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The Scandinavian Model

Why in news?

The 2022 Sweden elections is a watershed moment for the country since for the first time an ultra-nationalist, anti-immigrant party would be a part of the ruling coalition to influence Sweden's public policy.

What is so significant about the recent Sweden elections?

- Social Democratic Party, which has been in power since 2014, was edged out by the right-wing Opposition.
- Sweden Democrats is an ultra-nationalist, far-right party which traces its origins to neo-Nazi groups of the 1980s.
- Sweden has traditionally been accepting immigrants and asylum-seekers, not merely as national policy but also as a matter of national pride.
- **Stereotyping**- Over time, the coloured immigrant communities either could not gain acceptance or were not accepted as part of the Swedish national identity.
- **Exclusion from the mainstream**- The immigrants began to be seen as people who have come to exploit the country's generous welfare system.
- **Unemployment**- The unemployment among Sweden's immigrant population is four times that of native Swedes.

What about the political-economic systems associated with socialism?

- The Scandinavian countries has strong welfarist basis and emphasis on collective bargaining.
- **Socialist**- It would be a misnomer to term the system as "socialist" which is associated with the regimes of the erstwhile Communist bloc.
- The Communists had a state dominance in not just the ownership of the major means of production but also in political life with a one-party system drawing its ideological basis for rule.
- **Democratic socialist**- The regimes in Latin America (Venezuela, Bolivia and Chile) can be termed democratic socialist.
- It seeks to achieve socialist goals of redistribution and restructuring of formal democratic and liberal institutions in vastly unequal and elite driven systems.

What is the Scandinavian/Nordic model?

Geographically, there are 3 Scandinavian countries (Denmark, Sweden, and Norway). Culturally, there are 6 Scandinavian countries Denmark, Sweden, Norway, Iceland, Finland and The Faroe Islands.

The Nordic Region consists of Denmark, Norway, Sweden, Finland, and Iceland, as well as the Faroe Islands, Greenland, and Åland.

- In the Scandinavian countries, the systems are more similar to typical social democracies.
 - Reliance on representative and participatory democratic institutions where separation of powers is ensured
 - Comprehensive social welfare schema emphasising the public social services and investment in child care, education and research
 - Public funding by progressive taxation
 - Presence of strong labour market institutions with active labour unions and employer associations
 - Significant collective bargaining, wage negotiations and coordination besides an active role in governance and policy
- All these countries also follow a capitalist model of development.
 - Allowing for entrepreneurship
 - Funding of welfare policies through a large degree of wage taxation in relation to corporate taxes
 - Deregulation of industry
 - Privatization of some public services

How is the political-economic system in Scandinavia and Nordics?

- Education is free in all the Nordic States.
- Health care is free in Denmark and Finland and partially free in Norway, Sweden and Iceland.
- Workers get several benefits, from unemployment insurance to old age pensions, besides effective child care.
- The labour participation rates in these countries are among the highest in the world (even among women).
- In the recent UNDP report, Norway ranked second among countries in the Human Development Index.
- The Nordic countries ranked the highest in various indices on press freedom and in gender equality.
- They were placed among the top 20 countries in GDP per capita (PPP) according to the World Bank's recent data.

What are the reasons for thriving social democratic model?

- The relatively smaller and more homogenous population in Nordic countries enable focused governance.
- The corporatist model of involving interests of both capital and labour, mediated by the government has allowed for smoother transition from agrarian to industrial to

post-industrial economies.

- They emphasised social policies that facilitate expansion of modern production, and thus more and better paid jobs.
- The Social Democratic Parties in these countries fortified democracy leading to equal citizenship rights and pragmatic class compromises.

References

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