Globalisation, citizenship and welfare state renewal: A Nordic perspective

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Paper prepared for presentation at the ECPR Joint Sessions – Workshop 17: European domestic societies in the face of European integration and globalisation
Lisbon, Portugal
14-19 April 2009

Introduction

Comparative political economy has been dominated in recent years by the issue of globalisation. Within that literature, the Nordic countries are routinely presented as a special case (Esping-Andersen 1996; Swank 2002). Their social democratic traditions and their welfarist institutions are typically thought to provide the test of the claim that globalisation will lead to the homogenisation of national models of capitalism. Two incommensurable trajectories are subsequently posited for the Nordic countries. On the one hand, there are those who conclude that the Nordic models of capitalism must necessarily bow to the neoliberalising tendencies of globalisation (Scharpf 1991; Kitschelt 1994; Iversen 1999). On the other hand, others argue that Nordic social democracy can continue to serve as a viable alternative within a generally neoliberal world (Garrett 1998; Moses et al. 2000; Geyer 2003).

In this paper I will challenge the analytical framework within which the debate is set. In particular, I seek to understand the relationship between globalisation and Nordic societies in an analytical context which emphasizes the role of both the citizenry and the very idea of citizenship in the reproduction of the national model of capitalism. In the Nordic countries the
welfare state is integral to the constitution of the citizen both through being a set of ideas relating to the society to which the citizen has access, and through generating the policy outputs which enable the citizen to be socialized into the broader political process. The institutions of the welfare state inform the very idea of what it means to be a citizen and that makes the relationship between the economic pressures associated with globalisation and Nordic models of capitalism exceptional.

I point to the resilience of the Nordic Model by showing that the nature of the impact of globalisation on Nordic welfare states has been consistently mis-specified. In other words, my concern is to show the difficulties with assuming that globalisation could ever have had such a prodigious effect on welfare state entitlements as to cause convergence along neoliberal lines. My approach emphasizes the significance of an institutionalist perspective within comparative political economy. I build on March and Olsen’s concept of ‘the logic of appropriateness’ (1989; 2004). They argue that what is appropriate for a particular person in a particular situation is defined by political and social institutions and transmitted through socialization (1989: 23). This perspective enables me to focus on the process through which the welfare state plays a role in constituting the individual as a citizen within Nordic countries. It is the relationship between the institutions and individuals and the role of the values that condition political behaviour that also inform the ways in which challenges of globalisation are, firstly, perceived and, secondly, responded to.

**Nordic welfare crisis**

The standard characterisation of the Nordic countries is to portray them as the champions of social democracy. The universal welfare state, which has its origins in the left-agrarian cross-class alliance first forged in the 1930s, is seen to have alleviated structured inequalities and created a highly stable and just society. Dubbed the ‘tripolar class structure’ by Alestalo and Kuhnle (1987: 11), the so-called ‘Nordic Model’ was created out of a balance of power between workers, peasants and the urban bourgeoisie (Esping-Andersen and Korpi 1987: 46; Esping-Andersen 1985; 1990; Stråth 2005). Different accounts have been given to explain the emergence of the ‘Nordic model’. Some of the literature portrays a rather structural or top-down development of a certain form of statehood and politico-economic development that shaped the democratic politics in Norden (Sørensen and Stråth 1997; Kangas and Palme 2005). These accounts emphasise the
importance of institutional legacies that date back to the pre-democratic era and that gave way to a certain type of democratic tradition. Some others paint a rather different picture with a significant emphasis on strategic agency and the role of the social democratic labour movement in shaping the normative map of Nordic politics (Esping-Andersen 1985). Social democracy is here understood as those things that the social democratic parties do, whereas the more structural explanations see it as a continuation of a longer lineage of Nordic politics.

However, it could be argued that while some normative and institutional legacies were inherited from the time before the labour movements and mass democracy, the emergence of the ‘Nordic model’ as a more systematic approach to social welfare and economic policy took place in the 1930s and accelerated in the immediate postwar decades. While the first sixty years of the ‘Nordic model’ proved to be comparatively successful in creating a stable society with great economic performance, in the wake of the deep recession of the mid-1990s the ‘Nordic Model’ fell from grace. There are hints of the crisis already in the late 1970s and early 1980s but when the liberalisation of the financial sector was followed by the crisis of the 1990s, the ‘Nordic model’ seems to have lost its fanbase. For instance, Anthony Giddens’ (1998) version of the Third Way dismissed it as an outdated form of ‘traditional’ social democracy incapable of dealing with the perceived exigencies of technological change, ever more footloose flows of investment capital and the post-industrial risk society more generally. Indeed, at a time when social democratic accommodation to a market-oriented neoliberalism was seen as a necessity, even its erstwhile champions seemed to agree with Giddens’ assessment (see, notably, Esping-Andersen 1996, 1999). If social democracy is explained through certain processes of state-formation or through a more agential analysis of social democratic party strategies then the causes of the crises might seem obvious. Globalisation and Europeanisation might represent a challenge to the traditional state and its capacity to rule over society and implement policies. In addition, it seemed obvious that social democratic parties had faced electoral defeat and this was not a one-off but a sign of a broader societal transformation (Scharpf 1991; Kitschelt 1994). Social democracy and the welfare state seemed to belong to the industrial age. Even if it wasn’t totally doomed to die, it was forced to go through a series of transformations – or at least that is how the story went.

As such, there was more than the impact of external shocks behind the crisis. The Nordics were not keen to change but they had to ‘face the reality’. 
Some commentators pointed their fingers at market failure as a central cause to the crisis. A badly functioning labour market created an overload of social programmes (Esping-Andersen 1996: 2) and in order to survive, these had to be scaled back. Paul Pierson also suggested that it was primarily the socio-economic transformation within affluent democracies that produced the pressure on mature welfare states (1998: 539-540). The welfare state worked well in postwar industrial societies but the transformation from Fordism to post-Fordism and from industrial to a service economy caused serious challenges that needed serious responses. Iversen and Wren (1998) call this a trilemma of the service economy where wage equality, employment growth and budgetary restraint were in an increasing conflict. Something had got to give. The social democratic welfare states were able to increased employment without worsening wage equality but paid a high budgetary price for this and faced the challenges of ‘Baumol’s disease’ for public sector employment (Pierson 2001: 87).

Some observers also pointed at the importance of an ideational shift especially among the financial and economic elites (Blyth 2001; Ryner 2002). Blyth (2001) argues that the introduction of neo-liberal economic ideas were one of the main reasons for breaking the consensus. In the case of Sweden, neo-liberal ideas became increasingly popular among the economic and financial elites and those new ideas led to a systematic introduction of neo-liberal policies. The introduction of these ideas to the Nordic political map coincided with the international rise of neo-conservatism and neo-liberalism, Reagonomics and Thatcherism and, as such, could be seen as a further external shock that shook the ‘Nordic model’

A subsequent literature on ‘varieties of capitalism’ (Hall and Soskice 2001) may well have suggested that the assumption of inevitable neoliberal convergence had been overstated. Indeed, this is a powerful strand of literature, sceptical of the earlier convergence thesis (see also Garrett 1998). However, even here, the ‘Nordic model’ tends to be collapsed into the cluster of ‘coordinated market economies’, based more on the image of retrenched Christian Democratic capitalism, modest in its ambitions to alleviate inequalities.

Yet, running in parallel to this literature, we have also witnessed the development of a growing body of research which concludes that the degree of convergence emanating from meta-processes, such as those linked to globalisation, has been exaggerated (e.g., Pierson 1998; Ryner 2002; Geyer 2003; Hay 2004). It is interesting to consider in this respect whether
established models of Nordic capitalism might still provide insights about prospective alternatives in contemporary neoliberal times. Indeed, it might be interesting to ask whether it would be possible to turn back time and, even where neo-liberalism has already created a stronghold for itself, bring back some core elements of social democracy. This is not least the case because of the *prima facie* empirical evidence of re-stabilisation and even superior economic performance in the Nordic region in the first decade of the 21st century (Julkunen 2001; World Economic Forum 2004). This should be especially important evidence for the neo-liberals out there. If competitiveness counts and if we accept the neo-liberal definition for it, Nordic economies certainly are competitive. In addition, the welfare state is not entirely lost. Rather, only a comparatively modest retrenchment of welfare entitlements has taken place (Stephens 1996; Heikkilä et al. 1999; Timonen 1999; Kauto et al. 2001; Swank 2002). Some sceptics may call this creeping disentitlement or slow retrenchment but once this is put in comparative perspective one rather easily sees that while adjustments have been made, convergence on social and economic policy under globalisation has not taken place.

However, and this is my argument in this paper, it is precisely the focus and tone of this general debate on the future of European welfare state that is the main cause for criticism in this paper. The crisis of the welfare state in the front of the fiscal limitations caused by globalisation, electoral failure of social democracy and the normative conquest of neo-liberalism, the claims about incompatibility of Keynesian demand management and the global economy, the consequence of high levels of taxation to competitiveness as a problem – or not – for the Nordic model has been debated ad nauseam. While some of that debate is valuable in and of itself, it is missing one important point. Namely, that economic, social and public policy-making does not take place in a vacuum or that rational choice assumptions of political decision-making are simply too narrow and neglect the broader normative foundations of society. After all, the norms and principles of the Nordic model are more salient and persistent that is often thought to be the case.

Globalisation is not something that appears from thin air and that does something to nation-states. It is not a ‘brute fact’ but a ‘social fact’ (Searle 1995). The same goes for Europeanisation. In fact, I would argue that even remembering the political logic of economic globalisation and restoring agency to the neo-liberal ‘logic of no alternative’ (Watson and Hay 2003) is not quite
enough. What has received a relatively modest amount of attention in the debates on welfare state crises and reform is the relationship between state and society – citizens, electorates, public opinion and, most importantly, the way in which the institutions of the welfare state condition the very values and norms of citizenship. Citizenship can also be seen as the key concept that embodies the changes in our norms and values and thinking about politics and political traditions. In a way, I would argue that citizenship is the test of applicability for the rules and policies that are forged at the state level. Anything does not go in politics. After all, there still exists a very simple political logic regarding the citizenry and that is the political logic of the ballot box. As such, it is my suggestion here that we should look at citizenship as an institution and as a concept that exists between individuals and institutions and that conditions their behaviour and ‘logics of appropriateness’. It is to these questions that I now turn.

**Institutionalism and Citizenship**

My task in this paper and the research project more broadly is to provide theoretical foundations for understanding the significance of the constitution of the citizen to political economy in general and to the trajectory of likely welfare state reform in the Nordic countries in particular. My approach emphasizes the significance of an institutionalist perspective within comparative political economy. However, it differs from the institutionalist perspective outlined by Hall and Soskice (2001) for use within the ‘varieties of capitalism’ literature. A significant number of contributions to the future of European welfare states have emerged from this body of literature and it has made a contribution. Hall and Soskice’s institutionalism focuses on the regularities which are evident in the outcomes of the policy-making process, and which arise from the fact that policy-makers face rational incentives to reproduce the status quo. In this way theirs is a rational choice institutionalism (Hay 2005; see also Howell 2003; Blyth 2003; Watson 2003).

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1 It has to be said that I am not even trying to fit into one particular pigeon hole with my approach to new institutionalism. In fact, I believe that too much categorisation and artificial divisions have been established between approaches that are largely complementary and that share similar fundamental principles. In the spirit of March and Olsen’s statement (1984: 734), I could also say that I don’t claim my approach to be entirely coherent, consistent or legitimate but I also think that it certainly should not be ignored.
My approach also differs from the more strictly sociological tradition of institutionalism that is often rather structuralist and almost functionalist in its approach and “culturally deterministic” emphasising ‘rule-following’ over ‘rule-creating’ (Schmidt 2006: 107-9).

By contrast, I appeal to a rather different tradition of institutionalism. I develop a perspective that enables me to focus on the process through which the welfare state plays a role in constituting the individual as a citizen within Nordic countries. My institutionalist perspective builds on March and Olsen’s (1984; 1989; 2004) work on a variety of institutionalism that has been labelled as ‘normative institutionalism’ (Peters 1999). The significance of this variety of institutionalism is to, on one hand, compete with and supplement the rational actor perspective – employed by rational choice institutionalists. On the other hand, normative institutionalism also both challenges and contributes to the “society-centred perspective that sees political institutions and behavior as arising from societal forces rather than society being governed by politics” (Olsen 2007: 2). Olsen understands institutions as “an enduring collection of rules and organized practices, embedded in structures of meaning and resources that are relatively invariant in the face of turnover of individuals and changing external circumstances” (Olsen 2007: 3). This, obviously, contains a strong element of continuity. If you like, an institution could be interpreted as a vessel whose captains and crew change but who, essentially, remains unchanged, braving political seas. However, like all new institutionalist approaches, normative institutionalism is essentially concerned about the interaction between institutions and individuals. As such, even if we took the vessel analogy seriously, the captain and crew would still be able to use the ship in any way they see appropriate. They might replace its engine so that it could go faster, they might transform it to a hotel or a restaurant. In the end, even if the institution itself seemed to have a ‘brute’ existence, it still is crucially important to know how it has been constructed as a ‘social fact’.

‘Logic of appropriateness’ is a rather useful concept in explaining the relationship between rules and norms and individual behaviour. “The logic of appropriateness is a perspective on human action. To act appropriately is to proceed according to the institutionalized practices of a collectivity and mutual understandings of what is true, reasonable, natural, right, and good” (Olsen 2007: 3). However, appropriateness is not set in stone. In fact, human beings

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2 In the interest of being consistent, I will call this variant of new institutionalism ‘normative institutionalism’ throughout the paper.
have a relationship to a number of competing institutions that can frame their behavior and identity. So, while some critics may have dismissed normative institutionalism as yet another variety of deterministic sociological institutionalism, it also emphasises responsibility and the need of agents to reflect upon their institutional setting and evaluate appropriate action depending on the situation they find themselves in. However, it is possible to find a level of order or hierarchy between certain institutions and the way in which some ‘logics of appropriateness’ exist in very specific institutional settings and how some others might actually inform almost all human behaviour. Indeed, rules need to be applicable for the person and situation in question or they will not have any meaning to them at all. Rules of a particular university programme in a particular university are applicable to only the students of the programme in question in that university. For everyone else, these rules are not applicable. Hence, they are meaningless. Some rules refer to our society as a whole and these might be very broad and linked to a particular socio-political ethos, such as the respect of democratic processes or human rights.

As March and Olsen argue “what is appropriate for a particular person in a particular situation is defined by political and social institutions and transmitted through socialization” (1989: 23). In that sense, one can, indeed, argue that “[i]nstitutions are carriers of a polity’s character, history and visions, and institutions have a potential for fashioning actors’ character, preferences and commitments” (Olsen 2007: 7-8). Here, it is possible to also depart from focussing on the very formal political institutions (party systems, elections, public policy setting, national law) and see the impact of institutions on a very micro-level of society and how that micro-level of institutions might have both a direct link to both a wide variety of societal issues and the formal institutions at the national level, including national statutory or constitutional law. One example that illustrates this and has also a bearing on the ‘worlds of welfare capitalism’ type analysis is the family. While it is a very private corner of the broader society and directly involves only a very small number of people, it can both reflect and influence the rules and organized practices of society and give shape to the polity in a number of ways. Indeed, it is both the child and the parent that act institutionally in this regard. While Matthew and Mary, or Holger and Helga, as individuals are not institutions, father(hood) and mother(hood) can be. Firstly, the kind of a family that most children grew up in is often a reflection of some of the core building blocs of society. Feminists would hasten to add that it is at the level of the family that
patriarchy is produced and reproduced and it is the family that, in many ways, contains the seeds of our social order. Now, considering this example further, the government's policy on childcare, tax benefits for working families, family allowances of all sorts, can also condition the life of the family and the values that the child absorbs during the process of growing up.

A citizenship-centred approach?

Citizenship is important in understanding the 'logic of appropriateness'. It is the very concept that entails the norms and values of the political and social institutions in question; socialisation can be seen as the process where the citizens understand and accept their rights and obligations as citizens of a particular community. The relationship between the state and civil society is defined by accepted notions of both the scope and the limits of citizenship. Consequently, changes in the structure of the economy are unlikely to be successfully embedded within society unless the very ideals relating to what it means to be a citizen have first been recast. Models of capitalism and worlds of welfare, therefore, have potential sources of resilience related, not only to the ability to withstand the pressures associated with globalisation, but also to the defence of the idea of what it means to be a citizen.

I suggest that in order to understand citizenship in any context we need to study to the processes which have formed the historical development of political institutions, in this case welfare state practices. In particular, I will explore the impact of those practices on the reproduction of society, by examining how deeply ingrained ideas relating to the very idea of national citizenship lead to particular conceptions about the scope of legitimate state activities. This will enable me to map the deeply embedded social and political values and traditions through which the citizenry identifies with political institutions, in this case the welfare state, and also through which these institutions constitutes the individual citizen. My chosen perspective allows me to assess the impact of the formal processes of the economy on social life and vice versa through analysing the deeply embedded socio-political values and ideals relating to citizenship.

State, society and citizenship in the Nordic countries

While it is rather difficult to use a one-size-fits-all approach to understanding Nordic conceptions of citizenship, it is possible to make some generalisations on specifically Nordic experiences on citizenship. It is important to emphasise
here that my approach is not society-centred but it stresses the utility of the concept of citizenship in understanding the dynamics of institutional change and continuity. In fact, it is possibly rather difficult to talk about a very strong state-society division in the Nordic cases. As Rothstein and Trägårdh argue in the case of Sweden, the “civil society” discourse is relatively new in the Nordic context. In fact, it entered the Swedish debates with neo-liberalism in the 1980s and, even then, managed to cause a fair amount of confusion (2007: 229-30). State and society have been used interchangeably and the distinction between them is not always so clear cut in Norden. The concept of ‘the people’ is at the heart of Nordic constructions of the nation. In fact, the decoupling of nation and state is against Nordic traditions. The state belongs to the nation (Hansen 2002: 61). As Trägårdh points out in the case of Sweden, nation, state and society are all treated virtually synonymous (2002: 144). In fact, it has been common in the Nordic countries to call the welfare state ‘welfare society’.

This overlapping of state and society can be seen through both the type of organisations and the kind of cooperation between state and society. For example, comparing the NGO structure in Britain and the Nordic countries, one can easily notice that in the UK there are more NGOs for a wide variety of issues and interests whereas traditionally in Norden these seem to be concentrated on a few central issues. International development (often through religious organisations) is one central area of focus. In some other areas, however, it could be argued, the space for action is left for the state, or the ‘civil society organisations’ work in close cooperation with the state (or sometimes even under explicit state blessing). Amazingly, there is nothing alarming about this in the Nordic countries whereas in the UK this would potentially be considered to be rather restrictive. In addition, while society is active in education through community colleges and sports clubs, it traditionally has not engaged in charity to the same degree as in the UK for example. Matters of social welfare, for example, have been seen as essentially the responsibility of the state.

The development of modern Nordic state and society is linked to a specific set of historical legacies. In Norden, the early states were strong, as there was no real rivalry for controlling the political space. This has important links to the processes of reformation in the 16th century (Stenius 1997). Religion, more specifically Lutheran Protestantism is central to nation-building and state-building in Norden. Between the years 900 and 1300 the whole Nordic region was christened, and after the election of Gustav Vasa as the
King of Sweden in 1523, Lutheran Reformation was issued by a royal decree. The state took the reformation movement, although not its religious doctrine, as its own cause. The religious doctrines were secondary, as the state rather brutally invaded the powers of the church (Jutikkala 2002: 94-96). The nature of this reformation and the religious movement that followed it clearly set a framework for a Nordic type of welfare regime. It has been argued that:

the rapid conquest of the church by the state under the guise of the Reformation...served to undercut...the development of an autonomous civil society within which competing sources of political and moral legitimacy could emanate (Trägårdh 1997: 260).

Thus, Trägårdh concludes that the centrality of the state and the way in which it has been seen as an integral part of society, has increased the possibilities for stable social and political growth, with the civil society growing and developing alongside the state and not against it. This is interestingly connected to Tilly’s theory of the conditions of a revolution (1978: 191-193). During the 19th century, ‘multiple sovereignty’, a central pre-condition for the emergence of revolutionary processes, was not experienced in Norden. While the infiltration of the church by the state was morally questionable, it is still obvious that setting the tradition of a state religion increased the power of the central state and eventually also served to make the state morally legitimate. It could be argued that this is a powerful alliance, as the authority of the state was linked to the authority of the church – the secular human laws mixed with the divine commandments of God. The modest dictatorship of the crown cut the role of the nobility and guaranteed a more equal society that could later democratise with strong bottom-up initiatives.

Thus, it is not very difficult to argue that one of the central aspects of Nordic politics is the central role played by the state in society. This, in turn, shapes Nordic conceptions of citizenship. Important to remember here is not how the state acts and exercises its power and responsibility. Rather, it is more a question of what kind of a state it is, how far it stretches, how close it is to civil society. Rothstein and Trägårdh argue that, rather than using Katzenstein’s society-centred explanations of the emergence of neocorporatism, we could actually understand the state-society relations in Sweden through a state-centred or neo-institutionalist explanation. So, rather than looking only at the labour and other social movements as a source of inspiration, one can also turn to the shape of the pre-democratic state and see how it might have shaped these movements and the development of a particular kind of democracy and citizenship (Rothstein and Trägårdh 2007).
It could be argued that the Nordic state, despite being a strong and decisive state, was an inclusive state and always close to the citizens. This relationship in Sweden was, from very early on, rather positive and constructive. The early Swedish state was well integrated with civil society, it was progressive and against coercion (Rothstein and Trägårdh 2007: 234-5).

This analysis seems to potentially contradict with Esping-Andersen’s (1985) famous account of the development of social democracy in Scandinavia and the rather conscious strategic choices made by social democratic parties in adopting reformist and revisionist approaches to socialism. While Esping-Andersen’s account is very appealing, it paints a very one-sided view of the development. As he argues, “socialist parties, conceived as strictly working-class movements, are and always have been doomed to fail” (1985: xv). This, it seems, the early Nordic social democrats understood and they consciously changed from workers’ parties to people’s parties and embraced the idea of the folk. Famously, Per Albin Hansson coined the idea of folkhemmet, a people’s home, and this was a revelation to the social democrats – it also showed in the election results. However, I would argue that this analysis and much of the literature on the ‘Nordic model’ has neglected the institutional explanations and concentrated either on electoral politics or specific political ideologies and the role of agenda-setters. We do need to appreciate the impact of agency but the class compromise that Alestalo and Kuhnle (1987: 11) call the Tripolar Class Structure, based on a balance between the bourgeoisie, workers and peasants, was very much conditioned by the development of the state institutions and the ‘logics of appropriateness’ related to that process.

**Globalisation, citizenship and the future of Nordic welfare states**

What has puzzled me throughout the years is the dilemma about the crisis of the Nordic welfare state and the rather gloom and doom type analysis that has been often given of its chances of survival. Firstly, it is clear that, even if we are relatively modest in our claims about competitiveness and the Nordic model, the Nordic approach to social and economic policy has yielded good results. Secondly, the ‘Nordic model’ is also not dependent on the electoral success of the social democratic parties. Rather, it is based on a rather broad coalition that aided in the process of removing class cleavages and antagonisms. Even here, its impact on society has been undoubtedly positive rather than negative. Thirdly, and this is key for current estimates of the
future of the ‘Nordic model’, it still enjoys broad and wide legitimacy and continues to condition the ‘mind maps’ (Rothstein 1998) of politicians, civil society actors and ordinary citizens. How could we make sense of this all in the light of these observations? Can citizenship, in fact, act as a bulwark against any changes emanating from globalisation?

I assert that the Nordic countries must continue to be treated as special cases. My reasons for so doing are different from those that tend to be cited within the existing literature. It is usual for the literature on globalisation to think of the future of the welfare state solely in terms of the fiscal pressures on welfare state expenditures (Swank 1998; 2002; Swank and Steinmo 2002; Steinmo 2003). In this way, the Nordic countries might be presented as atypical, but only because they have retained higher marginal tax rates on middle- and top-income earners than other countries. By contrast, I argue that it is also necessary to think of the future of the welfare state in terms of its constitution of the national citizen and, potentially, its defence of the ideals of national concepts of citizenship. As Stråth (2005) argues, the way in which society was formed around the concept of the folk, meant that the Nordic countries were able to construct a social community that was less polarized and capable of better communication than those that were built on a scheme opposing capital and labour.

Here, it would be interesting to consider the way in which the construction of Nordic states and societies may have served to emphasise ‘the strength of weak ties’ (Granovetter 1972). In other words, it could be argued that the Nordic societies are based on a system where there are bridges between communities and groups as opposed to an approach, typical in societies marred by class politics, where there exist a number of small cohesive communities that do not work together or might not even be aware of each other (see also Kangas and Palme 2005). In addition, the Nordic countries can definitely be presented as atypical because a significant body of literature confirms that the ideals of national citizenship have retained their resonance for individual citizens and, as such, the welfare state continues to play a constitutive role within Nordic society (Svallfors and Taylor-Gooby 1999; Goul Andersen et al. 1999; Rothstein 1998; Timonen 2004; Gulbrandsen and Engelstad 2005; Nordlund 2005).

My aim in this paper is not merely to demonstrate the potential resilience of the Nordic model, as this has already been achieved in the literature. I aim also to understand why this is the case and what the source of this could be. At present, it is usual for authors who point to the resilience
of the ‘Nordic Model’ to do so by showing that the extent of the impact of globalisation has been overstated. In other words, it has been demonstrated that globalisation is a more limited phenomenon than was previously thought to be the case and, as such, its impact on the welfare state is less marked than previously feared. By contrast, I would point to the resilience of the Nordic Model by showing that the nature of the impact of globalisation on Nordic welfare states has been consistently mis-specified. In other words, my concern is to show the difficulties with assuming that globalisation could ever have had such a prodigious effect on welfare state entitlements as to cause convergence along neoliberal lines.

My central contention is that this is mostly because of the existence in all Nordic countries of deeply held norms and values concerning the idea of what it means to be a citizen. Moreover, both the practice and the ideals of citizenship are embedded in the policy structures of Nordic economies insofar as they are embedded in the institutional structures of Nordic societies. The welfare state is fundamental to the constitution of the citizen: both through being a set of ideas relating to the society to which the citizen has access, and through generating the policy outputs which enable the citizen to be socialized into the broader political process (Kuisma 2004, 2007b).

My theoretical framework privileges a historicized account of the constitution of the citizen. I need to look at the history of the relevant ideals and values of membership that tell us about the politics of citizenship in Sweden, Finland and Norway. Moreover, these developments can then be seen as both nationally specific sets of political values and as the local manifestation of more general political trends. My aim is not to establish the facts of history, but to reconstruct the past as a means of identifying specific details of development which influence the way in which contemporary economic challenges, such as those associated with globalisation, are first perceived and then responded to.

This is perfectly manageable within a three-country project. Moreover, there are good analytical reasons to conduct a comparative analysis of Sweden, Finland and Norway. Within the political economy literature on models of capitalism, Sweden tends to be treated as a pattern case, to the point at which historical developments in the Swedish economy are often conflated with hypothetical developments in the ‘social democratic’ ideal-type (Watson 2003). However, we learn little by studying the impact of the economic pressures of globalisation solely in terms of the incompatibility between a hypothetical neoliberal globalisation and an equally hypothetical
‘social democratic’ ideal-type. By contrast, the detailed empirical analysis of the constitution of the Swedish citizen via the practices of the welfare state is likely to elicit a rather different perspective on the impact of the pressures of globalisation on Swedish capitalism. I contend that this approach is more likely to deliver insights into actual political developments within Sweden.

However, the general applicability of my reading of events cannot be tested if I restrict myself merely to the Swedish case. As I am interested in Nordic models of capitalism rather than the ‘Swedish Model’ per se, I will also study Finland and Norway. While Sweden has often been seen as “the empirical embodiment” of the Nordic model, all of the Nordic countries have followed similar paths of development (Kildal and Kuhnle 2005: 5). In addition, these countries offer comparative utility, because they have always differed from the ‘social democratic’ ideal-type as constructed out of the experiences of post-war Sweden. While their national models of capitalism have historically been closer to the ‘social democratic’ type than to any of Esping-Andersen’s other ideal-types (Esping-Andersen 1990), they exhibit nationally-specific trajectories of economic reform that set them apart from the Swedish case (Kuisma 2004; Ervik 2005; Gulbrandsen and Engelstad 2005). As such, if we are able to identify across these three countries common discourses on the constitution of the citizen via the practices of the welfare state, this increases the robustness of my claim about the exceptional nature of the relationship between the economic pressures associated with globalisation and Nordic models of capitalism.

My past work on the historical sociology of the Finnish and Norwegian welfare states will be supplemented by a historical analysis of the Swedish case, completed during a fieldwork visit to Sweden. In addition to the historical sociological analysis, my primary research will be focused on semi-structured elite interviews with both politicians and civil society actors in order to map the national discourses on welfare state and social citizenship. I will conduct semi-structured elite interviews with parliamentarians; in a representative democracy they, it can be argued, mirror the views and values of contemporary society. In addition, in order to test the claim that the values of the welfare state in the Nordic countries stretch beyond social democratic party politics, I intend to interview parliamentarians from all major parties. While the Nordic countries are strong representative democracies, their political traditions are also rooted in civil society activism and social movements. As such, I will, to supplement the interviews with parliamentarians, interview central trade union representatives and national
level NGO actors. Interviewing representatives from central organisations is important for my research as they are located at the level of organisation where the policy agendas are formulated. 

Interviews will be coupled with analysis of policy documents, parliamentary political debates and media debates from the time at which the pressures of economic globalisation were perceived to be at their height. In all of the three countries, this was in the midst of the economic recession of the mid-1990s. Each of these recessions had its own specific causes (see, for example, Blyth 2002; Ryner 2002 for Sweden; Hagen and Hippe 1993; Freeman 1997 for Norway; Timonen 1999; Alestalo 2000 for Finland). However, all three cases shared a common feature: the experience of the mid-1990s was played out against the backdrop of attempts to forge a deeper integration of the Nordic financial sector into the global economy (Kosonen 2001). This combination of nationally-specific and region-wide factors allows us to differentiate between contingent processes within domestic strategies of macroeconomic management and generic features of the economic environment in which all Nordic countries were operating.

**Conclusion**

To conclude, I have argued here for a ‘normative institutionalist’ approach to understand continuity and change in contemporary society. Instead of emphasising policy-making and rational human agency, my approach is founded upon the appreciation of the impact of shared social norms, as emerged through political institutions and embodied in the conception of citizenship. We can learn a lot from the state-centred approaches that concentrate on examining the ways in which institutional structures influence decision-making and create path dependence. We can also take a lot from the society-centred analysis of value and norm structures and political culture. However, what I argue is that we need to understand how political agency is constructed and how identification takes place through both the institutional effects and the more deeply held social norms. It is how the individual apply the norms into practice and constitute their selves as citizens in the context of the institutions that is my main concern here. Citizenship and the ‘logic of appropriateness’ can be used in understanding political action. It is a concept that both defines identities and provides a framework for action within a democratic system.

I argue here – and this will be further investigated in the rest of the
project through empirical research – that we should acknowledge the utility of citizenship in understanding both the past and future of political institutions. Understandings of citizenship have been shaped alongside the development of democratic institutions and the institutions, in turn, now shape the received understandings of what it means to be a citizen. Whether citizenship can act as a bulwark against drastic welfare change is another issue. After all, there are competing institutional identities and the principles of social justice are not necessarily always privileged ahead of other norms and values, such as trying to do what is (understood to be) possible (within the contours of the economic climate of the 21st century, under conditions of economic globalisation etc.). In fact, I believe that citizenship could also explain why it is sometimes possible to implement drastic changes that seemingly go against the political traditions of a state or region. These are circumstances where the social norms that interact with the institutional structures have lost their resonance with the citizenry and, as such, the institutions need to be changed in order to be applicable to society. However, my claim here is that the social norms embedded in the structures of the institutions of the welfare state in the Nordic countries still enjoy wide legitimacy. This is more significant than any external shocks such as globalisation or Europeanisation. After all, these are also constructed as threats or challenges by political agency. As such, from this point of view, the Nordic welfare model might just have a future.
Bibliography


