

**Interrelations of individualism and collectivism in Scandinavian countries'
economic models**

Bronshtein Yu. (Russian Federation)

**Взаимосвязь индивидуализма и коллективизма в экономических моделях
скандинавских стран**

Бронштейн Ю. М. (Российская Федерация)

Бронштейн Юрий Михайлович / Bronshtein Yurii Mikhailovich - студент,

Высшая школа экономики и управления,

Северный (Арктический) федеральный университет им. М. В. Ломоносова, г. Архангельск

Abstract: *it is often said that Scandinavian culture can be described as individualistic. At the same time, the Scandinavian welfare states are known for their strong collective values. This article analyses such a paradox and examines its influence on Scandinavian countries' economy.*

Аннотация: *скандинавскую культуру часто называют индивидуалистской. В то же время Скандинавская модель всеобщего благосостояния известна своими нерушимыми коллективными ценностями. Данная статья анализирует данный парадокс и изучает его влияние на экономику Скандинавских стран.*

Keywords: *individualism, collectivism, Scandinavian countries, welfare state model.*

Ключевые слова: *индивидуализм, коллективизм, Скандинавские страны, модель всеобщего благосостояния.*

There are many interpretations of the concept of «individualism». Some scientists consider individualism as a form of egoism, and that makes individualism a negative phenomenon. On the other hand, individualism can be considered as a form of independence, which is positive. Nobel laureate Friedrich A. Hayek mentioned that «No political term has suffered worse than «individualism» [1, p. 3]. In this article I used the classical concept, which defines «Individualism» as a form of ideology, emphasizing the priority of personal goals, interests and freedom of the individual, and the main features of which is the primacy of personal goals and independence of the individual from society.

To analyze interrelations of individualism and collectivism I decided to make a small research and to find out historical reasons for the formation of Scandinavian culture as individualistic. I came to the conclusion that the church had a great influence. Before Scandinavian countries got social orientation (approximately in 1920s), individualism was inherent in the Scandinavian society as a Protestant. Protestantism became the center of personal relations between man and God. Protestant received direct personal responsible to God for his life, and right for unlimited activities on the basis of his/her personal, free and a reasonable understanding of the divine will. Protestantism actually delegated to the individual the right of feeling and understanding of the concepts of well-being, as well as human, social, economic order. Also, as Marianne Gullestad wrote in her «The Art of Social Relations»: «Within the arts, there was no strong classistic tradition to oppose the individualism of romanticism» [2, p. 184]. That also played a role in formation of Scandinavian society as individualistic.

However, during the formation of the welfare state in Scandinavian countries there was a change towards collectivity: social cohesion, the trade union movement, politics of tax and salary solidarity, etc. [3] Thus, that protestant individualistic basis was supplemented by new policy of collectivism, which was fundamental for Nordic countries in 20th and 21st centuries. Collectivism solves successfully the problem of employment, accessibility of goods and services, ensuring a high average standard of living.

Throughout the 20th century in the Nordic countries tried not to socialize the economy, but to liberate the individual citizen against all forms of subordination and dependence within the family and civil society: the poor from charity; workers from their employers; wives from their husbands; children from parents. Interdependence within the family has been minimized through the separate taxation of spouses, the reform of family law abolished the obligation to support elderly parents, more or less universal system of kindergartens allow women to work, «More than 70 percent of women of working age (15-64) are occupationally active, predominantly in the public sector» [4, p. 54]. Education loans without checking the financial position with respect to income of parents or spouse give young people a considerable degree of autonomy from their families, children receive more independent status through the a strong focus on children's rights.

In general, this legislation has made Scandinavian countries the least dependent on the family and the most individualized society on the Earth. Of course, the family is still the central social institution, but it also enriches precisely the same moral logic, emphasizing the autonomy and equality. The ideal family in Norway consists of

adults who are working and are not financially dependent on each other, and children, that are encouraged to be independent as early as possible. There are some articles written by social scientists from outside Scandinavia, that consider such situation as undermining of family values. Personally I think that this approach can be interpreted as the modernization of the family as a social institution. Considering the fact that long-term marital commitment are no longer the norm, Scandinavian family is serious about being a parent, as in the demographic sense, and in from of time that the parents (married or not) spend with their children.

With growing individualization supported by the Social Democratic welfare regime, most Scandinavians exhibits high tolerance to a number of manifestations of «personal morality», like: homosexuality, prostitution, abortion, euthanasia, considering these examples only the personal responsibility of the individual to himself. In the same time, actions related to the field of «public morality», like tax evasion or corruption are sharply condemned because they are harmful society as a whole.

In my paper I also want to evaluate this «individualistic-collectivism» model. The main question here is: «this model good or not?» Does this contradiction between individualistic and collective values keep down Scandinavian countries' development? Or maybe they do not contradict, but complement each other?

Scandinavian region emerged from the recent financial crisis in good shape, with a budget surplus, low levels of public debt. In the longer term, the Nordic countries can be characterized by steady growth, long-term political stability, transparent public institutions, technological adaptability, flexible labor markets, open economies and high levels of education. All these factors are the reason why Scandinavian countries are in the top of international ranking lists and in terms of the economic impact and in terms of quality of life. It is also argued that this makes the Scandinavian countries better prepared to deal with the fundamental problems regarding the overall sustainability such as global warming. How can we explain the relative success of the Scandinavian capitalism in a globalized world? One possibility is that the Scandinavians by nature have a higher tendency to cooperate with each other and they are more rational. However, if we assume that the citizens of the Nordic countries in general similar to other people, other factors begin to play a role: social practices, institutions and long-term historical experience, which reinforce the Scandinavian capitalism.

The effect of individualism is that people in the Nordic countries are relatively more willing to accept the market economy and as consumers and as producers. Being less bound by legal and moral obligations within the family, but still protected from the risk of a universal emergency support system, they become more flexible labor market. At the same time as individual consumers, they create a demand for high quality and expensive goods, because they have high level of life and some free money. At the same people are forced to work by such collectivists' values as social security system, which takes into account the income level of the recipient in the open labor market, providing adequate compensation in case of illness, loss of employment or the provision of parental leave.

Based on the reasons in the last paragraph, I believe that collectivist and individualistic values suddenly complement each other very well; they improve Scandinavian countries' economy greatly. From my point of view, combination of that values are the main reason for the economic prosperity and development of the Scandinavian region.

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