FINNTOPIA: ILLUSIONS AND INCOHERENCES

BY TEPPO ESKELINEN AND KEIJO LAKKALA

Abstract
The article discusses the recent treatment of Finland by the US Left, criticises this from a Finnish point of view, and engages in a discussion on treating existing countries in utopian terms and the need to analyse countries as evolving through power struggle rather than ”models”.

Keywords
Finland, utopia, left politics, historical developments.

All political movements need to find distinctive ways to articulate their goals, and the form of such goals can vary considerably. The Northern American Left of the late 2010s, while having many articulations of its goals, took the so-called Nordic welfare state as a major point of reference. Particularly Finland has been repeatedly celebrated as a progressive model, and even a kind of realized utopia. This was particularly visible in Bernie Sanders’ presidential campaigns, distributing videos with titles such as ‘Why is Finland the happiest country in the world’.¹

For us as Finnish socialists, who observe the outcomes of decades of neoliberalism and try to find positive utopias for the Left, this enthusiasm is disconcerting. In this article, we scrutinize problems related to the idea of Finland (and the Nordics in general) as a political model. We sketch what we call the utopian representation of Finland and scrutinize this in the context of the significance and function of political utopias: why is it suspect to treat an existing society as a utopian model? Furthermore, we discuss how does the discussion around the ‘Finnish model’ function in relation to facilitating social change. We hope that this analysis contributes to the debate on the North American Left, which we generally are highly sympathetic with. As the Left is possibly in a turning point and needs to contemplate on its vision, it should also be reflecting on the discourse of “realized utopias” and more generally the function of utopian visions.

We begin with a brief overview of portrayals of Finland in current political discourse, and then move on to analyze the problems these representations cause for socialist politics. We argue that the glorification of Finland is based on a misunderstanding of the essence and dynamics of capitalism in the Nordics and emphasize, that societies are structured around power relations, not

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applications of ‘social models’.

The utopian representation of Finland

The glorification of ‘the Finnish model’ suddenly appears to be everywhere. References to ‘the World’s happiest country’, lessons to be learnt from ‘Finntopia’, and reporting on progressive measures taken by the Finnish government have surfaced in academic analyses as well as in the mainstream press. A key ‘selling point’ of the Finnish model especially in the US has been its ostensibly successful combination of capitalism and socialism. According to this narrative, Finland not only has socialist-style equality but also ‘hugely successful global companies.’ Furthermore, Finland is portrayed as a country of opportunity, where people can ‘become anything’ whatever their family background.

For many, this appears to justify the argument for the possibility of socialism within capitalism, or the possibility of success in capitalist terms despite socialism. But many of the measures behind the business freedoms, for instance, are quite dubious, and more importantly the general outlook behind this argument is quite bourgeois: one should ask, if entrepreneurial freedom and the like are really what should be seen as signals of good society.

But then, the discourse is not present only in bourgeois media. Democratic socialists often similarly depict Finland in an idolizing way, as a model for particularly the US to follow, just with some more emphasis on socialist virtues. Especially health care, education and equality in general are often mentioned in this political discourse. Finnish social democracy is seen to ‘deliver’ equality and social mobility, which is not exactly far from the ‘country of opportunity’ narrative. Generally, Finland is portrayed as having discovered universal social-democratic programs, which are in turn seen as a fairly straightforward recipe for a society with a large middle class and low poverty levels.

This is very visible in the speeches and writings of the most visible figures in US socialist politics. Alexandria Ocasio-Cortez explained democratic socialism by proclaiming that her policies ‘resemble those of the Nordic countries.’ More recently, Bernie Sanders’ campaigning and writing has frequently referred to Finland, or the Nordics in general, as a model.

In this discourse, Finland is portrayed as something of a realized utopia. Sanders noted already in 2008: ‘We should do our very best to learn as much as possible about the best kind of economic and social models that exist throughout the world’, with explicit reference to Finland. It seems as if an actually existing country has achieved democratic socialism, making it ‘the happiest country’. According to this narrative, the best thing societies ravaged by neoliberalism can do is to try to imitate this model. And indeed, many equality indicators show that Finland is doing quite well in comparison to particularly the US. But could it be, that assuming this narrative in fact distances democratic socialism from progressive and genuinely transformative politics?
Errors in the narrative

In Finland, it is hard to recognize the country from these admiring narratives. Again, this does not mean that some social democratic policies and good practices would not exist. Yet the general image is idealized in at least three ways. First, enthusiasm about Finland sometimes leads to ignoring facts. Second, North American socialists appear to see ‘socialism’ in the Finnish system also in practices where it hardly exists. Third and most importantly, the narrative ignores recent history and recent political struggles within Finland.

To begin with clear matters of fact, enthusiasm about the “Finnish model” often leads to strange exaggerations. Examples include Michael Moore’s misrepresentation of the Finnish school system as involving no homework and New York Times’ coverage of Finland as the best-prepared country in Covid-19 pandemic, in a moment of time when the country was acutely running out of surgical masks.

These are of course only small errors that can be pointed out and corrected. Something more noteworthy is the tendency to see ‘socialism’ in Finland in elements where it clearly does not exist. Take for example the claim that the Finnish system significantly deviates from capitalism because of a relatively large government ownership of large corporations. If a corporation functions in a competitive market, aims at profit maximization, and treats it workers like any other corporation does, why would the mere fact that a national government owns a major part of its shares, make it ‘socialist’? Government ownership can be used very progressively – it surely can be and has been – but believing that mere (partial) ownership of a capitalist firm implies socialism is a very odd interpretation of socialism.

The Finnish tax system is another example of an object of common misperceptions. Is the Finnish progressive tax regime an example of socialist practice, as we often hear? True, on average the tax burden is somewhat higher than in the US. But seeing the tax system as an example of socialism because it involves some progressive elements is outright false. Most of tax revenue in Finland is collected in the form of flat taxes, and the share of regressive consumption taxes from the overall revenue has steadily increased. The highest earning individuals are typically able to avoid a high tax burden. Creative tax planning enables Finnish capitalists to minimize the taxes they actually pay - to the extent they even need to, as taxes on capital profit are generally much lower than taxes on income. Would a proper progressive taxation system exist, progressive organizations would not be campaigning for a fair taxation system for Finland.

These inaccurate ideas are not problematic for epistemological reasons only. Namely, US democratic socialists embracing government ownership and progressive taxation as modelled by Finland, might actually get what they ask for. As capitalism runs into recurring crises, it is likely that government ownership in major corporations increases through bailouts –and this will not mean changes in industrial relations. Furthermore, as the very rich are everywhere able to avoid paying taxes and more government funds are needed to boost demand amidst crises, the middle-
class is very likely to experience an increased tax burden, Finnish style. So these institutions might turn out to be not the socialist vision, but the reality socialists want to escape.

Third, the image of Finland presented in these narratives makes no reference to actual political developments, as if welfare states were static frozen ‘models’ which do not change once established. But the political reality of all Nordic countries has for several decades been characterized by a massive upsurge in economic inequalities, privatization of public services, and so forth. While the US Left has discovered the Nordic welfare state, Finns routinely use the concept of the welfare state in a *nostalgic* sense: in everyday conversation, it is typically used to refer to 1970s-80s.

In fact, much of the everyday political discourse in the Nordics relates to the appalling social outcomes of decades of neoliberalism. In Finland, the state of neglect in elderly care (nursing homes) has recently been the subject of a heated discussion and something of a shock, as the nursing homes are grossly understaffed, while the offshore investment companies running them enjoy huge profits. The health care system in general is deeply divided between the cash-strapped municipal health centers and the adequately resourced system for those partially covered by their employers, with tax haven-based multinational health companies very aggressively pushing themselves to the ‘health care market’. Finland’s praised schooling system has been under pressure, with calls to introduce student fees to universities. All Nordic countries have similar stories to tell: Sweden is currently struggling with the quality of its partly privatized schooling system.

Economic inequality has rapidly increased in the Nordics since the 1990s. While this follows a global development, Nordic countries have been amongst the countries with largest increases in inequality globally. Inequalities in property ownership (assets) are, as everywhere, even starker than inequalities in income. Rising capital income has become a significant factor behind increasing inequality, partly because two-thirds of all dividends go to the top one per cent, and redistribution has generally weakened, contributing to the trend. A key element in the weakened redistribution in the 1990s was the change in the structure of taxation, causing a decline in the proportion of progressive taxes.

**Capitalism and socialism cannot be combined in ‘a model’**

Without seeing these developments, one easily ends up misperceiving ‘the welfare state’ as a static model, which has successfully ‘balanced’ or ‘combined’ capitalism and socialism, while in reality the balance of power within the traditional welfare states has sharply shifted in the favor of capital. Such developments and social dynamics should not be ignored.

There are obvious dangers related to the idea of Finland as a successful combination of capitalism and socialism. First, if socialists begin to define their politics by reference to such ostensibly successful ‘combinations’, socialist goals will be diluted. For example, Sanders’ rhetoric of political revolution often involves an idea of such a ‘combination’ as the political goal: for
example, having an ‘economy in which you have wealth being created by the private sector, but you have a fair distribution of that wealth.’ Using ‘the welfare states’ as a reference point can even lead to demanding less: ‘We are not asking for the most generous vacation policy in the world—nothing like what they get in France, Scandinavia, or Germany—but simply a standard benefiting a great nation that takes seriously its commitment to family values.’

A particularly good example of this is the ‘land of opportunity’ narrative discussed above. While equality indeed is a socialist goal, opportunity is something quite different. Welfare state institutions are seen to (ideally) guarantee, that achievement rather than socio-economic status at birth determines social positions; that everyone with the talent, rather than with the money, will go to college, and so forth. But should we really call ‘socialist’ a system in which individuals have roughly equal possibilities at birth, and then spend their lives struggling to ‘achieve’ on a competitive labor market? Should not socialist politics rather elaborate, how to promote co-operation instead of competition; how can work be organized if not through such competitive ‘labor market’; how should patterns of ownership be undone; how can labor movements be organized, and so forth. Equal opportunity as a political goal reaches the limits of its progressive qualities very quickly.

Second, the notion of a model combining capitalism and socialism is a dangerous misunderstanding about social dynamics. Finland is not successful in combining capitalism and socialism, because one cannot be. Capitalism and socialism are inevitably and structurally in conflict, and even at best, a ‘combination’ means a highly fragile and temporary compromise.

If one sees countries like Finland having designed a system that carefully administers the upsides of both capitalism and socialism, such countries might indeed seem like operating a ‘social model’. But societies do not function this way: the dynamics of societies arise from conflict. If we begin to believe that the Nordics have reached a given model, we ignore the fact that when unchecked, capital struggles against labor interests, and global market discipline also creates pressures on wages. Similarly, it is highly suspect to believe in the possibility of importing ‘social models’ to conditions of different kinds of power structures and a different form of class compromise. Finnish institutions cannot be implemented in the US, because they are outcomes of a different kind of history of economic tension and conflict. The positions between capital and labor determine the existing conditions to such a large extent, that an ‘institutional model’ would simply function differently in a different context.

Finally, contemporary politics generally suffers depoliticizing tendencies, or attempts to ‘take politics out of policy’. While some socialists’ admiration of ‘the welfare state’ can be well-intended, it contributes to these depoliticizing tendencies, as ‘a model’ implies a very narrow domain of politics, restricted mostly to state provision (of schooling, healthcare, etc.). But if anything like such a thing as ‘the Nordic model’ exists, it is equally based on a high rate of unionization and collective bargaining power. It is quite illusionary to say that state provision as such would function as a great equalizer, without addressing capital-labor relations.
Existing countries should not be seen in utopian terms

Seeing an existing country as a utopian goal or a ‘realized utopia’ is problematic also on a more principled level. Not only are some facts misrepresented and historical developments ignored; not only is politics falsely conceptualized as a terrain of ‘models’, sidelining actual struggles and power relations. The more principled issue relates to the meaning and function of social utopias: what do narratives of this kind do to our understanding of utopian possibilities?

No politics carries a real transformative sense without a utopian sentiment. Utopias as critical images of a radically different and better society show the direction of desired social change: a new society needs to be conceived in order to develop the existing one. Such critical counter-images also ‘relativize’ and implicitly criticize the world as we know it. But what already exists in the present cannot at the same time be a critical counter-image in a progressive sense: existing countries and societies are part of the present topos against which the utopian counter-image is to be constructed.

For understanding the implications of treating an existing country as a utopia as described above, two conceptual distinctions are in place. First, absolute vs. relative utopias, and second, utopias as facilitating change vs preventing change.

It is important to see, what kinds of arguments are taken in conservative attacks against utopian envisioning of a different society. The most influential critiques of utopias are almost invariably based on the idea of utopias being ‘absolutist’ or ‘blueprints’. Many anti-utopian theorists claim, with a strong anti-socialist sentiment, that any utopian idea of a better society will lead to totalitarianism, when such a blueprint model is implemented. But utopias as critical ‘counter-images’ are always thematically open as the utopian impulse extends beyond any particular political program. Therefore, it is generally a mistake to interpret their essence in absolutist terms which, as noted, also contributes to reactionary ideas opposed to social change. While seeing an existing country in utopian terms is not a totalitarian depiction as such, the idealization of ‘the Finnish model’ means nevertheless talking about political goals by reference to a ‘blueprint’.

A more progressive approach to images of alternative society sees social utopias first and foremost as historically conditioned and thereby ‘relative’. Utopias motivating social change are at best counter-images of temporally changing reality, rather than abstract models removed from the historical context in which they were conceived. A country can surely be idealized as utopia from the point of view of another country, but this idealization should be distinguished from the really existing country and its experienced reality.

Utopia and retrotopia in political use

Another significant distinction is between facilitating and preventing uses of utopias as images of alternative society. Idealized descriptions of Finland have very different kinds of effects
outside the country and within it – even if the US Left seems to sometimes forget, that enthusiasm about Finland is not left unnoticed within the country in question, and this has its consequences. Even if Finland might seem like a curiosity for many in the US, it is a real country with ongoing political struggles.

Within the context of the United States, the discourse on Finland is hoped to have a function of facilitating\textsuperscript{30} social democratic reforms by motivating political movements. In the Finnish context, the same narrative clearly prevents social transformation. The idealized image of Finland has only little connection to the real tendencies and potentialities of our times. It can function as a ‘utopia of escape’,\textsuperscript{31} giving a sense of comfort but without progressive political use. Idealized talk about Finland implies that there is no progressive alternative to its state of affairs. Talking about Finland as a ‘model’ then transforms utopia into an ideology that freezes the present. Especially the Finnish mainstream press has been very keen to enforce this sentiment by its extensive reporting of any positive mention of Finland.

While comparisons of US and Finland could at best facilitate political change initiated by the US Left, the publicity that these comparisons get in Finland is very likely to lead to reactionary effects. An often-heard argument against any progressive demands is that Finland does relatively well in global comparison. So comparisons between the US and Finland always have a dual message: its not only the US reaching towards a more progressive model, but also Finland seeing itself as sufficiently progressive despite decades of approaching the global ‘average’ of inequalities and enforced capitalist market discipline.

Furthermore, presenting Finland as a realized utopia has also negative ramifications for the political imagination of the Finnish Left. If the Finnish Left sees the Finnish welfare state as the best possible social formation that can be achieved, it assumes a defensive mode and closes the possibility of imagining alternatives. The orientation then turns into a ‘retrotopian’\textsuperscript{32} one: lost achievements of the past are idealized rather than a better future imagined. As was noted above, the concept of ‘welfare state’ has a nostalgic connotation in contemporary Nordic political vocabulary. As an anecdotal example of this rhetoric, the election slogan of the Left Alliance (the most left-wing party in Finnish parliament) in the 2015 elections was ‘Me korjaamme sen’ (‘We will fix it’), referring to the welfare state that was seen to be in the need of ‘reconstruction’. The utopian imagination was then directed to the past (the glorious days of the welfare state), which makes it difficult to present a vision for the future.

The idea of ‘retrotopia’ is usually associated with populist and reactionary movements and their slogans, such as ‘Make America Great Again!’. But this mentality can extend to Left politics as well. To echo Zygmunt Bauman’s definition of ‘retrotopia’, the vision of ‘fixing the welfare state’ is a vision ‘located in the lost/stolen/abandoned but undead past.’\textsuperscript{33}
Struggles show the way – not social models

So while it is understandable to seek the kinds of reforms and institutions that the Finnish welfare state has (or had), the depiction of the welfare state as a realized utopia can imply a severe closure for political imagination. Seeing the welfare state in utopian terms or as a blueprint model for a future society means forgetting the welfare state’s emergence as a historical compromise, that was no-one’s utopia but a by-product of political struggle. A historical process is thereby frozen into a snapshot and the enabling struggles ignored.

A ‘model’ is typically portrayed as something based on a broad national consensus, pushing aside the fact that there are conflicting interests and material struggles in any society. At worst, this means believing that a welfare state has a unique brand of capitalists: these imaginary capitalists have realized that investing in social stability and human flourishing is in the long-term interest of capital, so they choose to pay high taxes. If we are to believe that there is ‘a model’ which is quite universally adhered to within a country, the implication is that also the very privileged have become to rationally accept this model.

This is, of course, outright false. The capitalists’ interest is not to invest in well-being. If capital benefits from general well-being, the capitalists’ interest is to see that others pay the required expenses. It is not even in their interest to see the GDP or the investment level increase: profits can be high while investments lag behind or growth is meagre. Growth that enhances well-being requires forcing capitalists to invest in well-being, and capital will always prefer a regime of accumulation with lower general well-being and higher profits.

As a society constantly evolves through struggle, we need to see also the formation of social practices as outcomes of such struggles. Historian Päivi Uljas has studied the formation of Finnish welfare state, giving a historical description of the different processes that in the longer run gave birth to what later became known as ‘the Finnish welfare state’. These different processes included unusually rapid and powerful structural changes within society, through both strong non-parliamentary civic movements and a strong parliamentary left majority. What they did not include, however, was any blueprint or fixed model of what later became known as the Finnish welfare state.

This does not mean that these processes would have been devoid of utopian ideas. On the contrary, the historical situation where the developments resulting in the formation of the welfare state began was one of an interregnum open to alternative visions of the future. Finland was transforming as a society in the late 1950s as the existing governance based on the interests of small scale agriculture and wood processing industry was not able to sustain itself. This made room for utopian visions of social change. But the struggles of the time were facilitated by a much more ambitious utopia of socialism. What eventually came out of the political struggle was a compromise quite different from this imagined goal.

The idolization of this compromise is also a factor feeding into the mental landscape in which even this compromise is currently dismantled. The neoliberal agenda entered Finland’s
political landscape within the rhetorical guise of ‘updating’ the welfare state. Left forces calling for only the continuation of a temporary compromise between socialist goals and capitalism see capitalism enforced in the name of this compromise. Indeed, there has not been a single neoliberal reform in Finland carried out under the explicit agenda of opposing the welfare state: rather, it is always rhetorically about ‘rationalizing it’, or increasing its ‘efficiency’ or ‘long-term fiscal sustainability’.

Conclusions

As current democratic socialists try to imagine a better future for their countries, they surprisingly often land on descriptions of what already exists (or is believed to exist), rather than images of what could be. Finland is often portrayed as a case of really existing democratic socialism, and thereby a model for other countries to follow. Democratic socialists then call for their countries to adapt the social model that has ostensibly made Finland ‘the happiest country on Earth’.

Above, we have discussed problems related to this narrative: some aspects of the Finnish society are misunderstood, and socialist goals become diluted. Moreover, social dynamics are misrepresented as a matter of realizing a blueprint model, while ‘social models’ are always outcomes of social struggles where no-one aims at achieving such a pre-designed ‘model’. Furthermore, ‘blueprint models’ are also the basis of criticisms of utopian thought by conservative theorists.

Finland is not a realized utopia because there can be no such thing as a realized utopia. Finnish institutions, policies and practices might be inspirational to some, but one needs to understand the context in which these institutions, policies and practices have been created and the involved compromises and shortcomings. Finnish institutions cannot be implemented anywhere in the world without considering the history of their formation. The Finnish society is a product of a historical process, and therefore the talk about the ‘the Finnish model’ ignores the historical contradictions of class and other struggles that enabled the progressive reforms at a given point of time.

Most importantly, there are ongoing struggles for justice in Finland, and the treatment of Finland in utopian terms is counter-productive for the Finnish Left. It keeps the Left stuck in old achievements and curtails utopian imagination. Generally, the idealized welfare state becomes an ideological barrier to social progress. We do not watch enlightened capitalists function according to their accepted role within a welfare state. We see outcomes of progress falling apart around us. For the international Left, it is always better to support movements and foster radical imagination, than to fetishize and idealize a historical compromise. Inspired by the ascent of democratic socialism in North America, we hope to see it engaging in imagining better futures for all of us.
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