CHAPTER 16

The Experience (and Constitution) of Society in Postwar and Post-Industrial Finland, 1960–2020

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Introduction

This chapter studies the history—that is, the past reality—of the Finnish welfare state from three different angles. The first one is *experience*. The focus is not on individual experiences or life stories but on the *collective experience* of society—in its various meanings.[1] This experience was manifested in public documents and discussions, and reflected in politics and legislation. It concerned the ideas, promises, and difficulties related to the welfare state. It is expected here that those views tell much about the experiences among the citizens—that is, *their* collective experience. The point is not to seek people's immediate experiences of their conditions or

[1] A relevant distinction between different categories of historical experience, "objective," "individualist," and "collectivist," is presented in Ankersmit, F. (2012). *Meaning, truth, and reference in historical representation*. Cornell University Press, chapters 9–10.

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how they were treated by the authorities but how they (may) have linked their own living and future to a specific model of society called the welfare state.[2]

The second angle and background for analyzing experience is *structures*—that is, the rapid postwar economic and social change. It was then called "modernization," which was materialized in the overall and crucial change of society and consequently in peoples' lives. The welfare state was the political structure built to manage the change. All of this set the *limits of the possible*—that is, the framework for the resources and prospects individuals had, which from their perspective can be called *life-chance*.[3] For citizens, the welfare state was not only a system of social security, it was also a promise of the future. Moreover, it was a *national project* for reforming "Finnish society," a term that was widely cultivated.[4]

The third angle is the *motivation* (idea) behind the politics of the welfare state. The hypothesis here is that the grounding idea was that of *equality* between citizens. Equality—and the experience of it—is the focus of this study because it has been at the core of the societal imagination in Finland since the beginning of the twentieth century and especially from 1960 to 2020. True, it was not any invention, but it was revitalized in the new, postwar context of rising wealth. For most people, it was an appealing answer to the enduring experience of poverty and inequality and to existing class distinctions and political divisions. Until the 1960s, Finland was a semi-agrarian society with a relatively low standard of living. In these conditions, the mere option of new opportunities aroused the aspirations

[2] In Finnish language the concept of welfare state (*hyvinvointivaltio*) refers explicitly to the state power which provides well-being to its citizens through welfare systems and legislation. In the 1960s the term "welfare society" referred more often to general well-being following J.K. Galbraith's term "affluent society," Galbraith, J.K. (1958). *The affluent society*. Houghton Mifflin Company. For the historicity of the concept, see Kettunen, P. (2019). The conceptual history of the welfare state in Finland. In N. Edling (ed.), *The changing meanings of the welfare state: Histories of a key concept in the Nordic countries*. Berghahn Books, 225–275.

[3] The concepts here refer to the classical texts: Braudel, F. (1985). *Civilization and capitalism 15th–18th Century, vol I: The structure of everyday life. The Limits of the Possible*. Harper & Row; Giddens, A. (1979). *Central problems in social theory: Action, structure and contradiction in social analysis*. University of California Press.

[4] Kivimäki, V., Suodenjoki, S., and Vahtikari, T. (2021). Lived nation: Histories of experience and emotion in understanding nationalism. In V. Kivimäki, S. Suodenjoki, and T. Vahtikari (eds.), *Lived nation as the history of experiences and emotions in Finland, 1800–2000*. Palgrave Macmillan, 17–28.

of the citizens, the large majority of whom consisted of the urban and rural working classes and small farmers.[5]

The purpose of the chapter is to demonstrate how experiences of society, societal structures, and ideas of society were related; how they produced actions (like politics); and how these factors explain the change of society. I particularly focus on the explanatory power of experience.[6]

From Survival to Success

The master narrative of Finnish society—and modern Finnish history—is the story of a survival that turned into a success story.[7] The key to the story is the experience of how the nation survived World War II as an independent democracy neighboring the USSR, was modernized rapidly, and was built into a Nordic welfare system. At the beginning of the twenty-first century, Finland was regarded as one of the most advanced societies globally, boasting high technology, education, and social equality. No doubt, this is a good achievement for a small country that still lagged far behind other Western societies in the 1930s. Economic historians have explained the development as a "catchup"—that is, a process in which a "latecomer" can benefit from the more advanced societies by following their path of development and adopting their knowledge, technology, markets, and so on. While being a correct explanation, a question remains: How did it actually happen and why do some societies make it, but others do not?[8]

[5] A wider approach to the history of social structures in Finland; see Haapala, P. (ed.) (2018). *Suomen rakennehistoria: Näkökulmia muutokseen ja jatkuvuuteen* (1940–2000). Vastapaino.

[6] About structures, agency and explanation, see Haapala, P. and Lloyd, C. (2018). Johdanto: Rakennehistoria ja historian rakenteet. In P. Haapala (ed.), *Suomen rakennehistoria: Näkökulmia muutokseen ja jatkuvuuteen* (1940–2000). Vastapaino, 6–30.

[7] Statistical evidence of the "20th century success" (as discussed in the foreword) is presented in *Suomen vuosisata* (1999). Tilastokeskus. A more critical view is Haapala, P. (2021). Lived historiography: National history as a script to the past. In V. Kivimäki, S. Suodenjoki, and T. Vahtikari (eds.), *Lived nation as the history of experiences and emotions in Finland, 1800–2000*, Palgrave Macmillan, 29–58.

[8] The interplay between economy and institutions is emphasized in the global context by Acemoglu, D. and Robinson, J. (2012). *Why nations fail: The origins of power, prosperity, and poverty.* Crown Publishing Group. In the case of Finland: Koponen, J. and Saaritsa, S. (eds.) (2018). *Nälkämaasta hyvinvointivaltioksi: Suomi kehityksen kiinniottajana*. Gaudeamus.

One answer is simply "good luck"—in this case, a favorable position in the world market and in information flows, and political stability. These are important, of course, but at least one factor must be added: the capacity of the society to utilize the options available. This is very much dependent on institutions like the political system, legislation, and public administration.[9] In the end, everything depends on how they function and whether they produce wealth, health, security, and so on for the citizens. These functions designate the relationship between the citizens (ordinary people) and the state. In the best case, the relationship is based on mutual interest, trust, commitment, solidarity, and shared identity. That is the case in the ideal democratic society. In real life, however, this has not been the case in most societies, which is why "What makes a good society?" is a good question.[10] By taking the history of Finland here as an example, my intention is not to present it as a model to follow but to demonstrate the multiplicity of factors behind development.

To begin, in the late 1950s and 1960s, following the postwar reconstruction years, people lived in a new situation, between actual shortage and the promise of wealth. At last, there seemed to be new economic and human resources to create a more secure society. The idea was certainly not new, but it was no longer a utopia, as it was in the late nineteenth century when the labor movement launched it. Now in the 1950s, the quest for equal life-chances was living politics and widely supported by various social strata. Furthermore, this was the first time that idealism was shared widely by social scientists and planners, top civil servants, and politicians.

The 1960s saw vivid discussions and debates on equality in all spheres of society. *The principle of equality* became so largely accepted that the debate was only about "how to make it happen." A more practical and realistic question concerned the role of public authorities, and accordingly what was left to the individuals themselves. There was an ideological dividing line between free-market thinkers and regulation-oriented thinkers. The former emphasized individuals' opportunities, while the latter preferred security. The political dividing line cut between the right-wing

[9] Finland in comparison; see also Haapala, P. (2009). Modernisation of Finland 1800–2000. In M. Perkiö (ed.), *Perspectives to global social development*. Tampere University Press, 48–66; Ojala, J., Eloranta, J., and Jalava, J. (eds.) (2006). *The road to prosperity. An economic history of Finland*. Finnish Literary Society; Lloyd, C. and Hannikainen, M. (eds.) (2022). *Social cohesion and welfare states: From fragmentation to social peace*. Routledge.

[10] Haapala (2009); Koponen and Saaritsa (2018).

liberals and the left, of course, but the discussion focused more on practical issues and policies than on the ideological viewpoints on the very nature of the state's role as it was, for instance, in the US.[11]

Despite the many debates and conflicts, the actual outcome in the 1960s was large and expensive national-level reforms introduced in health care, education, the pension system, regional development, the regulation of wages and prices, and taxation.[12] Finland became a state-run market economy with an increasing level of income redistribution. As a result of this policy, economic, social and educational disparities declined radically between 1960 and 1990. A previously poor society was now regarded as an exceptionally wealthy, equal, and homogenous one, an admired variant of the Nordic Model. Because the system enjoyed wide legitimacy among the citizens when providing benefits to all, political forces from left to right had all become defenders of the welfare state—at least verbally.[13] The welfare state was ready, and it seemed it would last forever (Fig. 16.1).

Belief in Society

The case of Finland in the making of the welfare state has been regarded as a success story by international comparison and by most Finns themselves. It is expected—and it is essentially true—that society will meet the needs and expectations of citizens and therefore enjoy their support. This is the major *experience of society*. A positive experience of society and trust is not simply a feeling or conclusion of personal success, it is also a "structural fact" in two senses. First, it becomes a structural fact when society (the state) in its entirety is based on trust and is seen as legitimate. Second,

[11] In the American discussion Sweden was often presented as the model of egalitarian society, which was either admired or hated. Still in 1990 John Naisbitt's bestseller began with a harsh critique of Swedish "socialism" (not that of the Soviet Union), a model the Finns wanted to follow. Naisbitt, J. and Aburdene, J. (1990). *Megatrends 2000: Ten new directions for the 1990's*. William Morrow & Co.

[12] A concise history and the future of public policy in Finland; see Riihinen, O. (ed.) (1992). *Sosiaalipolitiikka 2017: Näkökulmia suomalaisen* yhteiskunnan *kehitykseen ja tulevaisuuteen*. Sitra/WSOY; Hannikainen, M. and Eloranta, J. (2019). *Palveluiden ja tulonsiirtojen yhteiskunta*. In J. Laine, S. Fellman, M. Hannikainen, and J. Ojala (eds.), *Vaurastumisen vuodet: Suomen taloushistoria teollistumisen jälkeen*. Gaudeamus, 16–35.

[13] Smolander, J. (2000). *Suomalainen oikeisto ja "kansankoti" (Summary: The Finnish Right Wing and "Folkhemmet")*. Suomalaisen Kirjallisuuden Seura.

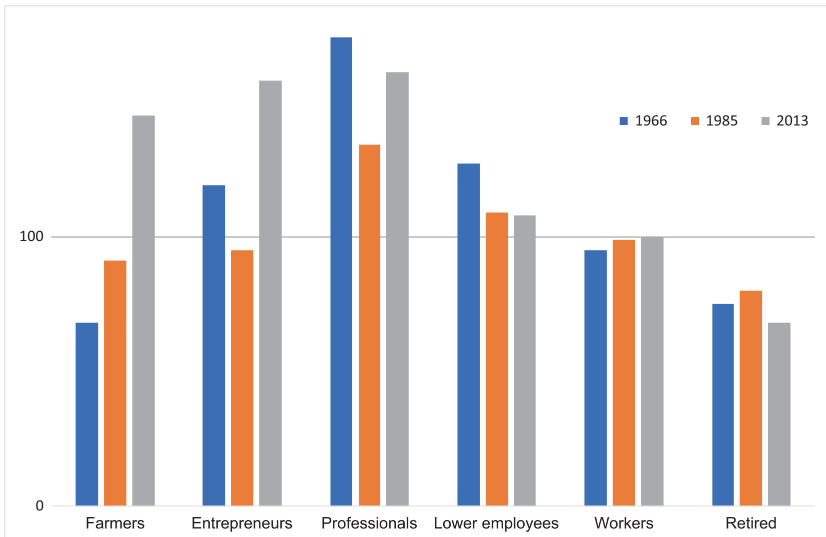

Fig. 16.1 Disposable family income by occupation in Finland, 1966–2013 (average = 100) (*Finnish Statistical Yearbook*). Disposable income is the net revenue from wages and benefits after taxes

there are structural factors that generate trust in society—that is, in what kind of environment one happens to live and when.[14] Among these factors is the value system.

In the Nordic countries, it has become a tradition to emphasize the historical roots of the welfare state: The idea of equality (religious, political, national) is deeply rooted in society as a product of Lutheran belief and the centralized state. Loyalty to authority combined with early democratic institutions, rule of law and small-state nationalism generated the experience of justice and opportunity. The Nordic exceptionalism in state-making can be challenged, of course, but it remains a fact that it has become an identity at least. The belief in society was reasserted in the early twentieth century when social reforms and state interventions (poor relief, schooling, work conditions, health care, civil rights) were introduced

[14] Hannikainen, M. (2018). Rakennemuutos ja hyvinvointivaltio. In P. Haapala (ed.), *Suomen rakennehistoria: Näkökulmia muutokseen ja jatkuvuuteen (1940–2000)*. Vastapaino, 244–267; Hirvilammi, T. (2020). The virtuous circle of sustainable welfare as a transformative policy idea. *Sustainability 12*, 391. See also J. Saari's Chap. 15 in this book.

relatively early. The Swedish model of the integrative nation state called *folkhemmet* ("people's home") before World War II was an appealing pole star in the making of the postwar Nordic welfare state, the best-known example of the redistributive state.[15] This responded to the aspirations of the majority of people and their values of national unity and equality, both among conservatives and socialists. Though the public policy was not a harmonious process, this kind of consensus was quite easy to achieve in a relatively advanced and homogenous societies.

In Finland, there were large and politically tempered strikes in 1948 and 1956, but not afterwards, despite the strength of the trade unions. The political balance between the left and right had been quite even since the first elections in 1907, and in 1966 the left won a majority in parliament. The victory launched an era of strong state interventions, a form of politics that never ended despite the leanings of the government. The 1960s became a factual and symbolic turning point in the birth and experience of the welfare state. It succeeded in linking past experiences and the desired future convincingly. However, things did not go as smoothly as wished, and the 1960s was experienced as a rupture in social development, too. Many lost their belief in society, at least temporarily.

A Plan for a Society

Sometimes a single book becomes an iconic symbol of social development. In Finland, that role has been given to Pekka Kuusi's *60-luvun sosiaalipolitiikka* (1961).[16] The book is a proposal of how to renew the system of social policy, but it is also an ambitious plan for the wider modernization

[15] Árnason, J. P. and Wittrock, B. (eds.) (2012). *Nordic paths to modernity*. Berghahn. As critics state, the path was not straight but the outcome was unique. See also Kettunen (2019).

[16] Kuusi, P. (1961). *60-luvun sosiaalipolitiikka*. Sosiaalipoliittinen yhdistys. A somewhat revised English version included an introduction to Finnish history by Kuusi's mentor, Heikki Waris, the first professor of social policy in Finland. He characterized Finnish society by referring to Nordic historic tradition including Protestantism, religious and racial homogeneity, respect for education, rule of law, democracy, nationalism, late industrialization, and the location as small borderland in the north; see Kuusi, P. (1964). *Social policy for the sixties: a plan for Finland*. Finnish Social Policy Association, 13–26. Later analysis of the ideas and impact of the book: Bergholm, T. and Saari, J. (2009). Paradigmat, agendat ja kehykset: Miten Pekka Kuusen 60-luvun sosiaalipolitiikka on vaikuttanut suomalaisen hyvinvointivaltion kehitykseen? In J. Kananen and J. Saari (eds.), *Ajatuksen voima: Ideat hyvinvointivaltion uudistamisessa*. Minerva, 33–63; Tuomioja, E. (1996). *Pekka Kuusi: alkoholipoliitikko, sosiaalipoliitikko, ihmiskuntapoliitikko*. Tammi. See also S. Bergenheim's Chap. 14 in this book.

of a whole society. The plan was worked on for four years in collaboration with an advisory team including the highest authorities and top researchers on the topic. The blueprint for the work was the *Beveridge Report* (Social Insurance and Allied Social Services) in Britain from 1942. The outcome was a book that covered all spheres of public policy (work, housing, family, aging, unemployment, health care, social security, and all the legislation and funding arrangements). The book also discussed the economy, demography, and politics, and included a plan and a forecast for further development. The author worked out a long list of precise measures and calculations but was modest enough to say that it was, ultimately, just "an experiment of thought."

The book was strongly future-oriented and optimistic. A novel idea—in a then poor society—was to launch active social policies that would improve people's conditions and hence create new human resources, which, in turn, would accelerate economic growth and allow high public investments. All of this required new thinking concerning economic performance, finances, and social policy as an investment, not as a mere cost. The idea looks like a rather typical social democratic vision of state regulation and income leveling. In fact, Kuusi criticized the idea of socialism: State ownership and planned economies forgot the individual and did not make poor people economically active. Kuusi and his colleagues wanted to promote humanity, equality, security, and so on, but they had a deeper modernist idea of *societal efficiency*, which would provide better conditions and opportunities for all. Against conservative thinkers, they defended social policy and higher public expenditure. *Planning* was the keyword, but that did not mean socialism, but instead "social planning" in the framework of the market economy. This was not a novel idea, either, but the interesting point here is how explicit Kuusi's reform plan was, and how it became a concrete action plan in the coming years in a real society. It gained wide support across party lines, and one motivation, which looks odd now, was the worry that the Soviet Union would compete with the Western societies in economic and social performance.[17] Many of Kuusi's plans were not fulfilled, but the idea and the legend survived. In a longer perspective from the early 1960s until the early 1990s, the vision became reality, however. Certainly, there were changes which Kuusi or anyone

[17] Kuusi (1961), 27, 34. That was not even close then but the Soviet plans for high growth were seen as realistic.

could predict in the early 1960s (energy supplies, new wars, computing, population growth, the rise of China, the collapse of socialism, etc.).[18]

Kuusi linked his plan to a longer historical perspective. He noted how in 1905 the Finns, then living in a poor society, had won general suffrage and achieved "political democracy" as they were formally equal citizens. Now, fifty years later, they were building "social democracy," a society in which "the citizens' welfare was the highest priority of the state." To make that goal a reality, human-oriented ("man-centered") social policy was needed. The nucleus of that policy was "social equalization," the foundation of modern social development.[19] Unfortunately, this movement toward higher civilization and better society never takes place automatically or through the altruism of the better-off. Instead, history showed that true social leveling was preceded by experiences of inequality, disappointment, hatred, and social tensions. But now, for the first time in history, mankind had reached a phase where the aspiration for well-being and humanity was within the reach of all. "Democracy, social equalization and economic growth seem to be fortunately interrelated in modern society." The tool needed was social policy, which was not based on egoism or envy but on "free and growth-oriented human nature."[20]

The idea of human social policy may look too idealistic in two senses: in its belief in abstract virtues (like humanity) and in individual rationality. I believe that Kuusi was aware of this, and the trick of the plan was *in combining* practical measures—the hard facts of social and economic reality and humane values.[21] Emphasis on economic efficiency, growing consumption, and material wealth is not sustainable at all from a twenty-first-century perspective, but it was rational from the perspective of a generation whose roots were in a society characterized by poverty, inequality, and a lack of opportunity. His strong and positive emphasis on modern rationality is equally logical from this perspective. Kuusi represents the classical canon in which two large processes—civilization and modernization—entail man's liberation from nature and compulsion.

[18] Saari, J. (ed.) (2006). *Suomen malli: Murroksesta menestykseen?* Helsinki University Press, 103–104. The book is a comprehensive collection on the renewal of Finnish social policy since the 1980s.

[19] Kuusi (1961), 8, 29–32.

[20] Kuusi (1961), 7–8; Kuusi (1964), 32–34.

[21] Kuusi later developed his thinking toward rational humanism which saw the dangers of global inequality and ecological limits but relied on reason and technological advancement in solving the problems. See Kuusi, P. (1985). *This World of Man*. Pergamon Press.

Together, these processes were seen as a major shift from the old to the new society, from necessity to freedom. From the perspective of *experiencing society* this meant the following: For centuries, under unequal conditions, society (and the state) was experienced as hostile and alien; in the nineteenth century it was experienced as unfair and closed; and in the twentieth century, it could finally be experienced as justified, reflecting one's own goals in life and as a citizen. At that point, a citizen wants to belong to society, experience *society as one's own*, including trust in society and one's fellow citizens. Here Kuusi comes close to T. H. Marshall's concept of "social citizenship" as a kind of ideal type of twenty-first-century society.[22] At this (believed) turning point in social development in the 1950s, when the options of the welfare state were vividly discussed, Finland turned to follow the Nordic path of egalitarianism and not the liberal model of the US and most other nations.[23] In broad terms, this was an ideological choice and marked the emergence of "idealistic social policy" in Finland. It was based on values, though its major proponent Pekka Kuusi emphasized the economic rationality of social policy.

Restructuring and Experience

Before we can say anything about the experience of society, it is helpful to be aware of the social reality in which people *lived* their society. In other words, there are structural limits and situations in which people experience society in their everyday life. Another crucial aspect to consider are people's expectations. A useful category in analyzing this is *life-chance*, one's understanding of what is possible and how this is supported (or not) in society. Let us take an example: A late nineteenth-century rural girl's only options were to become an agricultural worker or move to town, marry or not, and give birth to two–six children—depending on how long she lived, twenty or sixty years. Most likely she had no long-term plans of any certainty, only hopes for the future. Only after World War II did it become a standard perspective to plan one's life decades ahead, often with heavy economic commitments. There was much variation between individual

[22] Marshall, T. H. (1950). *Citizenship and social class and other essays*. Cambridge University Press. Kuusi doesn't mention Marshall but many other leading social scientists of his time like Gunnar and Alva Myrdal, J.K. Galbraith, W. A. Lewis, J. M. Keynes, Harold Laski, and Richard Titmuss.

[23] See Chap. 1 in this book and Kananen, J. and Saari, J. (eds.) (2009). *Ajatuksen voima: Ideat hyvinvointivaltion uudistamisessa*. Minerva.

life-courses due to social class, gender, location, education, and so on, but there were much more equal chances than before. These structural facts and variation can be measured, and the results can be summarized in a single conclusion: Society became much more open and mobile regionally and socially. This meant longer, more predictable, and more varied life-courses—a "richer life," as people learned to say. This kind of future-oriented perspective became the new "collective experience" of one's life, at least metaphorically. Likewise, it was the "welfare state," a new concept then, which enabled this to happen. An analogous mental change was reported at the beginning of the twentieth century when "modern times" shook people's (traditional) worldviews.[24]

The experience (or perception) of society was linked to the drastic social changes after World War II. In analyzing this, *generation* is another fruitful category and subject of study. In the case of postwar Finland, the generation who lived through the "Big Change" was the "baby boomers" born in 1945–1955. This generation (cohort) was in numbers almost twice as large as the previous "war generation" or the following "desert generation" born in the 1960s and 1970s. The large size of the boomer generation itself had a strong effect on society from the 1950s until the twenty-first century, when the same people became an "aging problem." Their childhood comprised the (often poor) years of the reconstruction, while their youth was a time of emerging wealth, migration, and expanding education. The modern welfare state with its new institutions and benefits was built during their best years. Above all, they experienced the benefits of the fast-growing economy, the rise of public sector jobs, and social mobility—and the disappointments as well.[25]

The major change in Finnish society from the early 1960s until the end of the 1980s was called then and afterwards *rakennemuutos* ("structural

[24] Haapala, P. (2007). Kun kaikki alkoi liikkua. In K. Häggman (ed.), *Suomalaisen arjen historia 3: Modernin Suomen synty*. Weilin+Göös, 46–63; Waris, H. (1948). *Suomalaisen yhteiskunnan rakenne*. Otava. Waris reconstructed the early twentieth-century experience *post factum* when explaining the birth of the modern (inclusive) society in Finland and the beginnings of the welfare state.

[25] A short overview of that period is Haapala, P. (1998). The fate of the welfare state. *Historiallinen Aikakauskirja/ Historical Journal* 96(2), 142–149. An "official view" on change is *Living Conditions in Finland* (1984). Statistical surveys 74. Central Statistical Office of Finland. A broader analysis of the modernization of living is presented in Karisto, A., Takala, P., and Haapola, I. (1998). *Matkalla nykyaikaan: Elintason, elämäntavan ja sosiaalipolitiikan muutos Suomessa*. WSOY.

change"). This uninspiring term is attributed most often to the changes in population structure, mobility, occupations, social stratification, and so on, but it referred also to changes in the way of life—to urbanization, increased living standards, and the overall "modernization of life," from television to tourism, to new youth culture and the "generation gap." All of this was typical of most Western societies a little earlier—Finland was rapidly culturally "Westernized" following the Anglo-American patterns of mass culture. What was perhaps distinct to Finland, however, was the pace of change, as an agrarian conservative society turned so rapidly into an urban and liberal society. As this change happened over two decades and in one generation, it was felt that "everything was changing." This change can be statistically demonstrated, but it was also a collective experience, especially for the baby boomers but also for their parents (the war generation) and their children (Generation X, who "took everything for granted").[26] The "generational experience" was real and visibly manifested, but not shared by all in similar ways. Experience did not divide people only into distinct generations but also divided them within the generations. The variety has become partly invisible because the cultural memory of the "1960s" has been dominated by the cultural elite, which was hegemonic in its youth and is still hegemonic in politics, media, and cultural life.[27] This is likely typical for Finland, but the "losers" have a history, too. The problems of modernization were not invisible at all in their time, but drew much attention in media, fiction, and film.

Losers and Winners

Already in the 1960s, the term and experience of "structural change" had two meanings, one depicting optimism and the other expressing disillusionment. The most disillusioned were the war veterans raising large families on small farms. Though encouraged and supported by the state when starting a "new life" after the war, their class almost vanished in the 1960s and 1970s when their farms proved to be too small for a decent living.

[26] Karisto, A. (ed.) (2005). *Suuret ikäluokat*. Vastapaino.

[27] On the structure of generations, see Alestalo, M. (2007) Rakennemuutokset ja sukupolvet. *Yhteiskuntapolitiikka* 72(2), 146–157. On the variety of life-course as experience, see Roos, J.P. (1987). *Suomalainen elämä: Tutkimus tavallisten suomalaisten elämänkerroista*. Suomalaisen Kirjallisuuden Seura. On memory politics, see Miettunen, K-M. (2009). *Menneisyys ja historiakuva: Suomalainen kuusikymmentäluku muistelijoiden rakentamana ajanjaksona*. Suomalaisen Kirjallisuuden Seura.

Many left the farm for other occupations, emigrated to Sweden, or earned early retirement if they survived long enough.[28] The death toll of males from this group was exceptionally high (due to hard work combined with war trauma, poor diet, heavy smoking and drinking, and suicide).[29] There is a rich collection of tragic life stories of this kind in fiction and films.[30]

First the reception of this narrative was mostly respectful to people who survived and tried their best. Then it became a source of visible social critique and led to demands to improve the conditions of the "forgotten people," a slogan referring to disadvantaged rural people. Although they did not live in absolute poverty, they felt that they had been treated unfairly in a prospering society. Publicity helped, and the problems of rural and distant areas entered the political agenda after the populists' surprising victory in the 1970 elections. Wide reforms had already been introduced and the "developing areas" began to disappear in the 1970s, but this was too late for hundreds of thousands of rural people, the "settler generation" of the 1950s. The agrarian population decreased from two to one million between 1950 and 1980. The farms, houses, villages, schools, and sports tracks they had built gradually deteriorated.[31]

Another significant group among small farmers who remained more or less on the "losing side" were their children. Many wanted or had to continue farming, or they were employed in forestry or in other related occupations. Some of them succeeded—depending on the locality—in keeping and developing the farm with the help of state-funded subsidies. The number of farms diminished rapidly, however, and when Finland joined the EU in 1995, the number of life-sustaining farms was about half of that

[28] Haapala, P. (2006). Suomalainen rakennemuutos. In J. Saari. (ed.) *Historiallinen käänne: Johdatus pitkän aikavälin historian tutkimukseen*. Gaudeamus, 91–124.

[29] Valkonen, T. and Kauppinen, T. (2005). Märkä ja nuorena nukkunut sukupolvi. In A. Karisto (ed.), *Suuret ikäluokat*. Vastapaino, 334–346; Kivimäki, V. (2021). Nocturnal nation: Violence and the nation in dreams during and after World War II. In V. Kivimäki, S. Suodenjoki, and T. Vahtikari (eds.), *Lived nation as the history of experiences and emotions in Finland, 1800–2000*. Palgrave Macmillan, 297–318. On emigrant experience, see Snellman, H. (2003). *Sallan suurin kylä – Göteborg: Tutkimus Ruotsin lappilaisista*. Suomalaisen Kirjallisuuden Seura.

[30] A specific genre called "angst novels" described empathetically the experiences of remote rural communities. The half-documentary film series *Eight Fatal Shots* by Mikko Niskanen in 1972 was a great success and reminder of the other side of modernization.

[31] Haapala, P. (2004). Väki vähenee: Maatalousyhteiskunnan hidas häviö 1950–2000. In V. Rasila and P. Markkola (eds.), *Suomen maatalouden historia 3: Suurten muutosten aika – Jälleenrakennuskaudesta EU-Suomeen*. Suomalaisen Kirjallisuuden Seura, 233–254.

in 1950. Already before this, the workforce on farms had dropped drastically, from around 500,000 in 1960 to 200,000 in 1980.[32] A typical stereotype of the time was the jobless farmer sitting with a beer in a rural bar. This image was attributed to the new "liberal alcohol policy," which allowed the sale of beer in grocery stores and open bars in the countryside in 1969. This was a sign of cultural tolerance and regional equality, and it was welcomed by most, but it also proved to be disastrous for public health in a society that had traditionally strict regulation of alcohol especially in rural areas.[33]

In the public discourse—and in people's minds—"structural change" began to mean the breakdown of the old (good) society, the opposite to all the optimistic promises of modern society. When the public discourse was combined with individual failures and social disappointment, the overall image of the 1960s was not at all positive. In addition to feelings of betrayal by the modernists, there was emotional pressure from the other side, too. There were loud conservative voices against the abandonment of traditional values, summarized in the phrase "Home, Religion, Fatherland," still valid, though originally from the 1930s.[34]

Many did well, of course. A large but less notable group among the "winners" were young rural women who found jobs in services nearby. There was not much demand for commercial services in remote areas, but the public sector began to expand rapidly in the late 1960s when new health centers, schools, libraries, sports halls, day-care centers, and nursing homes were built across the country. This expansion continued until the late 1980s. The policy to "Keep the Country Alive," strongly subsidized by the state, succeeded in saving most rural areas despite their decreasing and aging populations. It is somewhat ironic that almost all rural communities continued to believe that their population would grow in the future

[32] Haapala (2004); Siiskonen, P. (2004). Maatila yrityksenä ja viljelijäperheen kotina. In V. Rasila and P. Markkola (eds.) *Suomen maatalouden historia 3: Suurten muutosten aika – Jälleenrakennuskaudesta EU-Suomeen*. Suomalaisen Kirjallisuuden Seura, 289–311.

[33] Beauchamp, D. E. (1981). The Paradox of alcohol policy: The case of the 1969 Alcohol Act in Finland. In M. H. Moore and D. R. Gerstein (eds.), *Alcohol and public policy: Beyond the shadow of prohibition*. National Academy Press, 225–254. Pekka Kuusi was himself the key figure in launching the new and more liberal ("equal") alcohol policy in Finland.

[34] Tuominen, M. (1991). *Me kaikki ollaan sotilaitten lapsia: Sukupolvihegemonian kriisi 1960- luvun suomalaisessa kulttuurissa*. Otava. A discourse analysis of the cultural changes of the postwar Finnish society: Alasuutari, P. (2017). *Tasavalta: Sodanjälkeisen Suomen kaudet ja trendit*. Vastapaino.

due to their active industrial policy and emerging new jobs.[35] This did not work anywhere—except for a few localities where big industry happened to invest for their own interest. Still, most rural municipalities, even small ones, survived until the 1990s. But this was only thanks to public policy—that is, legislation which entitled communities to direct state subsidies for local investments. This was an intentional state policy of equalizing regional and social differences. It was paid at the expense of the more advanced and industrialized areas. The driving force behind the policy was the need for political balance, and behind the policy was the strength of the Agrarian Party, and the political left, which was supported by many rural people, too. But essentially, all parties shared the idea that the primary purpose of public policy was "national integration."[36]

Winners of the "big change" were those half a million baby boomers who moved from farms to towns in the 1960s. As there was free mobility of the workforce (extending to health care and pensions) between the Nordic countries, around 300,000 Finns moved to Sweden more or less permanently. Most of the emigrants were uneducated youth from remote areas of eastern and northern Finland. For them, a new job in manufacturing or services marked a remarkable rise in their standard of living. A new Volvo became a symbol of success in the eyes of the "poor relatives." Integration into Swedish society was difficult for many, however, and finally about one third of the emigrants returned to Finland when the conditions were improved and Finland matched its neighbor's levels of well-being.[37] Attitudes to emigration were partly negative—it was unpatriotic or a waste of resources—but it was also evident to all that emigration solved a "population problem" and helped to avoid mass unemployment and social polarization and frustration.

Those who found themselves in the new suburbs of the growing Finnish cities were the most typical members of the baby-boomer generation. They went to school in the 1950s and began working or studying in the 1960s. Many new primary schools were built in small locations, but one had to move to attend higher education. The decade saw a massive increase in the number of students and jobs, all in larger cities. The large cohort

[35] Haapala (2004).

[36] Kettunen, P. (2019). Eturistiriidat ja suunnittelu Mauno Koiviston yhteiskuntapolitiikassa. In *Työväentutkimus Vuosikirja*, 44–50. A broad analysis of "being in the same boat" is Saari, J. (2020). *Samassa veneessä: Hyvinvointivaltio eriarvoistuneessa yhteiskunnassa*. Docendo.

[37] Ojala et al. (2006).

itself created new employment, but there was also new demand for labor in manufacturing, services, and the public sector, both for professionals and for unskilled workers. The numbers of the urban working class and middle class increased rapidly, between 1960 and 1980. Still, the country suffered from "structural unemployment" simply because of the size of the cohort. Typically, there were new jobs, but not where people lived. A less fortunate new practice was that the unemployed were often compelled to move to public transfer sites around the country. That provided butter for the bread but caused much anxiety.[38] This "adaptation problem," as scientists called it, was settled thanks to economic growth and people (mostly young families) finding their place in the new environment and becoming satisfied with their new (sub)urban life. For most, this was a clear improvement concerning wages, housing, leisure time, and so on. The perspective of rising living standards, social security, and education options made people believe that life was finally improving, and prosperity (one's own house or apartment, automobile, vacations) was within the reach of all. Models for modern life were found, among others, from American television series.[39]

For the first time in Finnish history, upward social mobility was truly both possible and common. In fact, the figures for Finland were the highest in postwar Europe. The trend began in the 1960s and continued into the new millennium.[40] There were evident structural reasons for this, such as economic and demographic transformations, but also policy actions, like investments in education and universities, social security, and regional development. As the purpose of policies was to diminish social disparities, this was clearly reflected in social positions and division. The largest mobility flows were from small farmers to urban workers—which was then regarded as a social rise—and from workers to the middle class. The social background of the population in 1950 reveals who the baby boomers were by birth. The majority had an agrarian and low social status. This explains much of the social climbing, as from the 1960s, there were increasingly more and better paid jobs in towns. Particularly the

[38] Kuusi (1964), 131–143, discussed this issue, too.

[39] Ahlqvist, K., Raijas, A., Perrels, A., Simpura, J., and Uusitalo, L. (eds.) (2008). *Kulutuksen pitkä kaari: Niukkuudesta yksilöllisiin valintoihin*. Helsinki University Press.

[40] Pöntinen, S. and Alestalo, M. (1983). *The Finnish mobility survey 1980: Data and first results*. Suomen Gallup Oy; Alestalo (2007); Erola, J. (2009). Social mobility and education of Finnish cohorts born 1936–1975: Succeeding while failing in equality of opportunity? *Acta Sociologica* 52(4), 307–327.

white-collar middle class, which had been rather small in Finland, grew rapidly in number. From the 1980s onwards, their background was truly heterogenous, indicating high mobility. This was the case with the elites, too. Mobility among them was lower, but high in international comparison. People at the top in business, politics, and administration had—and still have—surprisingly agrarian and "proletarian" roots. Between 1950 and 1980, Finland was not among the wealthiest nations and the rural population remained relatively high, but it was a dynamic, mobile, changing, and open society. This is how it was experienced, too, both in individual lives and in the public discourse (Fig. 16.2).[41]

Unlike in the American discourse and social imagination, the Finnish "Land of Opportunity" was not based so much on "freedom" and "competition" as on "equal chance." The major mechanism that produced "social equality" was undoubtedly education: free universal schooling for all at all levels from day-care to the top universities. In addition to statistical evidence, there is the experience of individual success and the "official

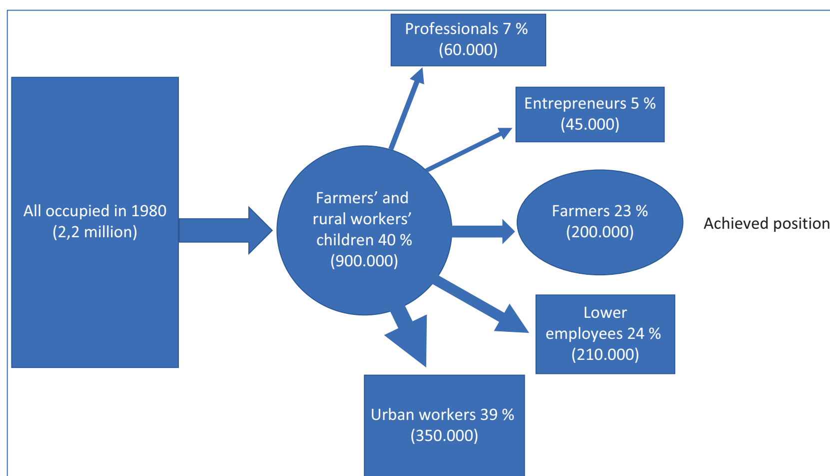

Fig. 16.2 Social mobility in Finland, 1950–1980: Rural population (Pöntinen & Alestalo 1983)

[41] See note 40 and Pesonen, P. and Riihinen, O. (2002). *Dynamic Finland: The political system and the welfare state.*Finnish Literature Society; Ruostetsaari, I. (2014). *Vallan sisäpiirissä*. Vastapaino.

narrative" of the "most educated nation." In life stories, it is a commonplace to repeat how "I had the chance for a good education and better opportunities than my parents had, who therefore highly appreciated education and were proud of me." That is not exceptional, but in postwar Finland it happened to so many people that it became a strong and powerful collective experience. As described above, there were specific structural reasons for that experience, like a "low starting level," but this is no argument to understate the actual change and the importance of how it was lived.

End of History?

In the early 1990s, after the collapse of socialism, the victory of liberal democracy, and the market economy, Francis Fukuyama declared the "end of history."[42] Fukuyama's phrase gained attention in Finland, too, because the signs were so evident, even though the idea of US supremacy in world politics was suspect. The socialist neighbor, the Soviet Union, had disappeared, Finland's links to the Western world were emphasized, and economic policy turned toward neo-liberalism. Deregulation of the economy in the late 1980s led to new business and new wealth, but also to heavy debts in the private sector and finally to a banking crisis and deep depression in the early 1990s. In addition to "self-made" factors, the crisis resulted in the decline of Finnish exports due to the collapse of the Soviet Union. GDP dropped 10 percent, real wages decreased 10 percent, and unemployment jumped to 17 percent in 1994. The recovery took several years. The economy was stimulated by devaluation of the national currency and funded by increasing government debt. The term *austerity policy* entered Finland and began to dominate discussions. The appeal of the welfare state began to fade.[43]

The recession years changed much. High unemployment, bankruptcies, and revaluations caused a crisis in which hundreds of thousands of people suffered and the large public sector was at risk. This insecurity became the experience of society, just like the wartime or the 1960s were for many. Many social and health problems were reported; around 100,000 people suffered from long-term unemployment until the new millennium.

[42] Fukuyama, F. (1992). *The end of history and the last man*. Penquin Books.

[43] Kiander, J. (2001). *Laman opetukset: Suomen 1990-luvun kriisin syyt ja seuraukset*. Government Institute for Economic Research, 79–130.

Softer methods of survival were early retirement and re-education. Like unemployment benefits, all these measures were funded by the state.[44]

Hence, there was an interesting contradiction regarding the role of the welfare state. It was claimed that it was in crisis but at the same time it was the welfare state that rescued the citizens in the most severe economic downturn since World War II. Many argued this well-being could no longer be afforded and the public sector was too large and heavy for taxpayers and businesses. However, the actual crisis was surpassed in exactly the opposite way: The state saved the banking sector (if not many companies directly), supported export companies by devaluation, subsidized agriculture, and paid unemployment benefits and early retirement. The public sector suffered from cuts, but they remained temporary. Consequently, the state was badly indebted but recovered quite quickly thanks to the rapid growth of the global economy. Luckily, large-scale industries like forestry, "intelligent" manufacturing, and ICT (Nokia) found new and rapidly growing markets, especially in Asia. From 1995 until the financial crisis of 2008, the Finnish economy's annual growth was four percent on average. The Finnish economy was restructured toward EU membership and globalization, which had been the government objective from the beginning of the 1990s.[45]

The "opening up" to the global economy seemed to benefit Finns, but it was also seen as a challenge to well-being, social equality, and national unity. A solution to conflicting tendencies was to renew the welfare state as a "safety net" against the risks of globalization. The tool was simple and repeated the ideas from the 1960s: By accelerating economic growth, the state could generate more revenue and continue redistributing national wealth. This required a globally competitive private sector, investments in the "knowledge economy," and other measures to support export companies. Public funds were used to boost the economy in the open market, which would ultimately benefit all. Large companies were availed to stay and pay their taxes in Finland. The components of "national capitalism" included a secure business environment, state support for research and education, and strong state ownership, a remnant from the years of war and reconstruction. The plan seemed to work, and it did until the financial

[44] Blomberg, H., Hannikainen, M., and Kettunen, P. (eds.) (2002). *Lamakirja: Näkökulmia 1990-luvun talouskriisiin ja sen historiallisiin konteksteihin*. Kirja-Aurora.

[45] Kiander, J., Pekkarinen, J., Vartia, P., and Ylä-Anttila, P. (2005). *Suomi maailmantaloudessa: Uuden ajan talouspolitiikkaa*. Sitra.

crisis of 2008 when the global—and Finnish—economy began to crumble. The reaction was not to give up but to continue by making the welfare state more “efficient.” The most serious problem was seen as the aging population, and hence the increasing social expenditure and the imbalance of the state budget. Budget cuts were planned to cover the deficit, but in fact the governments solved the problem by increasing national debt. As the interest rates for reliable states like Finland were low, it was calculated that the debt could be paid back by increasing productivity and growth. The welfare system was not diluted, but it had become a hostage of economic growth. In the early 2020s, the vision collapsed when climate change and the Covid-19 pandemic required decisive actions and put high pressure on state funds. The solution was again to increase public expenditure—and hope for the best.[46]

Fall or Renewal

The fate of the welfare state has been discussed since its beginning from two perspectives, that of defending it and that of demanding its retrenchment. In Finland, the critique or talk about the “crisis” had been mild before the recession of 1992–1994. When it began, the major message was that the system had to be “saved”; it was needed for securing equal social development against disintegration, marginalization, and so on. There were good reasons for this perspective. As Finland had just reached most European societies in GDP per capita and it was ranked among the most equal societies (even number one) in the world, why give up now? High taxes were criticized, of course, but most Finns lined up with the phrase “I love taxes,” because they felt that they were paid back, too.[47]

As the traditional safeguarding of the nation state had become problematic in the new era of globalization, academic think tanks, business, and the government introduced a new plan for twenty-first-century Finland called the “Democratic Information Society.” It was a model for a welfare state in the new global and digitally networked world. It included a strong ethical message that the purpose of economic policy must be

[46] This description is based on government programs and day-to-day public discussion on economic policy. See below and Haapala, P. (2017). Suomen tulevaisuuden historia. In N. E. Villstrand and P. Karonen (eds.), *Kulkemattomat polut: Mahdollinen Suomen histori*a. Gaudeamus, 204–237.

[47] See J. Saari’s Chap. 15 in this book.

raising the quality of life with all its cultural dimensions. In this sense, it continued the ideas and goals set by Pekka Kuusi for the 1960s and Daniel Bell for the post-industrial society of the 1970s. It was named the "Finnish Model" by the world-famous sociologist Manuel Castells, a theorist of the "network society."[48] The basic idea was that *solidarity society* was a realistic path also in the global context, with the help of high education, high technology, high productivity, and high citizen participation. Castells was inspired by Finland, which was technologically advanced (enjoying Nokia's reputation) but also a small, egalitarian, and open society with a positive national identity. The combination of these elements would make an ideal format for a networked society committed to human dignity.[49] The work called "Blue Book" was commissioned by the government of Finland. However, it also raised criticism for its "unrealistic" approach and hype for high-tech society.[50]

Despite heavy investments in digitalization in the early twenty-first century, it is still too early to evaluate the outcomes of those "new forms of sociality." There has been much talk about new opportunities, freedom, and the lowering of barriers, but also about new gaps, bubbles, and divisions. A major concern among social scientists and commentators has been a trend toward marginalization, both in the "digital world" and in the "real world." It is claimed that the emerging new divisions are no longer (always) related to ownership, wealth, and occupation (and other material and visible factors) but are (often) *symbolic barriers* and enclosures—that is, new kinds of invisible "class borders" based on "cultural capital" or the lack thereof.[51] As these barriers are non-material, experiences (of self-esteem, belonging, disclosure) are the major causal factors (produced in people's minds) for defining equality or inequality. It is evident that in this situation, society (the state) cannot handle the issue of

[48] Castells, M. and Himanen, P. (2002). *The information society and the welfare state: The Finnish model*. Oxford University Press. Cf. Bell, D. (1973). *The coming of post-industrial society: A venture in social forecasting*. Basic Books.

[49] Castells, M. and Himanen, P. (eds.) (2013). *Kestävän kasvun malli: Globaali näkökulma*. Valtioneuvoston kanslia, 279–313. English version: Castells, M. and Himanen, P. (eds.) (2014). *Reconceptualizing development in the global information age*. Oxford University Press. The work was commissioned by the government of Finland.

[50] Saari, J. (ed.) (2013). *Suomen sillat tulevaisuuteen*. Kuluttajatutkimuskeskus. The collection is a more realistic and empirical plan to "bridge" the ideals of the welfare state to the structural facts of the twenty-first-century world.

[51] Erola, J. (ed.) (2010). *Luokaton Suomi? Yhteiskuntaluokat 2000-luvun Suomessa*. Gaudeamus.

social inequality in traditional ways by providing resources to the non-privileged. One result of this might be that the regulative state as an experience of society—its role in one's life-course—is no longer relevant at all.

For decades, it had been asked if the welfare state is dead. Social conservatives have offered a positive answer since the 1970s already, because for them the state is the enemy itself. In Finland, the question of the future of the welfare state has been presented mostly from the left as a concern for equality and redistributive politics: If the welfare state is dead, it should be revived. The demands for and against were actualized in the 1990s when it was evident that the economic load for state finances was becoming too high, benefits were cut, and taxes raised. The next wave was the threat of the global economy at the beginning of the new century. The question asked was whether globalization would divide the nation into winners and losers.[52] A political and ideological compromise was found in the idea of the *Finnish Model*. This enabled globalization to be presented as a positive future, but it should be subordinated to the "national interest." The fruits of new growth should be shared fairly among all citizens.[53]

Despite many practical and funding challenges, the welfare state and its regulative and redistributive powers remained, while social policy actions continued and even intensified in the new millennium. Social expenditure and sums for redistribution increased despite the continuing talk of austerity politics. Instead, people were even more dependent on the welfare state, not because of their poverty or marginalization, but as a result of expanding services and income transfers provided by the state. In addition, the traditional class borders, when measured by income distribution, education attendance, or social mobility, were not rising between 2000 and 2020, as was repeatedly noted.[54]

When one looks at the twenty-first-century social policy measures and numbers, there are no signs of the collapse of the system and its legitimacy. "Equalization" (Kuusi) had become a basic structure of social cohesion

[52] Julkunen, R. (2017). *Muuttuvat hyvinvointivaltiot: Eurooppalaiset hyvinvointivaltiot reformoitavina*. SoPhi.

[53] Haapala (2017).

[54] A brief account of the latest developments of inequality; see Haapala, P., Kaarninen, M., and Häkkinen, A. (2021). Luokka rajana ja identiteettinä. In P. Markkola, M. Niemi, and P. Haapala (eds.), *Suomalaisen yhteiskunnan historia 2*. Vastapaino, 271–276; Saari (2020), 70–101.

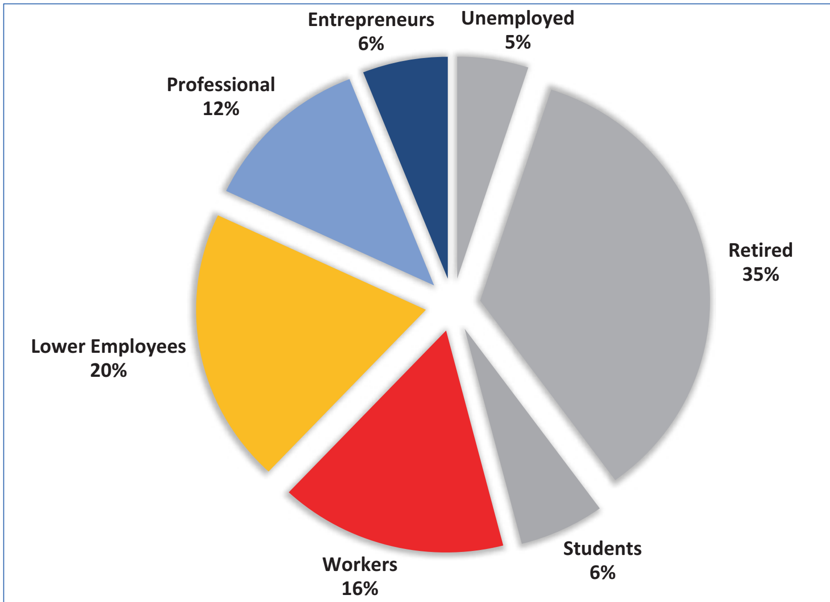

Fig. 16.3 Finnish adult population by source of income, 2017 (*Finnish Statistical Yearbook*.) The livelihoods of most retired people, the unemployed, and students are based on public transfer payments (including pensions)

and the root of political balance in Finland. Political debates, public discourse, and polls verify that most people consider society, and especially the welfare state, as *theirs*. The debates concerning benefits, subsidies, and taxes are often heated, but in fact these fights integrate the citizens around a common cause. Society and politics are seen as an arena of compromise—a shared experience—and hence worth defending (Fig. 16.3).

Conclusion

The story of the changes in Finnish society has been sketched out above from two perspectives. The history of the "social structure" describes and explains the trends and variation in people's conditions and living. The history of experiences, in this case the "collective experience," tries

to determine the shared experiences—that is, which phenomena were understood as common, unifying, or dividing—and what was the aggregate (general, average, typical) experience. For instance, increasing wealth can be a collective experience that unifies but also divides people. Improving health can be a common experience, but not available to all. In this chapter, I considered how people experience society in a broad sense, with all its institutions, actions, and elements, and how society treats them. Does it support, encourage, and meet expectations, or does it do the opposite? We know—without referring to any specific study—that people have different attitudes, opinions, and good and bad memories of society. These are reflected in public discourse, politics, and other manifestations. Polls with questions like "How should tax money be spent?" can reveal more detailed opinions and beliefs based on experiences of society. All this information together, albeit vague, can reveal much of the overall experience of society, which in turn matters greatly when explaining social development.

In this chapter, my focus was not on individual experiences, or on their sum, but on how collective experiences are related to structural facts and changes. A basic conclusion is that they explain each other when looking at how society meets people's aspirations and how these aspirations make the society. This is self-evident in the sense that people make their society, of course, but the actual outcome is not self-evident. This depends much on the conditions but also the intentions and goals people have, their ideas of a good society, and their experiences.

In Finland, there is a long continuity in welfare politics from the early twentieth century's struggle against poverty to the early twenty-first century's struggle for sustainable development. This continuity stems from two basic elements, the strong role of the state authority and its legitimacy among the citizens, despite many disagreements. The "functionality" and the strength of society can be based only on *trust* between the citizens, and trust between the citizens and society (the polity). In the best case, this produces a constructive collective experience of society, which may lead to a so-called virtuous cycle, when positive factors (education, health, wealth, security, public power, equal participation, ideas, and experiences) nourish one another.

The image of social development presented above may look too rosy in a world of so many uncertainties and divisions. However, from a longer historical perspective, it is an important reminder of what is possible. The example of postwar Finland points out the social dependences of individual lives, their historical context, and the importance of the collective experience as a crucial factor in the *constitution of society*.[55]

[55] Cf. Giddens, A. (1984). *The Constitution of society: Outline of the theory of structuration*. California University Press.

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