

# Flight of the Swedish bumblebee

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Once upon a time, a Swiss aerodynamicist had the idea of applying air resistance equations to insects. He made some rough calculations and soon concluded that according to his equations and all scientific knowledge available: bumblebees cannot fly.

With its heavy body and small wings, the bumblebee simply does not have the capacity to get airborne: it doesn't have the degree of wing loading necessary.

The aerodynamicist immediately ran out in his garden to show the equations to the bumblebee. 'You can't fly', he told her. 'It's impossible!'

The bumblebee looked at him. Then she looked at his mathematical model. And then she just carried on flying. From one flower to the next, under the power of her own ignorance.

'Yes we can', as we say nowadays.

## Lessons for Europe

The Swedish model is often compared to a bumblebee. Capitalism *and* high taxes. Profitable industries *and* strong trade unions. It is not supposed to be able to fly. But it does.

Sweden has established a universal model of social protection: benefits and services based on residence are combined with earnings-related social insurance programmes, strong emphasis on education and active labour market policies as well as flexible labour markets.

In the wake of the present economics crisis this model has attracted new attention: 'Do we really want to turn America into Sweden?', Bill O'Reilly asked as if this was the worst thing he could possibly accuse of Barack Obama (1).

On 1 July 2009, Sweden will take over the Presidency of the EU and this will again put the Swedish welfare state in the spotlight of European policy debate. Many recent studies have in fact suggested that Europe should borrow from Nordic nations rather than adopt the Franco-German model, or Britain's free-market approach.

The Swedish model has been successful, but it has also been a product of very specific historical conditions. The European Union, with its huge wealth and income differences, can't adopt the social model of a small member state like Sweden. What has worked in a small, consensual, and ethnically homogenous country can't be translated into a European social model for the twenty-first century. Discussing social models in that sense is not very useful.

The challenge for the EU today is not to try to replicate one model or even to create a hybrid, but rather to put together a European solution to the problems our societies face. In that sense the Swedish case is useful more as a political framework, than a set of static policies.

I want to argue that the Swedish model in a wider sense was built around three political paradoxes, relationships that, just like the flight of the bumblebee, seem impossible and are useful to discuss in new contexts because they expand the progressive vision. The European progressive movement should study the principles behind the flight of the Swedish bumblebee, not the movement of the wings.

### **Paradox one: individualism requires a large public sector**

How a society is organised is determined in a *ménage à trois* between the state, the individual and the family. The discourse around public policy in every country is based on assumptions about the relationship between the three corners of this triangle.

The Swedish model is focused around a direct relationship between an atomised individual and an impersonal state. The political project of social democracy in Sweden has been very specific and always concerned with liberating the individual from unequal relationships of dependency (Berggren and Trägårdh, 2006). This has been branded 'statist individualism'. 'Statist individualism' might sound like a contradiction in terms, like 'peace-keeping missile' or 'progressive conservatism'. But it is perhaps the most important feature of the Swedish model. Comparative studies of attitudes show that Sweden is one of the most individualistic countries in the world. As one commentator put it: 'Like Garbo, the Swedes just want to be alone' (Ekman, 2006).

The political narrative around the welfare state in Sweden has always been about the pursuit of personal autonomy. If grandma can move into a publicly funded retirement home of high quality, she doesn't have to feel like she's a burden to her children. If young people are entitled to financial aid to attend university (in terms of various grants and loans from the state) they don't have to be financially dependent on their parents. Hence they won't experience the same pressure to pursue a certain career and are to a larger extent able to follow their own dreams. Not the dreams of their parents. If a woman with children can work outside of the home and has access to affordable childcare of high quality, she will be financially independent. Hence the only reason for her to stay in a marriage will be love, not economic necessity.

In other words: the direct alliance between the individual and the state leads to more freedom but to the price of more central control. Historians Henrik Berggren and Lars Trägårdh argue that at the heart of this Swedish social contract lies 'a Swedish theory of love'. A deeply rooted belief that authentic love and friendship can only be possible between individuals who are independent and equal.

Swedish policy for gender equality is for example often labelled 'state feminism'. The aim has been to ally the woman with the state and make it possible for her to be an individual in the way that is a birthright for men. In a lot of ways this has been successful. Thanks to a large public sector, good access to publicly funded child care of high quality, a generous parental leave and opportunities to work part-time female employment is high.

Because of this Sweden is often described as one of the world's most equal countries when it comes to gender. To some degree this is a myth, and the position of women in Swedish society make the limits of 'statist individualism' visible. The gender pay gap in Sweden is as large as in other European countries and the so-called glass ceiling is low (Nyberg, 2008). The Swedish labour market is also one of the most gender-segregated in the world. The lowest wages are found in the sectors of the labour market with the highest amount of women (primarily public sector). Men would choose another job if they had a choice, and they often have a choice, because they are men.

'State feminism' made it possible for women in Sweden to advance their positions significantly, but not all the way to freedom. Women are less dependent on men, but they are also more dependent than men on the state.

The political project of social democracy in Sweden has however still differed dramatically from that of Germany, for example. Politics has in a much more conscious way been used to liberate the individual from the ties of dependency that characterise the traditional family, churches and charities.

There is a lot to learn from this, both in terms of approach to policy and in terms of progressive narrative.

### Paradox two: change requires security

'Despite high taxes and a welfare state with generous provisions, the Nordic countries outperform the Anglo-Saxon ones on most measures of economic performance', concludes US economist and Nobel Prize winner Jeffrey Sachs (Sachs, 2006).

The Swedish experience shows that it is possible to combine high growth with a fair distribution of income. That it is in fact possible to take advantage of capitalism's upsides while addressing its downsides.

A number of studies have identified Sweden as one of the best performers in Europe over the past decade, combining poverty and inequality reductions with high employment rates and growth records (Sachs, 2006). To intervene in the market has not meant economic stagnation. On the contrary: high growth, low inflation, strong public finances and high employment.

Sweden is a small country with a long history of free-trade policy, exposure to foreign competition and international markets. The structural transformations of the Swedish economy have always been very dramatic: jobs and industries have disappeared abroad at a very high pace. The political principle has however not been 'Swedish jobs for Swedish workers' but, on the contrary, that a dynamic society is necessary and that it can only be achieved with a strong universal social security net.

'Secure people dare' is a famous slogan of the Swedish social Democratic Party: progressive politics has to be about helping people manage change, not resist it. If you don't protect workers, workers will soon demand that you protect jobs. Countries with weak safety nets tend to become protectionist (Katzenstein, 1987) and left politics can easily turn into a cause of trying to pause the future instead of trying to shape it, which is neither progressive nor efficient.

In Sweden there has been a consensus that in the long run, the new jobs will be of better quality and higher pay and strong trade unions have in various ways played an active role in reinforcing the restructuring of the economy. The Rehn-Meidner model (developed through a critique of Keynesianism by trade union economists Gösta Rehn and Rudolph Meidner) featured a centralised system of wage bargaining. The political idea was that wages should be set 'too high' for firms that were inefficient and uncompetitive, and 'too low' for highly competitive and productive ones. Firms that fell in the former category faced the choice of either improving or going out of business, while those in the latter would increase their profitability. To compensate workers who lost their jobs, the state committed itself to retraining and relocating them for new ones.

People need to feel that, as individuals, they are reasonably safe, even if increased competition makes the company go bankrupt. In the event of unemployment, illness and other forms of social exclusion people may need financial support. By providing security and education people can move from old and no longer competitive jobs to new, more competitive ones.

How this is done will of course have to vary. Labour market policy has to be constantly renewed in order to deal with the fact that the forms and effects of structural transformation vary during different phases of capitalist development. Social democracy in Sweden used to perceive restructuring as a process of old professions being eliminated by new technology, while a new labour market emerged in new industries. However in the new economy a lot of restructuring happens within existing industries (Nilsson and Nyström, 2008) and Swedish labour market policy has not really been updated to deal with this.

This and many other challenges are new in form, but not in kind. The goal must still be, as Gösta Rehn famously said, 'to provide people with security, not in the form of a seashell, but in the form of wings'.

**Paradox three: helping the poor requires benefits for the rich**

The Swedish welfare state is characterised by the fact that most programmes are universal and not selective. Social programmes such as old age pensions, healthcare, childcare, education, child allowances, and health insurance, are not targeted at 'the poor' but instead cover the entire population without consideration of their ability to pay.

The principle is that proportional taxes should finance universal benefit programmes. The Swedish experience shows that systems in which benefits are not targeted towards low-income earners are the ones where low-income earners gain the most. Universal systems most enhance the possibilities for relief of poverty (Korpi and Palme, 1998), a phenomenon that has been referred to as the 'paradox of redistribution' (Rothstein, 2005).

All individuals are subjected to some risk of temporarily losing their income, but this risk is highest for those on lower incomes. The idea of social insurance with income protection is to tax everyone, and to provide income replacement benefits to anyone who loses their income. If the tax and replacement rates are the same for all, there will still be a redistributive effect because those with high income and low risk will subsidise those with low income and high risk.

Universal benefits and services also have the advantage that they don't negate the benefits of work to low earners (often women). If social insurance provisions are earnings-related, it is profitable for people to work and pay social security contributions. The more they earn and pay, the better the benefit entitlements will be. Universal – as opposed to targeted – systems also receive broader political support, and have lower administrative costs because you don't need a large bureaucracy to determine who is entitled to benefits and who isn't.

In a wider sense universal systems are an expression of the radical notion that inequality is something that concerns society as a whole. The rich wonder: why should I contribute to society when I seem to do so well on my own? The poor wonder: why should I contribute to society when it holds me back? A progressive project that wants to shape the future in the long term needs to answer both these groups.

**Conclusion: politics against fear**

That individualism requires a large public sector; that change requires security; and that helping the poor requires expanding benefits to include the rich are three paradoxes that shaped social democracy in Sweden during the twentieth century. Their common feature is: more politics, not less.

A large public sector doesn't hamper individualism; instead the ideal of independence can be institutionalised together with that of economic equality and social solidarity through a radical alliance between the individual and the state. A social safety net doesn't make people resist change, but is a prerequisite for creating a dynamic society. Universal benefits do more for the poor than targeted ones because they weave larger groups of society into the progressive project. All of this carries important lessons for the progressive movement today: only politics can fight fear of the future, fear of change, and fear of the other.

The problems of the twenty-first century may be different in form, but they are not different in kind. A new perspective for Europe's left needs to integrate economic and political norms and values into a coherent project for society, and social democracy needs to find a way to function beyond the nation state.

The American author Fareed Zakaria has argued that the US has a lot to learn from the EU (Zakaria, 2003). Zakaria recounts the story from Homer's *Odyssey* of how Odysseus asked the crew to tie him to the mast of the ship so that the seductive song of the sirens

would not entice him to guide them all into disaster. In a similar way, according to Zakaria, EU entry has been a way for European politicians to commit themselves to a set course and avoid the attractions of populist calls from the people at home about social rights and equality.

As an intellectual of the right, Zakaria is impressed by the aspects of the European Union which makes it possible for politicians to delegate strategic decisions to a body beyond transparency or democratic control. The EU has in that sense to a large degree been a strategic instrument in the hands of the European right. This vision of the EU – as a tool to adapt the people of Europe to the economy, and not the other way around – is precisely what the progressive movement today must provide an alternative to.

Debates about social democracy and the EU often assume that it is social democracy that needs new things to say about the EU, and not that the EU needs a new social democracy. More social politics on the European level requires European unity, but at the same time only more social politics can create European unity. Progressives who want to use the EU as a political tool and not as a mast to bind the continent to a specific neo-liberal agenda, find themselves stuck. In regard to this it is again worth thinking about the Swedish experience. In 1940 Ernst Wigforss, one of the main theoreticians of Swedish social democracy, wrote:

One hears much talk of the unity that now characterises the Swedish people ... One should not neglect to note that this is connected with the fact that the economic situation for the broad masses of our citizens has improved. It is also connected with the overall political program we have driven over the past years that has aimed at creating work, improving housing and lightening the burdens of the society's worst-off. It is not least these measures which have created the foundations of the national solidarity we are currently so pleased about. (Molin, 1974)

In the fairytale of the aerodynamicist and the bumblebee, the remarkable thing was not the fact that the bumblebee could fly. What was remarkable was the degree to which the aerodynamicist was wrong about the principles of flight.

Politically we're at a similar moment today. Our vision has for too long been limited by economic and political doctrines that have now been falsified. The neo-liberal moment is over. The 'Washington consensus' of stabilise, privatise, and liberalise, has managed to achieve anything but stability.

Progressives everywhere are searching for a new framework: how do we make markets work for people, and not the other way around? In that sense there is something to learn from Sweden. The Swedish model, understood as a framework for public policy debate, not a set of static policies, could be very useful for the progressive imagination.

Just think about it: what would a 'Stockholm consensus' for Europe look like?

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**RENEWAL** Vol 17 No. 2 2009

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**Notes**

1. *The O'Reilly Factor*, Fox News Channel, 19.02.2009.