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 similiar 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 entrepreneurism
    - 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 DeveIopment 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.

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