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Robbie Block
Pitzer College

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RIVAL MODELS TO CAPITALISM: CAN THE NORDIC MODEL SURVIVE THE NEW GLOBAL ECONOMIC SYSTEM?

Robbie Block

With the current trends of change in the international global economy, economies that were traditionally thought of as strong and independent are now being forced into the new system, such is the case with the countries in the high performing region of Scandinavia. In political economics there are many different models for how to run an economy. Of these, two stand out as the predominant form of market economies, Liberal Market Economies (LMEs) and Coordinated Market Economies (CMEs). While there is no definitive answer as to which of these structures of economy is better, of all the economies in the world there is one region of CME's that stands out above all: Scandinavia. The Scandinavian countries emphasize "social partnership", and egalitarianism:

Sweden, Denmark and Norway have actively contributed to the preservation and promotion of regional culture, the creation of a common labour and social security market, the development of compatible national legal systems as well as stringent regional environmental policy and the exploration of trans-border municipal cooperation ... 'Nordic identity is about being better than Europe' (Lawler, 570-571).

Scandinavian economies are characterized as "small and export dependent" (Lawler, 567) and heavily emphasize social spending. In short they are a social-democratic welfare state. The Scandinavian model is seen as having its own classification amongst social-democratic welfare states however, due in large part to its efforts to make sure that people are valued for more than just their work output:

Warranting separate classification from the general form of liberal democracy, the Scandinavian model's distinctiveness stems in part from two core principles of universalism and decommodification that have emerged out of decades of social-democratic theory and practice. It is through the granting of social rights

that the status of individuals vis-à-vis the market becomes decommodified because their survival is no longer contingent upon the scale of their labor power alone (Lawler, 567).

The model works, with Denmark having the lowest Gini coefficient in the world and Sweden and Norway not far behind at four and six, respectively. Furthermore, Norway is rated as having the highest human development in the world, with Iceland, a country often associated with the Scandinavian model, ranked second, Sweden ranked fifth and Denmark coming in at 15th. As well, Norway Denmark and Sweden are ranked third fourth and fifth in overall employment, with Iceland being ranked number one. The success of the model is currently coming under pressure however, with new global markets emerging, and a strong European unity movement which threatens the very heart of the model. The question then arises, in light of these pressures, can the Scandinavian model succeed in the new global economy? If one looks into what makes the model strong, one can see that the answer is clearly yes.

Before examining its involvement and future in the global economy, one must first understand the Scandinavian model and what makes it strong. The success of the model has prompted many other authors to question why Scandinavian countries have had such economic success. One explanation, although not written initially for the Swedish case, is brought by Joel S. Migdal in his book *Strong Societies and Weak States: State-Society Relations and State Capabilities in the Third World*. In his work, Migdal argues that economic success is due in large part to a strong state control over the populace, arguing that ineffective state control, no matter how good policy is, will always fail to provide the adequate structure needed to form a strong economy:

...the distribution of social control in society may be among numerous, fairly autonomous groups rather than concentrated largely in the state. In other words, the over-all sum of authority may be high in the society, but the exercising of that authority may be fragmented. In this mélange, the state has been one organization among many. These organizations—states, ethnic groups, the institutions of particular social classes, villages, and any other, have offered individuals the components for survival strategies (Migdal, 28–39).

Migdal's work focuses on the state, and the society and how they interact. Namely for Migdal, the strength of the state is not only measured by its policies, but by its ability to enact these policies and to make the society reflect the leadership of the state. While Migdal's writings are focused mainly on explaining why the third world has struggled to develop, his arguments can be used to explain why there has been such a high level of success in Scandinavia. When analyzing Scandinavia through Migdal's argument, it is important to look at two elements, the state and the society. First we will start with the state because it is the more basic and evident of the two principles; however it is important to remember that both are integral to each other in the grand scheme of the argument. Migdal identifies three keys to effective state leadership, emphasizing a strong, well organized center as well as an effective periphery represented by state and local officials:

First is the level of the central executive leadership. Besides its own particular policy agenda, its concerns include mobilization of support, creating effective arms or agencies to carry out its will, resolving the conflicting notions of the

state's priorities among its agencies, and insuring its own political survival. Second is the level of the leadership in the central agencies of the state organization. These figures have their own personal and policy agendas; within their agencies they can use the power of appointment and patronage to forge a broad organizational view of the state's priorities. Finally, there are the state officials at the regional and local levels (Migdal, 263).

The question then arises in exploring Scandinavia in light of Migdal's analysis; does the Scandinavian model fit the model of the strong state? And if so does it fit on all levels of the state that Migdal identifies? To answer this question, let's turn to Sweden as the model for the region because it is "credited with having invented the region's social model" (Lawler, 568).

SWEDEN AND THE MIGDAL THESIS

The Swedish ministry, which is second only to the Prime Minister, is famous for its equality and its being representative of the nation itself, with at times 11 of the 22 members of the cabinet being women. Furthermore, the cabinet is split amongst the four major political parties in Sweden, with the main party, the Party Centre, having eleven members on the cabinet. Under the cabinet falls the country's parliament (the Riksdag) which is made up of 349 members. Elections are held every four years and seats are won using a system of proportional representation — arguably the most representative form of a republic. Apart from the representativeness of the government, it also falls into Migdal's model by being strong on every level and having a heavy influence on the lives and culture of its citizens. Sweden uses high rates of taxation and economic redistribution in order to ensure a society in which no one is left behind and the government is able to help ensure individual welfare through a vast array of social programs. This sets up a quasi dictatorship of the middleclass in which people are funneled into a more common economic standing, which is seen as the most effective form of state organization for an economy structured around full employment and controlled markets: "the dictatorship of the middle class is more efficient than the dictatorship of the elite" (Acemoglu, 515). This center based economy provides a strong framework for the government which is pervasive in most aspects of Swedish economic and social life. The government's effect on the day to day life of its citizens is seen in the social programs and care that it provides which tie the citizens to the state. Programs like state-run child care and universal healthcare allow the state to have a large influence on the Swedish society. Migdal argues that the effect of a state to alter and control a society as key to having a strong successful nation: "There was a driving compulsion to establish state social control within society, for that was the key that could unlock the doors in increased capabilities in the international arena" (Migdal, 23). Furthermore, the ability of the prime minister to select his cabinet and the small size of the cabinet makes it strong and able to act, a key to the first principle of a strong central government which Migdal argues is a necessity for a successful economy.

For Migdal however, the strength and organization of the state means nothing if the society is equally strong and pulling in a different direction. One of the strengths of the Scandinavian nations however is in their society. Scandinavian society is built on the same shared goals of universalism and exceptionalism, and is made up mostly of likeminded people:

The Scandinavian states form part of a very small group of genuine nation-states relatively untouched by multi-ethnicity and multi-culturalism and as such they are exceptional in another sense.... This has been underpinned in all cases by comparatively high levels of public consensus over core values and participatory democracy, as well as a thick model of citizenship (Lawler, 570).

Scandinavian society also emphasizes a caring and welfare based system in which no one is left behind. This model of a strong aligned society very closely mirrors Migdal's ideal orderly non-fragmented society and is in fact key to even discussing the possibility of success:

The central political and social drama of recent history has been the battle pitting the state and organizations allied with it against other social organizations dotting society's landscape. Although state leaders have aimed for ultimate uniform social control inside its boundaries, diverse heads of these other organizations have strived fiercely to maintain their prerogatives.... This struggle for social control must be brought into stark relief even before we can begin asking why some states have succeeded in their drive towards predominance and others have not. (Migdal, 27-28).

Therefore, the very aligned, very homogeneous society of Sweden fits well with Migdal's model of a society that is not fragmented and not constantly being pulled in different directions. In fact, the Swedish population is very close to that of the original population of Zionists in Israel which Migdal uses as his example of the model society. The alignment of Swedish society coupled with the government's pervasiveness in, and ability to change the society make Sweden a highly compatible model to Migdal's ideal case. This compatibility makes Migdal's explanation a very prevalent one for why Scandinavian countries are highly successful, however since his book was published in 1988 there have been several other authors on the issue as well.

STRONG SOCIETY? THE FOLKHELM

One such author, who I have already cited, is Peter Lawler, who has arguments that are very much in line with those of Migdal. Lawler also pins Scandinavian exceptionalism not on resource wealth or historical luck, but upon the organization of the state itself and the idea of community that is at the heart of Scandinavian society and culture: "The key feature of Scandinavian exceptionalism is the degree to which those policies have underpinned a close intermingling of public notions of community, nation and state" (Lawler, 567). The center of these ideas Lawler points out is the Scandinavian sense of a shared burden in looking out for their fellow citizen's welfare:

The metaphor commonly employed by Scandinavian ideologists to capture this quality has been that of the folkhelm (people's home).... 'per albin' [the father of Swedish social democracy] took what was originally a vague conception of society, which emphasized national cohesion above all, and wedded it to a radical programme of social reform such that the metaphor was to become central to the preservation of social democratic hegemony throughout the region (Lawler, 568).

Lawler seems fairly inline with Migdal in his view that Scandinavian society has much to do with their success, however the parallels continue when Lawler discusses his views on the Scandinavian state. Lawler believes that the Scandinavian state not only reflects the way the society thinks, but also that it helps to change and alter the society in the way that it wants the society to act, just like Migdal's model of success:

If we can agree that states vary in their internal constitution – for example, in the relationship between the state and civil society, in the social values which guide and legitimate governance, or in the level of public consensus that lies behind internal and external policies (as well as the manner in which such consensus is attained) – then it seems plausible to suppose that these variations will impact to some degree upon the external orientation of the state (Lawler, 573).

To illustrate his point, Lawler looks to the motivation behind most Scandinavian foreign policy: universalism. Lawler points out that universalism is both a cornerstone of Scandinavian society and of the ideals of Scandinavian foreign relations, and the actual policies pursued are a function of the actual societal desires that are expressed in votes and other measures testing public legitimacy: “in other words in which a degree of authentic reflective monitoring of national policy takes place, foreign political and economic policy is more likely subject to tests of public legitimacy” (Lawler, 573). The actual physical embodiment of this correlation between universalism on both the societal and policy levels can be seen when one looks at the objection which many of Norway's citizens had to joining the EU. The opposition pointed to the fact that the EU's aid policy is far less generous than that of Norway's itself and was not inline with Norway's desire to help the third world in favor of the global economic elites:

SP [the party in opposition to joining the EU] argued for the continuing right to curb market mechanisms in pursuit of social values at the national level, full employment as a policy objective, ecologically-sustainable development and continuing solidarity with the Third World against the development of a ‘fortress Europe’.... Furthermore, the EU's aid policy was weighted towards the concerns of donor states and the average amount of ODA as a percentage of GDP among Member States was less than half of Norway's level (Lawler, 579–580).

Therefore, it is clear that one can see that Lawler's views of Scandinavian exceptionalism are very much alike to Migdal's in that he emphasizes the strong state involvement and the highly aligned like minded society as key to Nordic success.

SCANDINAVIA, GLOBALIZATION AND MIGRATION

In looking at Scandinavian success through the lens of Migdal and Lawler and to test whether or not Migdal's model applies to Scandinavia, it is important to look at the view of social scientists and economists of the changing demographics and societies of the countries. With immigration becoming more and more prominent in the western world it is important to look at the implications that immigration has on Scandinavian Exceptionalism, especially in a state like Sweden which devotes much of its funding to every citizen of its nation: “focusing on the net fiscal effects, the gain from admitting immigrants

is computed for a welfare state with large expenditures and a large tax burden (Sweden)...an average new immigrant represents a new government loss of USD 20,500" (Storesletten, 487). Sweden sees immigration as an investment, with annual immigration representing .67% of its population (Storesletten, 488), the country invests money initially in welfare and training only to make returns in the future from increased tax revenue. Immigration is seen as a delicate issue in Sweden because of its nature as a state which spends money on its citizens as opposed to one which is less focused on social programs: "these results suggest that immigrants to a typical welfare state such as Sweden impose on average a substantial fiscal burden and are less beneficial for public coffers than immigrants to the US" (Storesletten, 504). Apart from the purely economic strain on the social programs that immigrants have to Scandinavia, the question also arises as to whether or not the influx of immigrants will cause Scandinavian culture and society to erode and cause a breakdown in the gentle balance between the country's society and state. While Storesletten does not give a direct answer to this question, he does give some insight when he points out that: "the labor market performance of immigrants in Sweden is poor, relative to natives" (Storesletten, 488). While it is true that immigrants will eventually pay off their initial cost of social programs to the state in revenue taxes, whether or not their lower quality of work will go to lower the overall quality of work in Sweden is yet to be seen.

The question of immigration's effect on the Scandinavian economy brings us to yet another interesting crossroads when considering Scandinavia's roll in the global economy. In an age of increased integration and disappearing borders, can the Scandinavian model economy still succeed? Or will it be altered to fit into the new global order? In other words, will Scandinavian exceptionalism still be a trend even in this new era in which a country cannot help but be affected by global markets:

The relevant market today – is the planet Earth and the global integration of technology, finance, trade and information in a way that is influencing wages, interest rates, living standards, culture, job opportunities, wars and weather patterns all over the world (Friedman, 27).

Friedman views globalization as a dynamic force for change and good, however the question remains on the table whether or not globalization is good for Scandinavia.

Globalization is characterized by the bridging of markets and the permeability of a nation's economy by the new global financial system that has characterized the twentieth and twenty-first centuries. Therefore, by its nature, globalization requires some sort of norm that countries must follow in order to survive in the new integrated system, which Friedman deems "the Golden Straitjacket", whose roots he identifies with Margaret Thatcher and Ronald Reagan:

When your country recognizes this fact, when it recognizes the rules of the free market in today's global economy, and decides to abide by them, it puts on what I call the Golden Straitjacket.... The Thatcherite-Reaganite revolutions came about because popular majorities in these two major Western economies concluded that the old government-directed economic approaches simply were not providing sufficient levels of growth. Thatcher and Reagan combined to strip huge chunks of economic decision-making power from the state, from the advocates of the Great Society and from traditional Keynesian economics, and hand them over to the free market (Friedman, 104-105).

In other words, for Friedman, the Golden Straitjacket is the concept that free

flowing international capital and investors should be what determines state economic planning, not traditional or idealist forms of economic thought: “There is just one global market today, and the only way you can grow at the speed your people want to grow is by tapping into the global stock and bond markets by seeking out multinationals to invest in your country and by selling into the global trading system” (Friedman, 112). In order to see whether the Scandinavian model fits into the new global economic structure, it is important to first identify what the structure actually entails. For the definition of the global economic structure we turn once again to Friedman, who lays out the system which is based upon simple neo-liberal approaches to markets:

To fit into the Golden Straitjacket a country must either adopt, or be seen as moving toward, the following golden rules: making the private sector the primary engine of its economic growth, maintaining a low rate of inflation and price stability, shrinking the size of its state bureaucracy...deregulating its economy to promote as much domestic competition as possible...opening its banking and telecommunications systems to private ownership and competition and allowing its citizens to chose from and array of competing pension options and foreign-run pension and mutual funds (Friedman, 105).

Friedman’s list continues and includes several other components of an open market economy; however the above mentioned workings of the ideal globalized economy are enough to see that the Scandinavian cases do not fit into Friedman’s golden straitjacket. With this in mind one may begin to wonder whether or not the Scandinavian cases have a chance in the new globalized world, or if their model of exceptionalism will slowly give way to the new global norm which has been created.

THE NORDIC MODEL AND THE EUROPEAN UNION

In looking at the Scandinavian cases, it is helpful to look first at their integration into a smaller system, the new European Union, before looking at the larger global markets. It is also important to acknowledge that while Norway chose not to integrate and join the European Union; Sweden decided that it was in its nations best interest to join the union, in looking at the arguments on both sides for and against joining, one can get a glimpse of what the future holds for these countries.

First let us turn our attention to Norway, a country that said no to joining the European Union in 1973 and then again in a series of debates starting in 1993. In fact, voter turnout was listed as the number one reason for voting by 65% of Norwegian’s, in a contentious election in 1993 in which Norway had an uncharacteristically divisive election with the issue of European integration at the forefront of the issues (Valen, 1994). Coming up short of actual membership, Norway has signed treaties with the European Union including the EU-Norway Free Trade Agreement in 1973, however there has not been another consideration for joining the union since the referendum failed in 1993. This can be accounted for by the Government’s decision to suspend talks of joining the union for 10 years starting in 1993 (European Commission).

More interesting to study than the Norwegian case however for the implications of the new global system to the Nordic model is Sweden, not only because Sweden accepted

membership into the European Union, but also because of Sweden's underperformance in the 1990's. Before looking at the European Union and Sweden's roll in the Europeanization of the region, let us look first at the country's financial failings in the mid 1990's. Between 1991 and 1994 the Swedish government was under control of a non-socialist government, which had major repercussions for Sweden's economic planning:

The economic problems, the employers' withdrawal from corporate cooperation and the subsequent electoral setback for the Social Democrats in 1991 spelled trouble for those who looked to Sweden for guidance. Unlike its predecessors, the Swedish non-socialist government that held office between 1991 and 1994 repeatedly rejected the Swedish model, provoking media people and political activists and since the early 1990's there has been continuous reporting about and calls for necessary repair work and remodeling (Byrkjeflot, 31).

Byrkjeflot, a Norwegian economist, goes on to describe the failings of the Swedish government as a misguided attempt to changing its rhetoric to "that of a European identity" (Byrkjeflot, 31), or in other words, to aligning with the European Union and its ideals. More specifically, the reforms of the dominant Conservative Party in 1991 were based upon neo-liberal economics:

...new Prime Minister Carl Bildt, had openly canvassed the dismantling of the Swedish Model. In his first Speech to the new Parliament, he declared 'the end of the collectivist era', in Sweden, and his 'New Start' program promised tax cuts, the reduction and privatization of welfare provision (a 'revolution by choice') and revisions to Sweden's neutral security policy. A major impetus for such changes was the bringing of Sweden into line with the rest of Europe (Lawler, 586).

These economic reforms did not work well for Sweden, and marked an era of economic downturn for the country. Sweden's recovery came with the return of the dominant Social Democratic Party (SAP), and a return to the Scandinavian model, however with the transition came calls to join the European Union, which had grown considerably since the membership application was first lodged in 1991. Those leading the charge to join the EU were the social elites, with the division clear especially in the SAP party, which is traditionally very stable. The division was between the leadership which supported joining the EU, and the women's and youth groups in the party which stood in firm opposition to membership. For the most part however, support for joining the European Union was not based on a hope for future progress, but on a desire of staying a part of Europe, and with current economics and job considerations at the forefront of benefits to joining:

Those arguing for no thought Sweden should be a model in the old sense and an example to the world. Those saying yes... did so with jobs and economics influencing their decision: don't let us be outside of Europe. No side argued for its position on the basis of a strong governing idea for the future. In other words, the manner in which the decision to apply for membership was made was itself symptomatic of an unraveling of the stable institutionalized, consensus culture that lay at the heart of the Swedish model which for decades has been

captured in the metaphor of *folkhelm* (Lawler, 583).

Avoiding a turn away from the model has been a concern of the government since the 1970's when the Swedish economy suffered a severe downturn. Out of the recognition of a need to cope with global economic changes, while still maintaining its core values and structure, came the Swedish third way or *Tredje Vagens Politik*: "What analysts and policy makers from both sides of the political spectrum now agreed upon was that the SAP governments had failed to tackle economic decline while preserving the core features of the exceptional state" (Lawler, 584). The question then is, can Sweden still find this third way in light of its membership in the European Union and the Monetary Union, or will the forces of globalization force Sweden and the rest of the Nordic community into the golden straight jacket? While it is too early to tell, one can make projections based upon historical examples and by testing the rival models to see if they are at all compatible.

In recent history, there has been an idea that out of Scandinavia will emerge a new global order, due to the Nordic ability to lead and adapt: "Thorstein Veblen, who saw the northern European countries as 'late developers' and as masters of adaptation....Sweden and Scandinavia were perceived to be forming a vanguard in the inevitable march toward a new industrial society" (Byrkjeflot, 28-29). As Lawler points out however, the chances of the European Union adapting to the Scandinavian model are slim to none:

In spite of the strength of social-democratic sentiment within the European Parliament, the translation of social-democratic sentiment into the 'affective corporatism' that produced institutional developments and egalitarian outcomes in the Scandinavian states is unlikely in the EU, given the diversity of its membership (Lawler, 589).

THE TROJAN HORSE AND THE FUTURE OF THE NORDIC MODEL

While it seems unrealistic that the Nordic model will become dominant, this does not mean that one should forget the traditional strength and flexibility of the Scandinavian model, nor should one think that membership and the mere presence of the EU will not change the Scandinavian model at all, as it is evident that some changes have already been affected:

Even so, the defenders of the *folkhelm* must see continuing cause for concern. The future remains unclear, but it is not inconceivable that Bildt's radical vision of the EU as a Trojan horse, instrumental in the emergence of a post-social democratic Sweden, may yet be realized not only in Sweden but also across Scandinavia. Public disquiet notwithstanding, the shift towards a variant of a Europe-wide social liberalism throughout Scandinavia appears inexorable, given the powerful logics of rationalization driving it and the evidence of incremental policy changes in a neoliberal direction in all of the Scandinavian states. As argued above, Sweden provides a particularly stark example of how the debate about Europe has contributed to the erosion of the very social consensus that has underpinned the historical development of Scandinavian social democracy (Lawler, 589-590).

Furthermore, if one looks at the actual models comparing the new, growing, global

system to the ideals that represent the Scandinavian model which have already been outlined in this paper, one can see where the clashes in policy are evident. The Scandinavian model requires heavy government involvement in the economy, and a broad social safety net which is not tied to the market. The importance of this latter part is that it affects the entire Scandinavian outlook on working, in that one is seen as having value to the society outside of one's specific work output:

'Political citizenship' must precede 'social citizenship', and these are in turn indispensable for the third stage 'economic citizenship'. Workers must be emancipated from social insecurity before they can partake effectively in economic democracy (Byrkjeflot, 29).

By distancing social programs from one's work output levels, the Scandinavian model is distancing itself from the 'Golden Straitjacket' ideals of neo-liberalism. However, there are many breaks between the two, but the distancing of work output from social rewards and services is large because it strikes at the heart of the difference between the Scandinavian economy and the emerging world model of market driven economics: the Scandinavian model is simply more egalitarian. If one looks at the Scandinavian model, one will see that at its base is an ideal of cooperation and inner-firm communication that strikes at the heart of the globalization ideal of competition:

Another development, starting with distribution economics, buyer relations and purchasing, later became the field of materials administration or logistics. The idea behind this concept was the greater potential for efficiency and effectiveness could be gained between rather than within firms. Increased bridging in inter-firm coordination would lead to a need for less buffering like stockpiling and smoothing (Lorange, 140).

In short, these last two concepts of cooperation and distancing welfare benefits from one's working ability, fly in the face of current economic practice, however they do not necessarily represent a system that will fail on the global spectrum.

Much like how there is a difference between German business and American business, yet there is no real comparative institutional advantage to either one, this can also be said about the global and Scandinavian models. While the global model creates rapid growth and opportunity, the Scandinavian model helps to lift the entire country up, spreading profit and tying the whole nation together as one cohesive group. This creates a system in which rewards are spread across the board and the society as a whole grows with the state. This once again brings us back to the original author, Migdal, and his explanation for why the Scandinavian model could succeed on the international level seems adequate. The original argument of strong state involvement in molding the society fits when one takes into account that the entire Scandinavian model is based upon an egalitarian movement of the state and society together as a whole, with the state serving as the driving actor to ensure the cohesiveness and the equality of the society. In light of Migdal however, one can see where the risks from EU membership arises. Apart from possible immigration from non-Scandinavian member nations that may affect the overall performance of their economies, the Scandinavian countries are threatened by the divisions which EU membership creates. As Lawler points out, the debate alone to join the EU caused rifts in the society and political parties that were previously uncharacteristic if not unheard of in Scandinavian society:

The EU debate has been instrumental in the further development of social cleavages which serve to undermine the public consensus upon which the development of Swedish social democracy has historically depended. This was illustrated not least by the paucity and brevity of the debate itself. Furthermore, the 1991 elections showed that Bildt's reform programme disproportionately appealed to men, especially young men. Women, who constitute the majority of public-sector workforce and are its primary clients, were more likely to support the parties long associated with the folkhem or, alternatively, the red-green left (Lawler, 585).

The development of new social cleavages has brought on by debate seems to be one of the biggest risks for the success of the Scandinavian model, which relies so much on unity and a shared sense of purpose. However, while the model may be under pressure from its internal reformists, as well as the external global markets, one must remember that the model is strong, because at its base is the entire society, and if the society can resist the pressures to split apart, then the model should survive in the new global markets. However, the real threats to the Scandinavian model are the internal rifts which strike at the heart of the model's strength: its societal unity. If the country's social unity decreases, and rifts are formed and groups begin to challenge the state, then it will fit into Migdal's model of a strong society budding against the state which ultimately fails. Thus it is important when considering the future of Scandinavian exceptionalism to remember that the real threat is not external pressures, but the internal cleavages which they create.

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