduced a formal collaboration between the merged central government administrations and the local social service administration (Christensen et al., 2014). Little practical direction was provided politically about what “holistic services” should entail regarding applicability within the given organisational framework (Fossetøl et al., 2015, pp. 295–296). In the European context, the achievement of integrated services adjusted to individual circumstances has been predicated on inner-organisational capacities (Heidenreich & Rice, 2016a).

The Labour and Welfare Administration Act (*Meld. St. 33, (2015–2016)*) encourages the State and municipalities to establish NAV offices as “equal partners” through “partnership agreements” that formalise service portfolios, enabling variation

in the integration solutions sought in each partnership. In the years following the reform, NAV has been encouraged to develop local organisational structures and culture to promote autonomy, flexibility, and solutions in line with the needs of the populations served (e.g., Hugvik et al., 2017). In the White Paper formulation, “user-focused and effective services [...] provide service users better and more targeted services and facilitates closer, easier, and more individually adjusted follow-up of those service users who need it”² (*Meld. St. 33, (2015–2016)*). Hence, considerable discretion is delegated to the frontline to foster solutions matching local welfare needs. Within this framework, modes of operation and the repertoire of tasks to be handled by a given local office are negotiable, giving room for state involvement and communal problem-solving to local circumstances (*Meld. St. 32 (2020–2021)*). Theoretically, the partnership “enables holistic and individually adjusted effort” and offers the potential for “the optimal use of combined communal and statal resources adapted to local circumstances and needs” (*Meld. St. 32 (2020–2021)*).

Røysum (2013) underlines that the reform merged distinct cultures and professional roles with diverse ways of working, various knowledge bases, and multiple professional identities, creating “tensions” between strata of employees. These tensions point to different internal administrative value sets: a business finance, a legal-bureaucratic, and a social work professional discourse, with internal contradictions between them (Vabø & Vabø, 2014, p. 6). Employees perform different roles for different service users. On either side, employees provide varied-intensity follow-up of service users according to differentiating procedures that reflect the “efforts” needed by NAV (see: Gjersøe, 2021; Wathne, 2019; Wathne, 2021). NAV State employees serve the diversity of pre-determined (national/state) welfare benefits available to the general population, including unemployment benefits, with central directives regulating aspects of work in the service portfolio. Municipal employees administer means-tested (local/municipal) benefits like social assistance and work with the most vulnerable service users. Reaching clients in their social milieu has been accepted within municipal social services (Røysum, 2013). State functions have been described as more rigid in their application, while municipal functions require more flexible solutions by social workers (see: Vabø & Øverbye, 2009). Employees engage users according to different playbooks, adhere to various employment codes, have varied salary levels (and distinct paydays), and use numerous computer systems for service delivery. The common ground or shared space in between in the co-locality of a NAV office is the complementarity and transition between benefit categories, the interdependency of mandates, and responsibility for the follow-up of service users. In practice, the NAV reform resulted in a new, merged institutional structure consisting of parallel organisational cultures with municipal and state employees potentially performing service-specific functions independently, thus creating room for glitches in the holistic follow-up of service users.

Previous studies have investigated attempts in NAV to find ways to re-negotiate the organisational premises or tip the scales towards more municipal values (see: Ask

² Please note that all citations have been translated into English by the authors of the article unless stated otherwise.

& Sagatun, 2020; Gjersøe, 2021). The nationwide HOLF project, for instance, investigated holistic approaches to serving socioeconomically disadvantaged service users (Bergheim & Rugkåsa, 2022; Gyüre et al., 2021). HOLF family coordinators reported that the tailored framework provided opportunities for close, holistic follow-up of families, which would not have been possible under less flexible, i.e., ordinary conditions. Malmberg-Heimonen et al. (2016) studied the effects of a government-administered skill training programme for Norwegian social workers to enhance and systematise follow-up work. The authors identified “the opportunity to adapt the learned skills to local conditions”, among other factors, as necessary to the study’s results. It seems an essential lesson from the Norwegian welfare reform is that integrating services is “challenging” for service users, management, and employees (Christiansen et al., 2014). This has been extensively discussed by previous research (see: Christiansen & Læg Reid, 2013; Skjefstad et al., 2018). The effects of the organisational divide on frontline bureaucracies and their service delivery capability still require scholarly attention.

Study context and location: services development process at a local NAV office

An organisational development process has been initiated at a local NAV office in a city district in Oslo to accommodate an ambitious social agenda. Drawing heavily on social work professional discourse, this process can be seen as a response to the political call for NAV to develop more empowered, flexible, and targeted local offices. The urban district has a culturally and socio-economically diverse population, with a concentration of municipal rent apartments alongside high-value residential areas. Welfare needs are correspondingly varied. Over the last years, the district has spent much of its social budget on passive welfare benefits, while the non-completion/drop-out rate from secondary education has consistently been among the highest in the country. The district administrator has, therefore, mandated the municipal NAV leader to find ways to cut social expenditure (by 30M NOK) and reduce the dropout rate (by 50%).

At the office, priority is given to a coordinated, holistic response to the most vulnerable clients and their families, and this is flagged as a “change of paradigms” compared to ambitions in earlier regimes and other offices about reaching the broadest possible scope of clients. This “new approach” draws on the concerted involvement of local resources, a coordinated municipal service apparatus, and cultivating a “new culture” for social work. Service users must be met with an approach tailored to their needs, regardless of the employee they encounter. The approach is based on a longstanding local tradition of collaboration between social workers in NAV and community partners like schools, youth clubs, outreach workers, youth, and families in the district. Reducing social expenditure requires that as many recipients of passive welfare benefits as possible achieve employment, work-promoting activity, or state benefits such as disability pensions. From the municipal perspective, a successful transition of service users from municipal benefits to either work or state pensions

requires solid intra-organisational collaboration. A substantial reduction in the drop-out rate from school necessitates the involvement of youth and their families in partnership with a broad scope of human resources within and beyond NAV. Investigating the organisational development process in collaboration with invested participants has given us insight into the local partnership between the state and municipality. At the time of our investigation, the office was under dual leadership. NAV State plays no formal part in the development process. Against this background, we take municipal conceptualisations of social work as exemplified in the services development process as a fruitful symbolic axis to understand the meaning made by employees around the dual organisational form.

Methods and data: everyday symbols of social work

The data for this study were generated as part of a formative dialogue research project (see Baklien et al., 2004) initiated independently of, but in close collaboration with, the local office leadership, who saw the value of working with researchers in the process. Dialogue with stakeholders in the field has been crucial to our research design. Formative dialogue research shares characteristics with process evaluation and action research, though there are significant differences. It is possible to carry out process evaluation research after the completion of a process, whereas formative dialogue research follows processes while they unfold. In action research, the researcher tends to assume a more proactive part in ongoing activities, although the formative dialogue researcher does not seek direct involvement. Formative dialogue researchers do not necessarily take a “neutral” position but depend on constant dialogue and trustful relations with the field (see: Olsen et al., 2002). Following an invitation from the municipal NAV leader, the project’s scope and methodology were developed in close collaboration with central stakeholders. Upon approval of the project by NAV and the national ethical board, we were granted extensive access to follow, document, and analyse the development on the municipal side of the organisation. As researchers, we have not actively participated in the municipality’s services development process nor engaged in participant observation of emergent activities and measures. Participants from the middle management leader group with central roles on different teams were subject to targeted recruitment by initiation from the leader who facilitated contact with crucial role-players. Social workers were recruited to participate in focus group interviews through open invitations and could decline by not showing up. The form of presence we have chosen is a balancing act that needs constant reflection, including dissemination and publishing.

Having been invited to follow the services and organisational development process by the municipal NAV leader, we reiterate that our presence as researchers at the local office is tied to the municipal side of the organisation. Our observations pertain to half the organisational structure in action. Crucially, the state side of the NAV office does not have any formal or informal role in the local services development process. During the 18 months of corporate fieldwork for the project’s initial data-gathering phase, we relied on a triangulation of methods producing insight into the organisation’s everyday

working life, including data on the service development process: Meeting structure, intra-organisational communication, social role identity development among employees, leadership, social work practice, external relations; themes that in various ways highlight the relationship between the two halves of the organisation.

In analysing this extensive material, we rely on an abductive process, with theories, data and discussions forming part of the analytic endeavour. In the tradition of reflexive thematic analysis (Braun & Clarke, 2019, 2021; Byrne, 2022), we initially worked individually by manually coding passages of interviews and observations. We then discussed the material and combined our codes into thematic clusters. These clusters helped identify broader thematic currents cutting across sections of the material, such as the everyday relationship with statal colleagues or the incompatibility of computer systems, leadership styles, and approaches to service users, pointing to an experience of working across a divide. Everyday talk about a lack of collaboration within the organisation represents a significant pattern in our data, meaningful to leaders and employees, developed through several rounds of on-topic discussions with participants. We focus on social work in the organisation as a portal for discussing the operationalisation and symbolisation of the organisational divide. Conceptualisations of social work are crucial to understanding the organisation's capacity towards pliancy and flexibility in service delivery solutions.

This paper builds on excerpts from the following sources: Observations of more than 30 meetings on various organisational levels; more than 20 individual semi-structured interviews with staff, middle management, and the municipal NAV leader; and two focus group interviews with 19 employees in relevant teams. Drawing on several municipal perspectives, the discussion features input from social workers, middle management, a trade union representative, the district administrator, and the municipal NAV leader. However, the local NAV office is the single locus of our research. We have no grounds for comparison or arguing the extent to which this represents a typical large local NAV office in terms of the internal culture described. The organisational partnership is subject to local variation (*Meld. St. 32 (2020–2021)*). Other local offices function under a single leadership, whereas some offices organise employees in cross-sectional teams. However, the municipal/state organisational fault line is a national feature of every local NAV office. Given the division of labour entailed in the organisational arrangement, the issues taken up in this paper connect the local and particular to the broader NAV context. The local development process might be seen as a microcosm of NAV's organisational ability to develop solutions that draw on the total weight of its frontline organisations. The Norwegian Data Services approved the research project (project no. 183853), which won funding from Stiftelsen DAM (2020–2023).

Research ethics

This paper draws exclusively on municipal employees' perspectives, representing a source of possible bias. The issue of collaboration might be fruitfully explored further with a bipartisan approach. An ethical challenge in formative dialogue research is

ensuring anonymity, which is unlikely to be entirely feasible given traceable information on the district level. Nonetheless, researchers are responsible for protecting participants from damage or adverse consequences of participation. We have diligently discussed the ethical aspects of our research with the municipal NAV leader and other key stakeholders. As researchers, we uphold the principles of informed consent and ensure that participants in meetings and activities under observation are fully informed about our identities and the purpose of our research. It is essential to adhere to scientific norms and regulations while disseminating findings in forums that benefit the practice field. As researchers, we have no conflicts of interest at the local office.

Theoretical perspectives: symbolic interactionism and organisational culture

George H. Mead (1934) suggested that symbols offer a way for people to reflect on their experiences and understand their social worlds. In the following, to point to the level of cooperation and cohesion between state and municipality in performing functions locally, we home in on the establishment of a client-run cantina as a contested symbol municipal employees use to communicate and make sense of their everyday experiences. We take the divide between municipal and state functions to represent different “cultures” within the organisation and refer to the potentially contradictory institutional logics that enmesh the compound local NAV structure – a business finance discourse, a legal-bureaucratic discourse, and a social work professional discourse (Vabø & Vabo, 2014, p. 6). These logics find expression in organisational symbols employees use to make sense of their everyday work and collegial relationships. The symbolic repertoire available to employees to make meaning of organisational structures and everyday life is tied to their place in this division. The symbolic meaning is, therefore, at the core of studying an organisation where employees contest meaning across an organisational divide.

A theoretical framework cross-fertilised by symbolic interactionism and organisational culture theory might help enlighten how the twin organisational structure pans out in practice at the local office. According to Herbert Blumer (1986), symbolic interactionism theory can be utilised to pinpoint the importance of social interaction in constructing meaning and interpreting social reality. In conformity with this theory, individuals create and interpret meaning through interactions. Blumer’s argument is based on the notion that human beings act toward objects based on the meanings they attribute to those objects. These meanings are not lodged in the objects but are socially constructed through social interaction. The meanings we impart to the symbols surrounding us are pliable and subject to interpretation and negotiation. This adjustment process occurs continuously and is instrumental in shaping individual and collective behaviour. In this conceptualisation, our understanding of the world and actions shape the meanings we impart to symbols, such as a client-run cantina.

In conjunction with symbolic interactionism, Edgar H. Schein’s (see: Schein, 2017) organisational culture theory contributes to a better understanding the underlying assumptions and values that shape an organisation’s culture. Schein argues that organisational culture is a shared system of assumptions, values, and beliefs that bring

to bear the behaviour and interactions of employees within an organisation. Schein argues that organisational culture is a powerful force that moulds how employees make sense of their experiences and give meaning to events and challenges within the organisation. Organisational culture frames how employees interact with internal and external stakeholders, influencing cooperation and collaboration across levels and departments within an organisation. For example, a robust hierarchical culture within an organisation may discourage employees from challenging the status quo or advocating change. In contrast, an organisational culture that values innovation and empowerment may encourage employees to contribute novel solutions to challenges. Empowered employees might position themselves to help engineer new responses to wicked issues in the organisation.

Symbolic interactionism, reinforced by organisational culture theory, provides a framework for understanding how human interpretation, symbols, and language shape social reality in the local organisation. In the following discussion, our circling in on the contested cantina as a symbolic issue in the organisational life provides a connector between symbolic meaning and the organisational structure. By applying this theoretical framework to the context of the organisational divide at a local office of the Norwegian Labour and Welfare Administration, we can make sense of how shared values, beliefs, and norms (or the lack thereof) within the organisation influence the behaviour and interactions of leaders and staff and how this impacts the ability to coordinate and collaborate both within and outside the organisation. This approach enables comments on the efficacy of service delivery across a divided organisation.

Findings: epistemological, spatial, and structural barriers to cooperation

Political signals encourage the development of empowered local NAV offices to secure optimal local solutions. Understanding more about forces that strengthen or disrupt welfare service delivery seems essential. The level of cooperation across the organisational division of labour likely sets the pace for what local offices can achieve. The division within local organisations raises questions about achieving ambitious municipal agendas. Initiated to optimise the delivery of municipal welfare services, we find it indicative of the issue at hand that state employees at the local office are not involved in the services development process geared toward the two-point agenda adapted to the local context and needs. To enlighten this scenario, we have organised our findings along the following line of argumentation: Social workers at the local office construct meaning about the organisational arrangement as “a divide” that gives rise to notions of “us and them” on many different levels and contexts of their work. This creates a perceived organisational hierarchy and ultimately chips away from the partnership’s potential to develop flexible solutions, as exemplified in the organisational development process. After presenting this empirical argument, we discuss the municipal idea that social work professional competence is a prerequisite for leadership qualification for a unified office, necessary to countermand the reality of the local organisational partnership.

An unconsummated partnership

Seen from the outside, on organisational planches and information material, few signs bespeak a divided organisation. In individual interviews with middle management, group interviews with social workers, and discussions in team meetings on various levels on the municipal side of the organisation, however, leaders and staff problematise a lack of cooperation with NAV State. From the themes we have seen crystallise in these contexts, collaboration between state and municipal employees at the local office appears curtailed. Municipal social workers and leaders articulate a lack of cohesion between state and municipality in their functions and note challenges with the dual leadership's objectives and organisational goals. Municipal employees and leaders problematise "a lack of shared vision" as the most unambiguous indication that the organisation has a divided structure. In practice, it means that the municipal side is taken up by the process of planning and carrying out the organisational development process without the involvement of their state colleagues. The municipal leader is adroit about the effects of this division: *Since there isn't much cooperation with NAV State, we must look to other partners in the district! We must establish partnerships with those who work towards the same goals* (Leader).

Middle management leaders largely concur with this perspective. Tom, for one, thinks,

The partnership between the state and the municipality is a bad idea. It's a hindrance! We don't have leader meetings together! We don't speak with our state colleagues. The systems are not compatible. We don't get paid on the same day – making socialising on payday challenging! Furthermore, there are differences in wage and pension schemes. How necessary is this arrangement? I feel that NAV offices with a single leader stick to the vision of the top leader of NAV. The municipal part is marginalised throughout the system! (Tom)

Tom makes several observations here that relate to the organisational division. He refers to an underlying frustration on the municipal side we take to indicate the present conditions for internal coordination and collaboration. Previously, the local office had a unified leadership structure. Employees refer to an effort to integrate the organisation by seating employees in alternate offices and cross-cutting sections. Employees on all levels discuss the issue of leadership across the organisational divide, comparing the current situation to previous regimes. There is an ongoing in-house debate about the relative merits of unitary leadership and whether such an arrangement might incorporate all employees more effectively. To return to Tom's insight on organisational culture:

Having two leaders is a significant issue for us. This divide is a massive disadvantage. It makes no sense! We have two groups of employees here. The leaders don't have the same goals. There really shouldn't be so many different rules for the two sides! It's easy to spot whether a leader is municipal or state. (Tom)

It is as if the differences in organisational culture have almost visceral effects on some highly symbolic issues. In focus group interviews with several municipal sections working closely with service users, social workers argue that the lack of internal cooperation creates barriers to their work. To exemplify, a social worker voiced the complaint that

It's hard even to reach State employees. They won't answer mail. They sit by themselves on a floor of their own. It's desolated up there. I wish we had better relations with State. I send mail to discuss a case and often don't receive a reply within three working days. Then I've got to get on without them... (Gunn)

Another chimed in:

We feel this arrangement is unfortunate! There is that barrier, a distance between us. There's no progress when the leaders don't communicate and cooperate towards the same goals. We don't even have joint meetings anymore. So, yeah, there is little cooperation! (Astrid)

And a third:

I feel we've travelled this path many times with State. I care about effectiveness! I would love to see the return of regular meetings, a forum for cooperation with State, to discuss work-promoting activities and the follow-up of clients. We did that before, but it's been many months since we had a meeting. I suggested we invite State along to develop the client follow-up cooperation. I don't know why it needs to be so tricky! (Nora)

Finally, Astrid related her difficulties establishing collaboration with her statal colleagues: *I approached a lady in NAV State – I work well with her, and she does an excellent job on the follow-up – but her leader said no! It's a continuous struggle between State and Municipality.* The conversation points to a notion among social workers and leaders in our material that the organisational partnership sometimes stands in the way of the core corporate activity, namely, helping service users develop the skills necessary to prevent social exclusion and marginalisation.

Our diverse data from the local office include fieldnotes taken at a meeting attended by the district administrator and representatives from the city council, including the council representative for social affairs, who had come to listen to the solutions sought locally. In the following excerpt, we refer to this meeting at some length. It is a brief presentation of a mid-meeting, at which the council representative queried the local recipe for success.

Union representative	<i>Even with the two leaders we have now, the leadership structure is flatter here than in other NAV offices!</i>
Council representative	<i>Moreover, how does this model influence your ability to work on target?</i>
Municipal NAV leader	<i>That relates mainly to our cooperation with the district.</i>
Union representative	<i>Back then, municipal employees were encouraged to write purely cultivated resolutions on social assistance at the expense of close follow-up of service users. Every applicant was supposed to be registered as a work-seeker. The result was that many clients were transferred to the statal follow-up system, but no additional follow-up resources were given. The whole follow-up system was effectively downgraded.</i>
Middle management leader	<i>State [...], with their rigid “boxes”, might as well be “centralised”. They have the same mandate and rules all over the country. Everyone must fit into their parameters. However, you can’t achieve social change that way! However, we on the municipal side can and must adapt to the users. That’s why we had to find new ways of working. We have leeway to be more creative. They don’t have the wherewithal to adapt to our ways of working. We must find hybrid models to give our users optimal service, no matter where they work. (Heidi)</i>
Municipal NAV leader (commenting on the internal difference in approach):	<i>In NAV Central’s mindset, the branch leader’s position in NAV involves merging two cultures into one unit. However, where is the end user in this philosophy? If this was applied in a hospital setting – arbitrarily amalgamating paediatrics and orthopaedics, that wouldn’t work, would it? The state’s interference in the organisation of local branches is completely unchecked...!</i>
District administrator	<i>Sufficient follow-up resources and flexibility are essential! It’s all about support and empowerment. We see the results from this approach – we see it in the numbers. This is no stunt! That is why follow-up is our top priority, and this is how we manage our budget.</i>

Our observations make it clear that the municipal partnership with NAV State is viewed on all levels as a union of two separate organisations.

An internal hierarchy of functions

In this relationship, previous authors recognise municipal NAV as “the underdog” (Christiansen et al., 2014). *After all, they have the bucks!* a social worker explained. Others in the organisation used relational imagery to describe the internal division, calling the arrangement an *unhealthy marriage* (Tom) and underlining the need for a *marriage counsellor*, a metaphor employed by several employees. Concerned that social work competence requires empowered employees who can foster flexibility and tailored solutions to service users, middle management leaders at the office see NAV State’s approach as overbearing to the junior municipal partner. Tom speaks to this issue above, and Heidi points to an *attitude* on the state side towards a more social work-oriented approach on the municipal side:

There might be synergies if we cooperated with State in extended work-oriented follow-up. State behaves patronisingly towards us; they think we work in overly informal ways and don't follow the rules as slavishly as they think we ought to. (Heidi, middle management)

On the municipal side, among leaders and social workers, there is a feeling that a more bureaucratic way of relating to NAV's mandate is seen by NAV State, particularly leaders, as "the proper NAV way". Formulated differently, there is a feeling that the legal-bureaucratic discourse has ascendancy over the social work professional discourse that runs parallel in the organisation (Vabø & Vabo, 2014, p. 6). Conversely, the municipal side often believes that the more social work-focused approach is relegated to second-class status within the broader NAV apparatus. This type of sentiment and the reality they reflect likely helps perpetuate the division in everyday organisational life.

Social work competence as municipal NAV culture

Part of what furnishes the municipal organisational culture is the notion that, within the partnership, municipal social workers are the ones who possess social work competency. In conversation with the researchers, the municipal leader spoke about the flexibility inherent in social work professional discourse as contrasting with NAV State values:

State control of local offices is too tight. They think according to organisational theories and don't listen to social work experience. They ignore the risks involved in wanting every local branch to be identical. The idea of uniformity gives me the hives! Social workers worry that a unitary leader might be recruited from NAV State. (Leader)

The implication is that the position of social work discourse within the partnership might suffer with a leader more concerned with other competing discourses identified by Vabø and Vabo (2014, p. 6). To return to the focus group interview where social workers discussed NAV State's understanding of the organisational mandate as incompatible with theirs:

When you transfer welfare users to the state side, some of the most vulnerable fall through. They need closer follow-up. This needs to be done by social workers! The state employs marketing people and smatterers (Nor. halvstuderte røvere). They've started to do follow-ups over the phone instead of actual meetings with clients. I find it strange when we know that many clients struggle to comply with the system. It's a lot better to have physical meetings. You can read the person's body language better and map out resources when you meet them. (Gunn)

What is reflected in conversations across the material is that "social work" is seen as "a municipal task" and the reserve of municipal competencies:

Astrid

Our user groups need closer follow-up! Work promotion and health-related activities are important priorities. NAV State can't handle those groups. The heavy user groups fall through when State assumes follow-up responsibility.

Linda

We're the ones who have the social work competence!

Ali

Yeah, they don't even want the users inside the building. We're the municipal anarchists – we show them in through the back entrance...!

These conversations lay bare notions of recalcitrance and the underdog standing up for the proper mandate of the organisation. Municipal social workers and their leaders position themselves in opposition to their statal colleagues based on the notion that “we” further the interests of the service users, and “we” are equipped with the mindset and toolset to make the organisation capable of responding to the welfare needs of the most vulnerable service users. The notion that State fails to lend its weight to endeavours developed on the municipal side is not without consequences in terms of internal collaboration. A notable current underpinning many of our findings is that the municipal side strongly believes it affects the organisation’s ability to accommodate the political rallying call to develop more autonomous and empowered local offices.

The contested cantina – a symbolic case of organisational division

Ali referred to *showing users in through the back entrance* concerning specific circumstances. Municipal leaders and social workers had hoped to establish a client-run cantina on-site for the everyday use of personnel and service users. This cantina was discussed on the municipal side in various contexts as a tool of further social work practice in-house and, more specifically, as part of the strategy poured into the ongoing organisational developmental process. To recap, the municipal side of the organisation has adopted an ambitious two-point agenda for their social work approach (reducing social expenditure and school dropout). With aims contingent on developing “new ways” of doing follow-up of clients, this process presumably has little bearing on the state side of the organisation. We take employees’ and leaders’ articulations about “the cantina” to represent an evocative and contested symbol of the organisational divide. The debate among them about establishing the cantina illustrates how the two sides of the organisation represent different approaches to social work and the follow-up of service users, and thus, different organisational cultures. This example from our material illustrates that the municipal perspective tends to see the division into municipal and state-run sub-units complicating the organisation’s ability to respond to the political call for innovative social work approaches to meet local challenges.

In a general assembly of the municipal half of the organisation, the frustration around the cantina as a source of internal conflict was laid out by the leader:

As you know, there are different rules for the presence of [service] users on the premises. We used the cantina on the second floor as a workstation for supervised

activities for service users. That way, we got to know them better as people, not just as clients. We would eat there together with users. Users had access, too. It was an excellent way to bridge the gap between social workers and service users, and both sides of the organisation came together. It led to closer relations. It was an excellent activity! However, we can't do that anymore; they won't allow it. State doesn't approve. (Leader)

In a team meeting, we observed a discussion that turned into an issue of directed activity for a particular user whose circumstances might require a bit of extra supervision by a social worker. Many activities had previously been attempted, and the team members agreed that the cantina might provide a setting where someone with this user's needs and challenges might acquire new working skills and receive daily follow-up from the social worker, who would, after all, "be close at hand". That way, the social worker could carry out the first mapping of the users' abilities to function in work-like surroundings:

We can no longer employ [service] users in supervised in-house activities. That's a loss for the social work we do! (Ali)

It is very important to the work we're trying to do here. What to do with people who've gone through every activity on offer without getting anywhere? Can we come up with something new? What we know about the users is not an eternal truth, and sometimes doing something different helps produce results... (Nora)

Employees and leaders refer to internal communication about the cantina to illustrate what they see as fundamental differences in thinking and approach to follow-up within the organisation. Re-establishing a client-run cantina on the local premises was seen, on the municipal side, as an efficient way to provide supervised activities to service users needing work qualifications. The cantina as a "guided activity" is an attractive measure for municipal social workers because it offers several advantages involving closer relations between professionals across the divide and between professionals and clients. On the municipal side, social workers and leaders draw on the cantina to lament the cultural differences within the organisation.

Discussion: wicked issues, tangible solutions

NAV is enjoined politically to develop empowered and empowering local offices with flexible solutions to better cater to the welfare needs of communities. The official *Guide to the partnership agreement* (NAV, 2007) recognises that "cooperation between state and municipality must work well for the NAV office to provide holistic and coordinated service delivery". This is to say, without solid collaboration at the frontline level, implementing flexible frameworks that require organisational leeway will likely be challenging. Under the headline "For consideration", the guide poses four highly pertinent questions: "Does your partnership agreement promote your

common social mission, which is more people working and fewer people on social benefits? Do you agree about common goals for the office? What visions and values do you wish to formalise in your partnership agreement? Do you have a common operational plan for the office?" (NAV, 2007). We might briefly summarise our argument, considering these guidelines.

We have argued that the organisational culture within the local partnership is heavily influenced by pervasive notions of "us" vs. "them" materialising on many levels and contexts in corporate life. In seating arrangements, technical issues, perceptions of organisational mandate and vision, their identity as social workers, and relating to leaders, municipal employees recognise a division between them and state employees. They resent the perceived ascendancy of NAV State in the partnership. In keeping with Schein's organisational culture theory (e.g., 2017), the internal divide gives municipal employees a feeling that the local office is staffed with two parallel organisations with different values, beliefs, and underlying assumptions. Talk about "the cantina" encapsulates internal differences. Reflecting the organisation's social dynamics and power relations, in discussions, the cantina brings out values held by people within the organisation and underlying tensions. From a municipal perspective, the cantina might serve a dual purpose. It might provide practical work experience to empower service users. It might close gaps between providers and receivers of services and among strata of employees. When the State side of the organisation is seen to reject this mindset, this is taken to indicate a lack of commitment to accommodating flexible solutions. To the municipal employees and leaders, the cantina might have helped bridge the organisational divide through informal interactions, exchanging ideas and experiences, and fostering "a shared culture" more balanced between the social work professional discourse and legal-bureaucratic discourses. In keeping with Blumer's symbolic interaction theory, to the municipal employees interacting with their state colleagues, "the cantina" becomes a symbol that helps them construct meaning around the organisational division and influence their individual and collective behaviour.

This division means that municipal social workers work in isolation from the NAV State structures within the partnership. This matters because if internal, everyday cooperation cannot be achieved, there is a risk of losing "synergies" in service delivery, as Heidi calls it above, which might otherwise develop from a more integrated frontline apparatus. The effect is that the municipality cannot mobilise the resources the central government represents to further its organisational agenda. As leaders and social workers in our material recognise, the question of unitary or dual leadership is at the heart of this debate. Excerpts from conversations in our material reflect that leadership plays a pivotal role in the organisational culture. We address the importance of leadership in social work, specifically elsewhere (Natland et al., (forthcoming)). Questions pertain to the leadership qualities needed to rally both categories of employees. Municipal employees and leaders underline social work competency as essential leadership qualities for a unified organisational structure. They stress the need to renegotiate the relative position of social work discourse within the partnership. The NAV reform aimed to enhance the local government's capacity to address complex and interconnected challenges across various policy areas (Christensen et al., 2014). Our observations of the organisational process problematise the reality of the

partnership between central and local governments in the local office, potentially hindering the municipal agenda. In our material, the state's part in combating school dropout rates points to the local service apparatus's integration level. We believe these issues will be resolved by facilitating NAV State's role in empowerment efforts at local offices through social work professional leadership.

Implications

Future research could explore the constellations made through efforts at local offices to engage external municipal partners in improving social services provision. A critical feature of the material we have gathered is the need for more cooperation and collaboration across the organisational divide in the local NAV office. From the leaders to individual social workers, the need for more internal cooperation is stressed on the municipal side, and the two sides are seen to differ in vision and approach, especially in operationalising social work principles in running the services provided. This lack of operative cooperation may adversely affect the organisation's serviceability and the ability to reach the two-fold goals on the agenda. It underlines the need for a more empowered organisational structure with leaders capable of empowering their employees. Promoting flexible solutions locally in NAV might necessitate recalibrating certain structural conditions.

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Sport policy in Finland: from class divisions to depoliticisation, from sport for all to business like any other?

Abstract

Sport in Finland has a fundamental societal role as the nation's favourite pastime, serving also various instrumentally defined social goals. Finland for a long time combined significant successes in elite sport with high levels of physical activity among the population. In recent years, the successes, particularly in individual sports, declined but Finland remains the European country with the highest share of the population being physically active. The paper approaches these peculiarities, tracking Finnish sports' historical institutional roots and transformations over the years. Elaborating on the recent reforms of the sports policy, the article points to two crucial processes. The first concerns the transformation of sports policy in accordance with neoliberal ideas, whereas the second relates to the depoliticisation of sport-related policymaking in Finland. The latter phenomenon is particularly interesting given the long-lasting tradition of class-based, political divisions relating to the field of sport in the Finnish context.

Keywords: public policy, Finland, neoliberalism, sport policy, policy reforms, depoliticisation

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Introduction and inspirations. Finnish sport policy and its outcomes

Sport is almost universally perceived as a useful and potentially important tool in a variety of social policy measures (Woźniak, 2017). From a utilitarian perspective, it may help to implement actions supporting social cohesion, counteracting exclusion, and promoting public health (Kelly, 2010, pp. 131–139). Giulianotti (2011, p. 757), summarising the contexts of sport in social policy design, mentions building social cohesion through integration and enhancing opportunities educational opportunities for children and young people from disadvantaged backgrounds, the ethnic integration of young people from ethnic/national minorities (by organising competitions for children from different ethnic backgrounds), reducing crime (by organising activities for those at risk of demoralisation), and integration of people with disabilities. Sport is also supposed to serve public health. The states see the provision of sports infrastructure and the promotion of sports participation as a benefit and indicative of a “quality” lifestyle activity among the citizens (Collins, 2014; Palmer, 2013). All those goals are visible in the Finnish context. Sport policies and sport-related investments are important welfare policy tasks, designed and implemented in accordance with the ideals of the Nordic, social-democratic welfare regimes as part of the universal provision of access to socially important goods and services: “The 1998 Sport Act in Finland, for example, understood sport to be a force for diverse social benefits, such as health and welfare, the development of young people, environmental sustainability, cultural diversity and social equality” (Giulianotti et al., 2017, p. 42). Sport is, therefore, perceived instrumentally as a tool promoting public health, helping in the socialisation of citizens, strengthening social identity and an important part of the labour market creating employment opportunities.

Although sport is important at all stages of the life cycle, and Finland has a spectacularly high level of participation among the elder age cohorts (Mäkinen, 2019), it is the children and the youth that are particularly important categories when it comes to the goals of Finnish sport policy. Promoting and supporting sport and physical activity among young people is explicitly defined as a priority in the Sports Act. Several measures are implemented to achieve these goals, financed by the government. Only the national promotion programmes organised under the umbrella term “On the Move” (*liikkuva*) engage pupils in kindergartens and schools in more than 90% of the municipalities (European Commission, 2023). In the Finnish context of sport policy, the state serves as a sponsor and regulator and for a long time, the voluntary sector of civic organisations served as a provider of services, a link between the citizens and the Government (Lehtonen & Mäkinen, 2019; Bratland-Sanda et al., 2019; Vehmas & Ilmanen, 2013).

Finland, a small sports nation with spectacular achievements

Finland, a “small sports nation”, as Koski & Lämsä (2015) labelled the country in their overview of the development of national sport policy, is unique for several reasons. Comparative data from numerous sources clearly shows that it combines

globally impressive achievements in an elite sport with a very high level of physical activity among the population. Finland standing in the elite sport may be confirmed by its position in the medal tables of the Olympic Games. As of 2021, in the number of gold medals per capita won at the Summer Olympics Games, this sporting nation usually rightly associated with winter sports is located at the third spot behind the microstate of Bahamas (with less than 400 thousand population and eight medals) and Hungary². In terms of the number of medals per capita, it lost the first position only after the Tokyo 2021 Summer Olympic Games when another microstate of San Marino with a population of approximately 34 thousand won its first ever three medals. In the Winter Olympics, Finland is 11th in the all-time medal table and seventh when we measure medals output per capita.

As Koski & Lämsä (2015, pp. 428–431) point out, the golden era of Finnish sport lasted until 1952, parallel to the period of amateurish sport but its legacy does not boil down to statistics. Sport remains a crucial, most popular, and binding pastime, both when it comes to spectatorship, viewership and everyday actual engagement in physical activity. In this respect, Finland also leads numerous rankings as a spectacularly active nation. According to the most recent Eurobarometer's report on sport and physical activities in the European Union countries, Finland was the state with the most numerous share of respondents (71%) who declared that they exercise or play sport at least once a week and the lowest share of respondents (8%) who declared that they never exercise (European Commission, 2022). Physical fitness was the best, and physical activity was highest among highly educated men and women (Valkeinen et al., 2013), which is unsurprising. However, large-scale research conducted by KIHU (*Kilpa- ja huippu-urheilun tutkimuskeskus*, the Research Institute for Olympic Sports) showed that the differences between various educational groups were not too large. Almost 89% of Finns with a tertiary education degree are physically active, while for the group without completed secondary education, the share was close to 78% (Mäkinen, 2019). Physical activity is also distributed in a relatively egalitarian way among various age groups. Almost 84% of people older than 65 declared engaging in sport and/or physical activities. It was actually the second most active age group after the group aged 35–44 (84,9%). What may sound surprising is that it was the youngest category (15–24 years of age) that least frequently declared engagement in sport. It was the only category with less than 80% of such a declaration. More than every 10th

² The golden era of Finnish Olympic successes culminated during the Summer Olympic Games in Helsinki in 1952. It was an event with long-lasting legacy both in terms of highly useful sports infrastructure, built as a joint effort of the whole society and symbolically as a confirmation of Finland's international status. The Olympics were held in a year when Finland finished paying post-World War Two reparations to the Soviet Union which marked a symbolic new beginning for a quickly modernising state. Since 1952, the scale of success in the Summer Olympics has declined, while the results achieved during the Winter Olympics have improved. It should be noted that the facade of sports amateurism in Finland was maintained at least until the beginning of the 1980s, even though under-the-table income was largely available to top athletes, including those competing in the Olympic games (see: Lavikainen, 2021, who uses the term shamateurism to describe the scheme in his article pertinently titled: *If the IOC finds out about this, all of you will be declared professionals*).

citizen (12%) is a member of a sport club, and even more (13%) join a fitness or health centre. Depending on the source, the number of clubs is estimated from 8,500 (Mikkonen et al., 2022, p. 720) to 10,000 (Szerovay, 2020, p. 72). Although a direct relationship between investment in sports infrastructure and frequency of sports participation has never been fully confirmed, it might be explained, at least partially, by the accessibility of state-funded and available for all facilities (Bergsgard et al., 2019). If we consider that the state, via its sport policy should, on one hand, provide opportunities for the most talented to achieve success in elite sports competitions and, on the other, ensure a high level of physical activity among the general population, we may conclude that for most of the time, Finnish state fulfilled these tasks very efficiently.

Aims of the paper.

May we speak about the depoliticisation of sport policy in Finland?

The observations made above inspired this paper which aims to delve into the history of Finnish sport policy and its recent transformations. Special attention is paid to the current challenges as defined by Finnish scholars, policymakers and experts interviewed for the purpose of this article and some peculiarities identified in their works that differentiate the Finnish case from the other sport policies. Literature review and interviews conducted for the purpose of this work show that one of the crucial peculiarities concerns the fact that until the turn of the 1980s and 1990s, the sphere of sport remained a deeply divisive field that served as a “proxy” for class-based political conflicts. After the demise of these cleavages, sport policy quickly became designed and implemented in accordance with the rules of the New Public Management or New Public Governance, where evidence and technocratic knowledge are supposed to be the basis of policymaking. The research conducted for the purpose of this paper may be perceived as a reconnaissance into the field, attempting to gather a thorough and multidimensional body of information and identify potential loopholes or gaps in the knowledge. Therefore, the paper is of an exploratory and idiographic rather than analytical nature. It is organised around two research goals and one accompanying research question. The goals are to depict two interlinked processes, on one hand, the demise of the class-based and highly ideological system of sport in Finland and, on the other, the growing professionalisation and commercialisation of this field and to discuss them within a frame of depoliticisation. The general research question is: has the control of politicians over the institutional field of sport vanished (because of this transformation), and we may speak about the sport policy in Finland?

Depoliticisation is thus, the central term here. Concise but influential definition by Burnham (2001, p. 128) states that

[...] depoliticization as a governing strategy is the process of placing at one remove the political character of decision-making. State managers retain, in many instances, arm’s-length control over crucial economic and social processes, whilst simultaneously benefiting from the distancing effects of depoliticization. As a form of politics it seeks to change market expectations regarding the effectiveness and

credibility of policy-making in addition to shielding the government from the consequences of unpopular policies.

The scholarship on the depoliticisation of public policies has at least 40 years of tradition (Kiel, 1984; for a review, see: de Nardis, 2017). The roots of the depoliticisation strategies have been tracked to Keynesian policymaking in Western Europe (Burnham, 2017, p. 357). Most frequently, though, the term was used to analyse the policymaking practices which were inspired by the neoliberal politics of the era of Reagan and Thatcher and constitute its lasting legacy visible particularly well in various national applications of the “third-way” policymaking. The most recent stream of research directly ties depoliticisation with the rise of populism in many Western democracies (Scott, 2022). Delegating of the governance to the experts’ bodies, which are not democratically legitimised, has been frequently criticised for a variety of reasons. Some criticisms (normative ones) focus on the soundness of the expertise applied (e.g., the validity of solutions coming from conflicting schools of thought), while most of them concentrate on the very logic of the delegated expertise. On one hand, it is perceived as a “rule by Nobody”, by almost automatised expertise which diminishes public scrutiny over the political circles, allowing them to withstand responsibilities. On the other hand, the criticism concerns the very idea of potential “truth” in the expertise, questioning its neutrality, pointing out that sometimes it is merely a facade behind which value-laded and ideological agenda may be hidden (Barbi, 2018, pp. 77–78).

Methodological issues

The data was collected and analysed for the purpose of the project titled *Finnish Welfare Culture: Historical Roots of Public Policies and the Late Coming of Neoliberalism* funded by the Polish National Agency for Academic Exchange under the Bekker NAWA Programme, edition 2021 (nr BPN/BEK/2021/1/00151/DEC/1). This paper is based on the desk research and literature review of the great body of research conducted by Finnish scholars, combined with data from qualitative expert interviewing. This fieldwork was part of the subproject on *Party politics and sport policy in Finland*. The selection of interlocutors for expert interviews is always subjective; it is based on the researcher’s knowledge of who can provide useful information and to what extent (Bogner et al., 2009). The legitimisation of the expert position is most often the institutional embeddedness of the interviewee in a formal role related to academic status or profession. In this case, when looking for interlocutors, I usually relied on findings from the desk research. I have met authors of publications in which I found issues worth elaboration; I often asked for details. Sometimes, I was inspired by the information I read in the mass media or – using the snowball method – by suggestions from experts on whom else I should meet. Apart from the experts coming from the academic world, I have also talked to people who have been actively involved in decision- and policymaking processes on the national and local levels, i.e., two former ministers of sport from two different political parties, a head of the Department of Sport in one of the largest Finnish cities, vice-mayor responsible for

sport in one of the largest Finnish cities and the member of the board of National Sports Council (*Valtion Liikuntaneuvosto*), the crucial advisory committee appointed by the Government and assisting the Ministry of Culture and Education. Of course, the information obtained through the experts' interviewing does not constitute knowledge on par with the scientific texts published in peer-reviewed papers. Still, it is often an invaluable supplement, opening new fields of interpretation and deepening the knowledge gained from work based on scientific literature and other foundational data. I conducted most interviews face-to-face, visiting my interviewees; some took place remotely via MS Teams. The scenarios for the casual interviews were always structured in terms of the interviewee's area of expertise. Accessing interlocutors was mostly unproblematic; it seems that Finnish experts, even those who are active politicians, regarded participation in research as their duty and sharing knowledge as part of their official mission. The body of data collected during the realisation of the aforementioned project is much larger, but for this paper, I have compiled a dataset of 12 expert interviews. Most of the experts interviewed are well-recognised public figures, either on a national or a local level. Even mentioning their political affiliation would allow readers familiar with the Finnish context to recognise them. Therefore, in the article, they are recognised only by a function. I use the pronoun "they" to avoid identifying the gender of the interviewee.

Class divisions and sport policy. Sport as a proxy class war

Sports clubs have been part of a civil society, emerging in Finland since the late 19th century. The voluntary sector thus fulfilled crucial functions of sport provision. As Itkonen and Salmikangas (2015, pp. 548–549) write, in the 1960s, enabling the population to take part in sport and recreation was a state response to the change in lifestyle stimulated by urbanisation caused by the massive migration from rural areas to cities. Access to sport for all allowed to compensate for the less physically active lifestyle and meet the demands for active leisure stemming from fewer working hours. Even when the "idealistic era of amateurism" (Koski & Lämsä, 2015) began to vanish, volunteer-based jobs remained crucial for providing sports services. Finnish historians derive the culture of self-governance from the tradition of rural assemblies where local community elected representatives responsible for representing them during negotiations with the authorities (Stenius, 2012, p. 213). The emergence of civil society organisations that managed sport in Finland for many decades is a legacy of the Russian Revolution of 1905, when the Grand Duchy of Finland was an integral part of the Russian Empire. Finnish episode of the Revolution was a massive general strike which resulted in political reforms. It resulted in the dissolution of the Diet of Finland composed of the representatives of the four estates, the establishment of the Eduskunta, modern parliament and the introduction of universal suffrage, followed by the increase of political freedoms, including the freedom to establish massive number of civic associations and unions (Itkonen & Salmikangas, 2015).

Soon afterwards, in 1906, *Suomen Valtakunnan Urheiluliitto* (Finnish Gymnastics and Sports Federation, hereafter: SVUL) was formed as an official sports association

of Finland responsible for the preparations, financing, and coaching of the Olympic teams. Finnish Olympic Committee was established one year later. Finns took part in the Olympics for the first time already during the Summer Olympic Games hosted in 1908 in London when Finland was still not a sovereign state but under the Tzar's rule. In 1912, during the Games in the neighbouring Sweden, the Finnish team was the sixth largest in terms of the number of athletes. In the medal table they were ranked fourth only after the United States, the host nation of Sweden and Great Britain³. In 1918, during the Civil War, members of the SVUL were loyal to the White Finland with many serving in the army commanded by Carl Gustaf Mannerheim. The Civil War resulted in almost 36,000 deaths in a country of less than 3 million inhabitants at the time. Three-quarters of these were Red Guard soldiers, of whom only one in four died in combat. The War casts a long shadow on the political scene of Finland in the following decades. Although many attempts were made to unite a bitterly conflicted country, the field of sport politically remained one of the social realms where the divisions persisted (Haapala, 2010).

While SVUL remained a crucial sport organisation associated with the bourgeois, *Työväen Urheiluliitto* (Finnish Workers' Sports Federation, hereafter TUL) was established in 1919 as the association of the working class. Two parallel sports systems have been operating in Finland ever. Until the Second World War, this organisation's athletes did not participate in official competitions or represent Finland in the Olympic Games. Instead, they participated in the International Workers' Olympiads organised by Socialist Workers' Sport International. The athletes competed under the red flag of the international workers' movement. Finland and Czechoslovakia were the only countries represented in every of the six editions of the competitions and the most successful one. Two parallel sports movements emerged, with their separate competitions, tournaments, and clubs, functioned in Finland for a few decades longer than in other Nordic states, up until the 1990s when the Finnish state adopted the New Public Administration doctrine and performance- and domain-based management in public administration.

SVUL survived until 1993, when it was transformed into *Suomen Liikunta ja Urheilu* (Finnish Sport Federation, hereafter: SLU). SLU served as the umbrella organisation for Finnish sports associations until 2012. *Nuori Sport* (Youth Sport) and *Kunto* were separate entities responsible for the sport of the youth and children, while *Kuntoliikuntaliitto* was responsible for promoting public health through physical activity and mass recreation. Since 2013, all these organisations were merged, functioning as *Valo* (Finnish Sport Confederation). Reforms of the 1990s gradually moved the power to the state with the state-controlled subsidies, becoming a crucial tool for implementing policy plans in the field of sport (Lehtonen & Mäkinen 2019, p. 121; Mikkonen et al., 2022). Since 2013, the centralisation of sport policy has gone even further. In 2017, *Valo* ceased to exist. As a result of the most recent institutional

³ Although SVUL was officially a bilingual association, only a few years later, in 1912, *Svenska Finland Idrottsförbundin* (Swedish Sports Association, SFI) was established, splitting from SVUL. Its task was to organise sport for culturally and linguistically distinctive Swedish-speaking population.

reform in the Finnish sport system, all crucial tasks were taken over by the Finnish Olympic Committee, which is currently, along with the Ministry of Sport (depending on the Government, it may be part of Ministry for Education and Culture or a separate body), the most influential institution governing the national sport system (Mäkinen, Lämsä & Lehtonen, 2019; Szerovay, 2022; Mikkonen et al., 2022). FOC serves as an umbrella organisation supervising sports federations. Recent reforms finalised the gradual centralisation and formation of the institutional pyramid model of sports governance (Lehtonen, 2020). The efficacy and feasibility of the new system are yet to be fully understood and recognised. Although, in many respects, Finland was one of the countries that survived well the hardships caused by the global pandemic, it was the sport that suffered financially more than other areas of public sector in Finland. The state financed sport mainly through the revenues from the state-owned monopolist lottery company Veikkaus, which in 2019 distributed approximately 1 billion Euro for that purpose via beneficiaries determined by the Government and specific laws. The pandemic and lockdowns were a massive blow to the company's profitability, as most of the gamblers turned to online, legal or illegal (but accessible through VPNs) platforms. In a paper written even before the pandemic (2020), Lehtonen pointed out that the situation when sport was financed almost exclusively from the state revenues from gambling was one of the most problematic issues. As a result of this crisis, the scheme of funding sport and recreation is now undergoing a crucial, as Mikkonen et al. (2022) claim, historical change. The reform is supposed to be enacted in 2024, however, the change of Government in mid-2023 may delay the process. The outcome of this reform is yet to be seen.

The commercialisation of the sport-field and the alleged vanishing of the “ideologies”

Traditional ideals of amateur sport based on voluntary work and the growing significance of the commercial sector in the sports industry coexist, but not without tensions. These are visible in the first place in the field of club management (Szerovay, 2022). The divergence has occurred since the 1980s; some parts of the sports sector were rapidly professionalising. Previously, the state and municipalities were responsible for establishing and maintaining sports facilities, while clubs, through the voluntary work of their members, organised activities that were usually free to all citizens. In recent decades (since the beginning of the 21st century), public subsidies received by the clubs were used more often to employ staff. In approximately one-fifth of clubs operating in Finland paid staff is now employed. In parallel, public funders expected cost-efficiency and the sporting results following New Public Governance postulates of evidence-based management (Koski, 2012). The state channels money for the facilities via the municipalities, relatively to the population. As of 2017, 71% of approximately 33,000 sports facilities in Finland were owned by municipalities, 8% by private companies, 7% by sport clubs and 1% by trusts (Bergsgard et al. 2019, pp. 5–6).

Institutional changes described above have been implemented since the 1990s to respond to the new challenges. The growing professionalisation and commercialisation

observed in the management of sports institutions changed the dominant logic in the sport policy in line with the priorities of New Public Management (in the 1980s and 1990s) and New Public Governance (from 2005 onwards, see: Koski et al., 2015; Mikkonen et al., 2022). Reforms concerned changes in funding, which became more competitive and project-based and contributed to the rise of entrepreneurialism and bureaucracy (Itkonen & Salmikangas, 2015). Parts of the public responsibilities were outsourced to the private sector as municipalities were required to organise the tenders for providing services (like swimming lessons for children) or maintaining the facilities (e.g., ski tracks in the cities). Szerovay (2023, p. 99) writes about the growing hybridisation of sport club activities and their modes of operation, which are inevitable consequences of the reforms mentioned above. This shift was accompanied by the growth of the private sector within Finnish “sports industry”. The usage of private sports facilities increased fivefold in the first decade of 21st century (Laine, 2017; Giulianotti et al., 2019). The number of sport clubs operating for-profit and receiving payments for its services has grown massively. This resulted in the emergence of the category of citizens who, due to the cost of participation, have limited access to sport (Szerovay, 2022, p. 78; Koski et al., 2015). New lifestyle trends concern also individualisation of leisure and the rising popularity of “wellness industry” and tracking apps (Eskola & Laine, 2020). The changes were interlinked with the cuts in public spending because of austerity policies and individualist tendencies in approach to leisure, coming to Finland later than in other Western societies⁴, which led to the emergence of inequalities in access to sports, based on socio-economic status.

These processes were met with the re-institutionalisation of sport policy and significant policy changes occurring since the beginning of the 21st century. The reforms have been duly analysed. Interestingly, given how long and how deeply the theme of sport polarised Finnish society, the ideological contexts of these reforms were rarely critically reappraised. The introduction of New Public Management and New Public

⁴ There are numerous initiatives applied to determine the necessary direction of further changes. For instance, in line with New Public Governance and postulated evidence-informed policymaking (Mikkonen et al., 2022, pp. 723–724) Danish scholars prepared evaluation of the elite sport system commissioned by Finnish Ministry of Education and Culture (Storm & Nielsen, 2022, pp. 8–9). Whereas the ideals of equality acculturated in the society and institutional memory of the state, along with high levels of social trust, both generalised, individual, and institutional are rather universally perceived as one of the most important advantages of policymaking in Finland (Kangas et al., 2021), the Danish report concludes differently. The lack of trust between the institutions and equality as a principle are enumerated as some of the most problematic issues in a field of sport policy: *The governance problems are strongly linked to broader historical developments and cultural issues deeply rooted in Finnish national identity. A poorly designed overall structure causes the malfunctioning interaction between organisations. Still, it is seemingly also related to lack of trust, flawed communication, strong norms of equality, and fear of failure, which various (doping) scandals have reinforced. The consequences are a systemic risk averseness held in place by the relatively low legitimacy of elite sport in broader society and inherent resistance to set up clear performance goals. Further, reluctance to prioritise the pursuit of excellence rather than mass participation is institutionalised. Also, norms of independence of stakeholders are significant, making steering and aligned management difficult [...]. All of these issues constrain the development of Finnish elite sport.*

Governance as a *modus operandi* of institutions was portrayed rather as ideologically neutral, even though in scientific literature, it is frequently perceived as a sign of neoliberalisation of the public policy (see: Knafo, 2020). In Finland, no state retrenchment is witnessed in sport policy but the introduction of logic of profit-driven operations, competition-based funding, gradual dismantling of the role of collectives, and voluntary organisations, as well as an increase in commercialisation of services may be perceived as at least some indications of quite fundamental changes introduced in the name or professionalisation and technocratic reforming⁵. As neoliberalism proved its adaptability to different conditions Giulianotti et al. (2019, pp. 547–548) wrote about the glocalisation of neoliberalism in the Nordic context. There is a great body of research into the gradual penetration of the Finnish state with neoliberal solutions in numerous policy fields, e.g., financialisation of economy (Sulkunen, 2015), rise of the competition state (Kantola & Kananen, 2013), rise of managerialism (Poutanen et al., 2022) and consultocracy (Ylönen & Kuusela, 2019), domestication of the startup culture (Koskinen, 2021), neoliberal experimenting with new policy solutions (Mannevu, 2019), and transformation of the family policies (Ylöstalo, 2022). Writing about neoliberalism infiltrating Finnish public policies Moisio & Rossi (2020, p. 540) underline that:

Since the 1990s, the gradual neoliberalisation of Finland has been characteristically a technocratic process whereby technological knowledge, and the whole techno-industrial complex, has assumed a pivotal. Indeed, the government programmes of 2011 and 2015 are premised on the idea of constructing a new state that would embrace technology-intensive development and productivity across different social spheres.

It seems that the gradual shift of sport policy of Finland, at least partially fit to this diagnosis.

Depoliticisation of the sports field in Finland?

Even though the sports system's deep reforms in Finland occurred in recent years and required the decisions undertaken on either governmental or parliamentary level, the issue of sport policy was not topical in the contemporary political debates. Ideological and economic tensions of the current phase of sports sector development

⁵ For the purpose of this paper, I understand neoliberalism (definition inspired by Schmidt & Thatcher, 2013; Schmidt, 2022a) as a political ideology that allowed for a crucial socio-economic and cultural change in the past half a century. According to its values, almost all policy domains should be framed and measured by economic terms and metrics. It treats individualism as a virtue and attempts at gradual dismantling of the role of collectives, including the state and state institutions. It has paved a way for an introduction of a capitalist competition-based and for-profit oriented institutions and modes of operation into most of the spheres of society. It combines a facade of objective, technocratic, if not “scientific”, rules and solutions with deeply normative and morally-laden narratives.

are not discussed and problematised in the political debates. Furthermore, the political context of sport-related policymaking was rarely subjected to scientific scrutiny. Even with the first-ever *Government Report on Sport Policy* publication in 2018, the issue was not discussed within the frame of party politics (Mikkonen et al., 2022, p. 721). Re-organisation of the institutional framework operating in sport was presented more as administrative decisions and managerial restructuring than the outcome of the political process. In empirical works quoted above, there is almost no mention of the impact of party politics on the field of sport. In most of the papers quoted in this article, no political party name is ever mentioned. It seems an interesting and striking omission given how politicised and ideologically divisive sport was until just a few decades ago and how prominent active or former politicians frequently occupy institutional positions in Finland's sports system. To provide just three examples. Sauli Niinistö, the President of the Republic just before taking over the highest position in the country's politics has served as a chairman of the Finnish Football Association since 2009. He has left the post only after winning the presidency. Before becoming a very popular and highly respected head of state, Niinistö was a longtime minister (in government branches unrelated to sport: justice and finance), Deputy Prime Minister, and the Speaker of the Parliament. Kalervo Kummola, one of the most prominent persons in Finnish sport was a board member of the Finnish Ice-Hockey Association since 1975 and served from 1997 to 2016 as a chairman. Due to the massive popularity of ice-hockey in Finland, the Association has an influential position trespassing the borders of sport. Kummola is also a career politician, former parliamentarian, and local councillor who, in 2023, took over the position of mayor of Tampere, the third-largest city in the country. Finally, Jan Vapaavuori, who chairs the Finnish Olympic Committee, is another example of a politician taking over the most crucial position within a country's most important sports institution. Previously, among other political posts, he served as a minister in four different governments and the capital city's mayor. All three politicians are members of Kokoomus (Coalition Party), a right-wing and the most economically liberal and pro-market political party in Finland.

This issue was recently noticed in the popular mainstream debate when *Ilta-Sanomat*, one of the largest Finnish tabloids, published in mid-2023 a long article about challenges ahead of the Finnish sport and the newly forming Government. Kokoomus, after winning the April elections, at the time of the publication was leading the governmental negotiations before forming the coalition. Due to its impact the party was dubbed by the tabloid the "sports' party" of Finland. Finland's political system has a stable multi-party organisation with coalition governments based on consensual decision-making. Hence, in everyday policymaking, no single political party can fully dictate its agenda onto any policy field regardless of its support or the number of parliamentarians. From this perspective, the dominance of a single political party over the sports field is a rather surprising phenomenon; which has not been thoroughly scrutinised so far. In most of the works quoted above, the institutional transformation and new forms of governance implemented in Finland as a solution were not discussed within the frame of party politics. An interesting insight concerning this very issue comes from the expert interviews. One of the former ministers of sport

claims that the role of sport as a political topic has diminished in recent years and that on a general level, there is an overwhelming consensus that the sport should be politically and financially supported:

I could say sport isn't the big political theme in Finnish domestic policy if I compare it to for example, education or energy policy or forest policy or if I compare it to social policy, healthcare policy, it's not so ideological. It's sport, it isn't big political question. And even when it is, it's not ideological debate it's [...] more like we all everybody is: "thumbs up for sport!"

Their explanation regarding the role of Kokoomus as the crucial political party dealing with sport-related issues is twofold. On one hand, they claim that the liberal and pro-market is a "go to" institution when current or former athletes, coaches, club owners, managers or sponsors need the political institution to support their goals:

I think this is one reason why Kokoomus has been so successful in that area, because sportsmen, sportswomen, and sports enthusiasts are not typically very political [...] Politics is boring. Politics is boring. Politics is something not for me. But if I want to have some politics, then the Kokoomus is the right door and there are no other doors. I think this is this is a little bit like this and I think the development has been long term and I think it has. And I think it has something to do with the sponsoring of sports because Kokoomus is traditional right-wing market party and many companies and many entrepreneurs want to sponsor sports because it's really good. It's really an easy way to get a positive publicity that I'm now sponsoring.

On the other hand, Kokoomus strategically planned its "march through institutions" to use a phrase attributed to Antonio Gramsci:

I think Kokoomus has been very careful. I I have a lot of inside information like you can imagine that for example when you are recruiting the top [positions] in the sports associations and also in, to be honest, in the Olympic Committee also when there are recruitments both for jobs and both for the trust positions. Kokoomus is very careful. They don't give possibilities for example for Keskusta⁶ party persons or Social Democrats. They are really careful that they will find a proper person and then they try to get him silently, but really effectively to those positions, and especially to the key positions like you have seen. And we have those.

The interviewee stated that on a low, local level, there is far more political pluralism,

⁶ When speaking of Social Democrats, the interviewee thinks of SDP (*Suomen Sosialidemokraattinen Puolue*, Social Democratic Party of Finland), the largest left-wing political power in Finland. Keskusta or the Centre Party is a centrist political party, traditionally getting most of the support in smaller municipalities and rural areas of Finland. It was the part of seven out of 11 of the coalition governments in 21st century, sometimes as a biggest parliamentary party and sometimes with either Kokoomus or SDP in a leading role.

which vanishes in the top echelon of sport policy and management of sports institutions:

Lots of chairs of the sports clubs [are] for example from Centre Party and also from Social Democrats. But it's somehow the Kokoomus has been very careful that and quite strategical that when we're talking about the top positions in the national level and the Olympic Committee, they take care of that.

This opinion was supported also by another former minister for sport. The following exchange can illustrate this:

[A]uthor: *Well, actually former politician of Kokoomus is now the head of Finnish Olympic Committee.*

[I]nterviewee: *And for the candidate for the chair of the Olympic Committee, there was four candidates there, all from Kokoomus⁷.*

A: *OK, how did it happen? I mean, for socialist and Social Democrats, sport should be also an important political playground.*

I: *And yet it is. It happened when, of course, we used to have [sport] divided into two different camps, whole sport. Until I mean the 90s and when they decided that we take off the politics from the sport. And so the left decided to say OK. Not anymore. No politics in the sport, but as I said, [when it's Kokoomus] it is not ideological or politics, it's just administration.*

The last remark was sarcastic, which may be “lost in transcription”. In the other parts of the interview, this informant claimed that Kokoomus managed to convince many policymakers and part of the general public that their *modus operandi* when governing or managing state institutions is not based on ideology, or any kind of normativism, but rather on the objective expertise and technocratic decision-making. This kind of rationalisation is rather typical of the neoliberal narrative, where value-laden and normative approaches are frequently hidden behind the facade of declaratively objective rules defined with the usage of various new labels of New Public Management, New Public Governance, managerialism, or evidence-based governance. Those were frequently implemented in various contexts, forcing the consent with universal (although frequently adopted to the national conditions) creed that “there is no alternative”, formulated by the “masters of discourse” and reproduced by mass media (Schmidt, 2002, pp. 228–230).

It is also interesting that this political context of sport-related policymaking has not been scrutinised more deeply because also the head of the department of sport in one of the largest Finnish cities confirmed that political tensions and differing ideological

⁷ In the most recent elections for the seat of the chairman of Finnish Olympic Committee held in November 2020, three of the candidates were indeed members and active politicians of Kokoomus (Jan Vapaavuori, Ilkka Kanerva and Sari Multala) while the fourth one and the runner-up in the elections was Susanna Rahkamo, former athlete and sport manager without political party affiliation and formal ties to Kokoomus, other than through her father, longstanding and prominent member of this party, Kari Rahkamo.

influences still play an important part of the context in which everyday decision making is done, how the local policies are designed and implemented. The city official admitted that it is highly important to know the individual preferences of the mayor or vice-mayor responsible for the field of culture and sport and what their political allegiance is. They said: *So what I'm trying to do in a nutshell is [to decide] that what kind of sport facilities should we build and where those should be built so that people would be more physically active? [...] I'm like head of the strategical planning with the sports facility network.*

A: Does this kind of political change [stemming from the results of local elections] bring any change into everyday functioning of the Department of Sport?

I: Yeah, it does. I have experienced many municipal elections while I've been working in here. So the differences between our budgets [change] like in a big way.

They moved on to explain that the budget for sport-related investments can be 60–70% higher if the person politically responsible perceives sport as an important field (and tool) for policymaking. The result of the constant power struggle over limited resources with the departments responsible for culture or youth affairs is highly dependent on the political significance of the decision-maker. And depending on the ideological allegiance of the decision-maker, the way the resources are channelled into particular activities may vary substantially. The decision whether to fund either universally accessible sport facilities or more entrepreneurial-based investments involving public-private partnerships and benefitting largely private companies and citizens who are also paying customers is always a value-laden choice.

Flinder and Buller (2006, pp. 295–296) argue that depoliticisation is “the range of tools, mechanisms and institutions through which politicians can attempt to move to an indirect governing relationship and/or seek to persuade the demos that they can no longer be reasonably held responsible for a particular issue, policy field or specific decision”. They further argue that the politicians frequently use the processes of depoliticisation to create a “buffer zone” between them and some policy fields. Preliminary findings may suggest that this interpretation may be valid for the Finnish case of the sport policy. On the one hand, the introduction of new, more managerial rules in the sport policy is viewed as a proper response to the contemporary challenges and the neutral process of professionalisation of decision-making. On the other hand, many of the institutions crucial for this policy field are either taken over or dominated by a single political party. Kokoomus is the most pro-market force in Finnish politics, promoting neoliberal ideas, and policymaking through the implementation of the solutions allowing the party to distance themselves from decision-making based on the expertise. It characterises also depoliticisation as identified in many cases elsewhere (Burnham, 2017). At the same time, the party actively seeks to embed the members or former members in the crucial bodies, maintaining control over the institutional field of sport. If and how this phenomenon is explained and justified in the narratives produced by the party (e.g., in party manifestos) or by its individual members, needs separate investigation. This kind of scrutiny may allow us interpreting the ongoing processes and frame them either as a conscious long-term strategy of maintaining

institutional control over the institutional sport in Finland or rather a tactical manoeuvring, ensuring access to crucial institutions for the benefit of the party and its members. Reflecting on the research question posed in the introductory part, it seems that the process of depoliticisation of the sport policy in Finland is ongoing but the circumstance suggesting the partial takeover of the control of the institutional field yields further research, which may give a partial answer as to whether we may speak of the facade of depoliticisation or maybe de-depoliticisation as an outcome of political processes in the field of sport policy of Finland.

Conclusions and inspirations for further research

The desk research and expert interviews conducted for this paper and a wider research reconnaissance allowed painting a brief picture of the transformation of the Finnish sport field in recent decades. In the impressive body of research conducted by the Finnish scholars, two interesting phenomena identified in this article seem either under-researched or lacking critical interpretation drawn on critical political economy or critical policy analysis. Firstly, the gradual implementation of neoliberal solutions in sport-related policymaking has not yet been critically reappraised on par with similar processes observed in other areas of Finnish public policies by numerous scholars. Secondly, there are still strong interrelations between party politics and the field of sport, exemplified best by the overwhelming influence of members of one political party on the institutional landscape of Finnish sport. It seems that both these areas constitute potentially fertile ground for future research. Policy documents have been frequently researched in recent years. Still, political documents (like party manifestos) or public statements and speeches of prominent politicians may provide an additional, very useful insight into the political context of the aforementioned changes. In the historical context, it may also be interesting to study (if any?) the lingering legacy of former deep class-based ideological divisions in the field of sport in Finland to trace when and how the deep polarisation was substituted by (forced?) consensus and the political dominance of one political power. How are these processes interlinked with new phenomena, growing inequalities in access to sport services/facilities, relative decline in successes in elite sports or a slight decline in sport participation among younger age cohorts are also interesting angles of research and interpretation. It seems that the most modern applications of discursive institutionalism may serve as a potentially appropriate analytical framework that may allow the study of institutional changes (both rapid and evolutionary) and the ideational power enabling those changes (Schmidt, 2022a; 2022b; Carstensen et al., 2022). Inspired in part by historical institutionalism and institutional path dependency approaches, discursive institutionalism was frequently used to explore the impact of discourse and ideas on institutional changes in the context of the Western (or, more precisely, Anglo-Saxon) version of capitalism. Nonetheless, it may be just as useful in studying the neoliberalisation of policies in the particular context of Nordic capitalism. As Schmidt (2022a, p. 5), probably the most prominent proponent of this approach recently put it:

Discursive institutionalism lends insight into neoliberalism as a set of deep philo-

sophical ideas that has generated successive policy programs over the years created by ideational agents who coordinated their policy construction and communicated their legitimacy to the public in ways that helped serve to transform capitalism. 'Neoliberalism' in this perspective refers to a core set of ideas about markets and the state's role, and as such contains visions not only of the ideal way to govern the economy but also the polity.

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Envisioning a “real utopia” through dystopian lenses

Abstract

The review essay presents a critical perspective on the approach to the public policy debate presented in Daniel Dorling and Annika Koljonen’s book, *Finntopia. What can we learn from the world’s happiest country?* The monograph under scrutiny exemplifies a popular scientific narrative with an openly persuasive message. Grounded in the fascination with the achievements of the Finnish version of the Nordic welfare model, it constructs a simplified vision of the corporatist state as close to the ideal of the socio-economic equilibrium. It also presents the policymaking process as linear, consensual, and pragmatic, and at the same time, driven by the idea of universal equality. Such a vision, although aimed at sparking hope within societies living in neoliberal dystopias, seems problematic in many respects. First, in the way it constructs the image of “capitalism with the human face” and second, in the way it ignores the ongoing changes within it. The review essay is a critical reappraisal of the main lines of argumentation presented in the book and the specificity of the Anglo-Saxon perspective on the “Finnish miracle”.

Keywords: Finland, welfare state, Nordic welfare model, neoliberalism

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1. Introduction

They are the best in the world. They've just joined NATO (Grupa Wirtualna Polska, 2023). Writing this review essay overlapped with the acceleration of Finland's accession to NATO. Although the references to the Winter War were explicitly made by Finnish politicians, including Prime Minister Sanna Marin, the way the story of Finnish resistance against the Soviets in 1939–1940 was amplified in the Polish media seems indicative. The above quotation from one of the biggest Polish news portals gives a taste of the image of the Finnish state and society.

This kind of para-mythological narrative about Finland comes to mind when thinking about *Finntopia*. Published in 2020, it has not sparked much attention within the academic community. It seems understandable, as the book has been targeted at wider audiences rather than specialists. On the other hand, it still deserves a closer inspection as it represents the approach endorsing the “Nordic model” as the closest to equilibrium between the market forces and social solidarity.

Since the seminal monograph by Manuel Castells and Pekka Himanen (Castells & Himanen, 2002), Finland has become a trademark for a knowledge-based society and, more generally, as a living proof of the transformative power of socio-political agency and the ability to use global trends for the common good. The newest iteration of such discourse has been stimulated by the United Nations World Happiness Reports, published since 2012, with Finland being its leader seven times in a row (as of 2024). Thus, *Finntopia* was meant to respond to the question, “What can we learn from the world's happiest country?”. The naive utilitarianist perspective behind this question, as pointed out by Kananen (2022), seems fundamentally problematic, as well as the very notion of *Finntopia*. Also, the construction of “we” deserves a closer look, as the book by Dorling and Koljonen has been aimed at an international audience, mainly from the United Kingdom and the United States. The authors openly substantiated their motivations. The Finnish story was to showcase a working egalitarian state to those living in neoliberal dystopias. The whole argumentation has been built around the policy fields, which seem critical for sharpening this contrast.

Dorling and Koljonen painted a multi-faceted picture comprising statistical data and historical, sociological, and political commentary. The range of topics discussed in *Finntopia* is impressive, and the multitude of data is presented in a clear, accessible, and convincing way. The book is divided into three parts, with the first one comprising a historical introduction to the Finnish welfare state and its specificities. The second part deals with the selected aspects of the public policies. Interestingly, it is organised around the construction of life course and policies regulating its subsequent stages. It recalls the construction of the childcare and education system, higher education and organisation of the working life, and finally, policies central to securing well-being in the old age. In the third part, the authors discuss the future challenges for Finnish society, focusing on political populism, unfavourable demographic trends, and environmental threats. The narrative has been subordinated to the thesis that all the way, the ultimate goal and (mostly achieved) result of reforms has been the creation and sustention of social equilibrium based on equality. I agree that also from the Polish perspective, the “state that works” (Woźniak, 2022) can be a source of inspiration for many reasons that have been well-substantiated in *Finntopia*. However, the general message of the book seems confusing.

This paper continues the critical discussion initialised by Teppo Eskellinen and Keijo Lakkala (2022) as well as Johannes Kananen (2022), pointing at ambiguities of the “Finntopic” discourses. The core points of doubt are threefold. First, an existing country cannot be seen in utopian terms (Eskellinen & Lakkala 2022), especially when “utopia” is constructed mostly through negation. Second, because it rather uncritically recalls a simplified and mythologised vision of the social processes behind the construction of the current state of affair. And third, because it refrains from acknowledging the signs of – wider than ever – convergence with the neoliberal logic of policy making.

2. Finland as impossible figure. Utopia seen from a dystopian perspective

The authors openly argue that they intended to inspire hope that “anything is possible”; thus, they reach for the concept of utopia as an ultimate triumph of socio-political imagination. But, as Eskellinen and Lakkala (2022) rightly pointed out, the fundamental fallacy of such reasoning follows from the fact that the existing countries cannot embody the new, desired social order, as they are part of the present *topos*. As such, they can only represent the longings for achieving social cohesion within the existing social order. Moreover, although unquestionably, throughout the 20th century Finland has become one of the best places to live, its contemporary history shows that at the end of the day, within the globalised capitalist system the options are limited.

A more specific problem with the utopian narratives follows from the difficulty in picturing the ideal society in detail. In his writing about the possibility of “real utopias”, Erik Olin Wright (2006) argued that Marx’s solution to the problem of specifying the alternative to capitalism turned out unsatisfactory. No comprehensive proposal of institutional arrangements followed elaboration on its normative pillars. This, in turn, favoured an explorative approach to the systemic changes. After many decades of operationalising and testing, the “just” social order proposals are still rooted in negating real capitalism and its temporal and geographic iterations. In Dorling’s and Koljonen’s “Finntopic” narrative, negation seems to play a similar role. While the authors put indicators of the Finnish socio-economic and political performance into the broader context of international statistics, they keep recalling the UK and USA as the most striking examples of capitalist dystopia across the developed world. The United Kingdom is the second most frequently mentioned country in the book. The picture of Finnish paradise is thus at least partially driven by the criticism about specific elements of the socio-economic and political performance in other countries. Although difficult to avoid, such a Manichean perspective may seriously limit the scope of interpretations of the past and presence but also possible and desired futures. So the paradox of *Finntopia* might be that, on the one hand, it frames Finland as an impossible figure – embodying the idea of “capitalism with a human face”, clearly against Marx’s concept of the long-term *impossibility of capitalism* as such. However, on the other hand, it is also a conservative vision of the “endangered species” that must be saved. Constructing and keeping such an image

unavoidably requires compromises when going into details. Especially when the intention is openly persuasive, as (imagined) Finland's mission is to carry the dream about social harmony through the dark times of neoliberal oppression. The Finns must be aware of the importance of their mission to maintain the "happiest" society not only for the sake of their well-being but also for the sake of global hope for a better future. Dorling and Koljonen (2020) urge them that:

Finns must not let the praise their country now receives go to their heads. Like the rest of the world, Finland must confront the climate emergency, manage the needs of an ageing population, and address the rising inequality within parts of its society. It must also grapple with the challenge of integrating immigrants into its society and the apparently concomitant (but surely not inevitable) rise of right-wing populism [...]. As an example of how much a single nation can get right, Finland's work toward ending inequality makes it too important to fail, and hopefully, it is now too far ahead to flounder.

Although the book offers a comprehensive introduction to the historical, political or geographic conditions facilitating the construction of the Finnish welfare state and society, it also reproduces their simplifying, linear, and teleological narratives. The authors seem to take the popular mythology of the "Nordic welfare model" at face value. As constructed by Dorling and Koljonen, *Finntopia* is rooted in the unique approach to policy debates, marked by future orientation, pragmatism, consensus, and depoliticisation of social problems. While all those elements have indeed been identified in the literature as crucial for the unprecedented improvement of both economic performance and the quality of life of the Finnish people, the "Finntopic" narrative reduces the role of social and political struggles as drivers of changes. The quotation below can serve as good examples of such reasoning:

Finland avoided the alternative that often arises when Social Democrats are dominant for a time, introducing a more wishy-washy welfare state that could have been more easily eroded. Instead, the left in Finland in the 1960s and 1970s managed to establish in the national mindset the idea of social investments and from there, the idea of investing in people entered the normal practice of the National Coalition Party, the country's moderate right. In this sense, Finland's practice of investing in universally good schooling, health insurance, and the only genuinely comprehensive safety-net housing system in Europe, were not conceived of as social transfers from rich to poor, but as sound macroeconomic policy. The Finns are, above all, pragmatic (Dorling & Koljonen, 2020).

From the perspective of profoundly and openly divided societies such as British or Polish, fascination with political consensus around future-oriented evidence-based policy, seems understandable. However, the reality behind such pictures is always much more complex. For example, the uniqueness of the state institutions designed to enable evidence-based long-term strategic investments and their role in facilitating the unprecedented advancement in the global world system stays unquestioned (Ojala et al.,

2006; Woźniak, 2021). Nevertheless, at the same time, according to Pauli Kettunen (Kettunen, 2019), the concepts of welfare state and welfare society, or welfare politics, never played a significant future-oriented role as “tools for steering historical movement”. They became key in Finnish national narratives, referring to the achievements of past politics that should be defended and rescued. Moreover, the myth of welfare state as subjected to political consensus has, paradoxically, been also eagerly used to undermine egalitarian and universalistic policies. Similarly, belief in pragmatism as core driver for policy design may lead both to constructing universalistic and egalitarian solutions and endorsing policies favouring flexibility and competition, which I will try to show in the next paragraph.

3. *Not seeing the wood for the trees*

Finally, the development of “Finntopic” discourses requires either ignoring or dismissing the symptoms of neoliberal transformation. As elsewhere in the Nordics, the acculturation of neoliberal ideas in Finland has been linked with criticisms of the old corporatist structures and the endorsement of the narratives of growth and competition. At the same time policy reforms have been framed as pragmatic adaptations to the global economic reality (Ahlqvist & Moisio, 2014). In the context of the Finnish spatial policies, Luukkonen and Sirviö (2019) recalled the notion of “sedimentation” (Jessop, 2010), in which the problematic origins of certain imaginary are forgotten which enables its acculturation as “objective”, “factual” and “rational”².

The authors of *Finntopia* acknowledge many symptoms of such changes in subsequent policy fields, yet refrain from more general interpretations. For example, they recall the story of “casino economy” of 1980s as the main trigger for overheating of the economy and then, deep economic recession, which has been compared to the “Great Depression” of the 1930s. The chapter discussed the introduction and partial reversal of the austerity measures enacted to eradicate the recession. Similarly, it debated the next severe economic downturn in 2008. Looking at the statistical data, the authors concluded that “Finland has weathered numerous economic crises, both in recent years and recent decades. This is not well understood outside of Finland. It is now clear that the ways in which its people have handled these crises have, ultimately, been successful” (Dorling & Koljonen, 2020). Several critical studies have shown that both crises have also become a “foot in the door” for ideational shifts which, so far, have not been reversed despite temporal changes in the ruling coalitions. Annu Kantola and Johannes Kananen (2013) described four elements of this process. In the “latent phase” (the 1980s) competitiveness and efficiency were framed as “technical” ideas for reforming the state, without any serious political debate. In turn, the recession of the early 1990s paved the way for the “creative destruction” phase. Thirdly, the central position that the Ministry of Finance gained during the crisis and reinforced by the subsequent multi-party coalition governments, paved the way to building the new

² As a result of the “sedimentation” some policy imaginaries might get surprisingly close to the openly market-oriented ones, such as Polish (Rek-Woźniak, 2023).

paradigm of budgetary discipline which, as Kananen (2016) put it, facilitated a gradual replacement of “emancipation” with “discipline” as the fundamentals of the welfare project. At least in some policy fields, those ideational shifts can be seen as exemplary cases of ideological convergence with the globally dominant ideas, with the most striking example of the labour market policies, sliding from the welfare to workfare model (Kananen, 2016; Kantola & Kananen, 2013).

The emergence of the local startup culture can serve as another good illustration of how *Finntopia* overlooks some troubling or ambiguous aspects of the phenomena under scrutiny. Sami Moisio and Ugo Rossi conceptualised the Finnish political economy of the post-2008 recession-era as “the startup state”, which they see as an “ideologically intricate neoliberal project [...] that brings together people, firms, technologies, organisations and governmental technologies in the name of economic growth, innovation and national success” (Moisio & Rossi, 2020, p. 3). Subsequently, the analyses by Henri Koskinen (2022) have shown how those ideas shaped the agendas of governments across the 2000s and 2010s. However, the authors of *Finntopia* painted a rather uncritical picture of the startup culture, as proof that “Finland has been able to build a globally competitive economy based on equality and investment in its people” (Dorling & Koljonen, 2020) and means to “spread Finnish innovation globally” (Dorling & Koljonen, 2020). The lack of detailed insight into the actual way startup culture has been domesticated in the Finnish economy and society seems to be problematic. So as the the very assumption that quick absorption of some particular innovation deserves praising as such.

Again, the Authors argue that “even the country’s most fiscally right-wing party, the National Coalition Party, shifted its position in the 1970s towards support for the welfare state and even collective bargaining (Malinen 2008: 6)” (Dorling & Koljonen, 2020). While at the rhetorical level, this might be true, and Finland never experienced the neoliberal revolution in its Anglo-American (or Eastern-European) version, we might argue, after Ilkka Kärriylä (2024), that the existence of an explicitly neoliberal programme is not the best indicator of ideational change. And, that “political parties of all colours have been responsible for the neo-liberalization of Finnish society and particularly for the retrenchment of the welfare state during and after the severe economic recession of the 1990s” (Kärriylä et al., 2023, p. 406). Financial liberalisation, as well as marketisation and privatisation of the public sector, began in the 1980s with conservative support, and the most significant cuts to welfare spending and tax exemptions for the rich took place during and after the economic crisis of the 1990s, with the liberal conservatives in office. However, the authors of *Finntopia* keep treating the political proposals to liberalise specific policy fields as exemptions or incidents. They claim that: “In Finland, market-absolutist thinking – that is, the idea that market forces can solve everything and nothing should ever hinder such forces – is mercifully rare. An exception, however, concerns the continued attempts of the National Coalition Party to increasingly privatize healthcare services” (Dorling & Koljonen, 2020). But the list of such exemptions has been longer and includes various political actors. For example, the reader can learn about the policy changes introduced by the most extensive Juha Sipilä’s government, including cutting on student support grants or the largest reform of the unemployment benefits, adopting rather a radical

version of the “activation model” with the level of support dependent on the algorithmically evaluated efforts of the unemployed. However, those critical remarks are not followed by a more general interpretation.

Another problem is that the authors’ starting position, rooted in the Anglo-American comparative context, made them see the effective lack of far-right think tanks in Finland as an indicator of relatively weak acculturation of the neoliberal ideas in the Finnish political field. However, they overlook the growing power of the private consulting sector and its ambiguous impact on the public administration. As Ylönen and Kuusela (2019) pointed out, the latter does not boil down to the technical issues, such as growing dependency on the external expertise exempted from public accountability or erosion of the tacit knowledge. Equally important is the promotion of instrumental rationality, which, on one hand, supports the idea of evidence-based policy, but on the other, narrows the scope of “debatability” of policy goals, by hiding their deeply political nature. Such an approach may be particularly welcome in a society valuing pragmatism and consensus.

Writing this review essay in the early 2024, I enjoy the advantage of time perspective. The elections of the 2023 brought to power a coalition of liberal-conservative National Coalition Party (Kokoomus) and right-wing populist Finns Party (Perussuomalaiset). Their programmes turned similar respects (see: “Kokoomuksen eduskuntavaaliohjelma 2023”, 2023; “Perussuomalaisen talouspoliittinen ohjelma 2023”, 2023)³, as the Finns Party moved from their initial welfare chauvinist positions towards more individual self-sufficiency and entrepreneurship narratives. Soon after the elections, the new government announced the reforms legitimised by the need to suppress the national debt and stimulate the economy. It has contained a very well-known austerity package: rejection of centralised work accords, limiting of the right to strike and cutting down of the unemployment benefits. In response, the turn of 2023 and 2024 has been marked by a wave of strikes of blue-collar and then also, white-collared workers. While the protest action was growing, the Minister of Economic Affairs Wille Rydman, commented via his social media: “The trade union mafia in Hakaniemi is not interested in keeping jobs in Finland, nor in the competitiveness of our country, nor in economic growth, nor in the interests of the motherland or employees. It is guided solely and exclusively by selfish assertion of one’s own position of power. Fortunately, there is finally a government that will not bow to bullying” (Yle Uutiset, 2023). Such a statement could be easily made by a liberal conservative politician in the UK or the United States.

Summary

Although processes of marketisation and individualisation have been penetrating Finnish society for decades, “the Finnish case” has been omitted in the comprehensive

³ Although the question of immigration seemed the main divergent point with National Coalition Party generally aligning to the ideas of free flow of the labour force, and Finns Party, calling for extremely restrictive immigration policy, in order to form the coalition, the former bowed to the anti-immigration agenda of the latter.

analyses of the neoliberal turn in the Nordics, focusing mostly on Sweden and Denmark. There might be many reasons for this oversight but one of the them could be the need to sustain the hope for the “capitalism with a human face”, proud of the effectiveness of its distributive and redistributing mechanisms, yet still unquestionably grounded in the principles of the constant competition and accumulation. However comforting, such a vision can be also seen as deeply regressive and suppressing social and political imagination (Eskelinen & Lakkala, 2022). Although the advantages of comparative studies are colossal, their usability in envisioning policy changes, has its limitations. Many authors, including Dorling and Koljonen, have pointed at the unique combination of internal and external forces that had facilitated the construction of the Finnish “success story” (however define the success). The problem lies not only in the limited transferability of particular policy solutions but in the idea to look for the inspiration in other societies’ past achievements while overlooking currently ongoing processes. The pragmatic rationale behind such approach is obvious – we need to see “what works and why”. But it also makes us assume that regulated capitalism is still the end of our horizon in a situation where intensification of economic, social, and political tensions encourages imagining more profound interventions in the status quo. Especially since Finland seems to conform to the liberal “business as usual” more that we would like to admit.

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