

## The Age of Social Democracy. Norway and Sweden in the Twentieth Century

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To write a general history of two neighbouring countries spanning 100 years is no easy task. Furthermore, in 1905 Norway became independent of Sweden, meaning that there was no natural linkage between the two, geography apart. Sejersted has overcome this hurdle by emphasizing the prevalence of social democracy in both nations in the 20th century, and this comparative work therefore has a clear angle of interest for readers across the globe. As a Norwegian economic historian with knowledge of Swedish history and comparative methods, the author had perhaps the best possible background to enable him to pull off this major feat. Another historian might have struggled with the economic and financial issues, which are among the most pivotal topics a work of this nature must address, but Sejersted treats them confidently throughout. The first chapter on industrialization is a curtain raiser for what follows. Since Swedish engineering and manufacturing and Norwegian oil production are some of the most distinctive features of their nations' recent past, the author's knowledge is not wasted here. The book is richer and more insightful for being comparative. One of the strengths of comparative history is its ability to supply context, and at its best it is also able to provide a clearer scheme of causality than a more straightforward historical approach might.

The author divides the volume into three parts, covering 1905–40, 1940–70 and 1970–2000 respectively. A concluding chapter, entitled 'After social democracy', utilizes the findings of the work to point towards the future, and even in earlier chapters there is treatment of events occurring after 2000. The division has the virtue of capturing the coming, zenith and decline of social democracy neatly. The second part is thus entitled 'The golden age of social democracy', surely an uncontested view. To the English-speaking reader, the first question arising might be whether Scandinavian social democracy equates to what is known as

socialism in Britain and the United States. It is not a straightforward topic to debate, because avowedly socialist parties have seldom been in power for long enough to carry out their programmes of principles. Until 2004 British Labour had never been in power for more than six years consecutively, and it was scarcely a socialist party by then. A British Marxist like Perry Anderson has argued that social democracy is not socialism, because the Swedish Social Democrats had not nationalized the factors of production.<sup>(1)</sup> On the basis of this book, one imagines Sejersted would agree. He notes that social democracy 'had roots in both the liberal and the socialist and reformist traditions' (p. 122). The Swedish labour movement's post-war programme of 1944 contained 'no demand for socialization' (p. 294). Sejersted sees social democracy as the practical ideas of the Swedish and Norwegian labour movements, aiming at inclusion in the national community and radical only when excluded from it. Upon taking leadership in Sweden in 1932 and Norway in 1935, they did not seek to supersede the norms of their respective societies but to take charge of the modernization project. However, the author challenges the myth that the state does not own industry in Sweden and Norway. In 2005 the Norwegian state owned 40 per cent of the total value of assets on the stock exchange (p. 385), and while both the absolute value and the proportion is lower in Sweden, the state was still the largest owner of companies listed on the stock exchange as of 2007 (p. 386). Sejersted could also have mentioned that the manifesto of the Swedish Social Democrats in 1944, at the dawn of the post-war age, demanded socialization of the economy. In 1975 a committee of the Trade Union Confederation, led by the economist Rudolf Meidner, reported on the proposal for wage-earner funds that would buy up the stock of private companies and wield proprietary power (p. 373). So the issue of Swedish socialization never entirely went away. This points to the open-endedness of the social democratic project.

Sejersted considers the nature of the Norwegian Labour Party and the Swedish Social Democrats in chapter ten, which is entitled 'Capitalism, socialism and democracy'. He outlines their trajectories from 1945 until 1970, discussing economic planning, corporatism and business reaction. The author's framework for discussing the social democratic order works well. But if I had written the book, I would have focused on how the two parties faced a clear choice in 1944 and 1945 about whether they wanted to transform Sweden and Norway into socialist societies or not. In Sweden in 1944 (the nearest she came to a post-war election) the Communists advanced to 10 per cent of the votes, and sought to cooperate with the Social Democrats. Together they held the majority in Parliament. The Social Democrats rebuffed them, preferring to work with their traditional allies the Agrarians. In Norway in 1945, the Labour Party and the Communists held talks about merging. These talks led nowhere, despite goodwill on both sides. The Labour Party got its own majority later that year, and did not require Communist support. However, Labour and the Communists together totalled more than half the votes, and the two parties now held a mandate for the creation of a socialist society. Labour held forth this goal in the manifesto, but like its Swedish counterpart it shied away in reality. The same choice was made in France, where the Communists and Socialists held a parliamentary majority in 1945. Thus the difference is not between 'Scandinavian social democracy' and 'socialism', but between those who genuinely want a socialist society and those who do not.

An issue which logically demands attention in this book, since it was a debate between these two and Denmark, is the question of NATO membership versus the proposed Scandinavian defence alliance in 1948–9. Sejersted treats this on pages 189–94. Given the importance of security-policy anchoring during the Cold War and afterwards, I feel this could have been expanded with profit. There is a lot more to be said about ideology, Scandinavianism and political conflict on this. Was Sweden able to pursue a more consistently social democratic foreign policy due to her neutrality? Sejersted notes the conflict over the stationing of nuclear arms in Norway in peacetime, where the government eventually decided to oppose the wishes of the United States (p. 193). To be fair to the author, the work was originally written for a Scandinavian readership, for whom this much-discussed issue required no fuller explanation.

The work has social democracy at its core, but it is not about how socialism ran its course in Sweden and Norway, but about how these countries changed over the course of a century. Sejersted deals with the relevant issues within both, and is able to say something about one country then the other. In terms of balance, the flow of the narrative, the logical way in which the book is structured and the author's mastery of the literature on very diverse topics, the book is a pleasure to read. Issues that had no importance in the other

society, but which were highly controversial in either Sweden, such as nuclear power, or Norway, such as the conflict over language, are nevertheless fairly dealt with. Indeed, the book is an ideal introduction to the history of both countries.

Apart from social democracy itself, the Swedish/Scandinavian model of society is a matter which has excited outsiders. In an Anglo-Saxon context, its tenets of high taxes, active employment policy, generous welfare, centralized wage bargaining and the mixed economy seem a political impossibility. One of the editorial reviewers asks the question of whether it rests on unique geographical and historical factors, or whether it can be imitated. This is a different way of discussing the identity or otherwise of Scandinavia and social democracy. Do they imply each other? To the extent that the model is a desideratum, one imagines that it cannot be replicated elsewhere in the Western world. Social democracy completed its nation-building (or modernization project, as Sejersted says) in the 1945–70 period of stable economic growth. It was a symbiosis with the golden age of capitalism in the era when the system was amenable to correction. High taxes are resented less when one's living standards are rising anyway, and the Social Democrats could point to the contrast with the mass unemployment of the 1930s. The author does not directly engage with this question, but from his contention that social democracy is declining in its most favourable region, one imagines that he would negate the idea that the Scandinavian model might be re-created in the rest of Europe or European-settler societies.

Sejersted brings out the antecedents of the Scandinavian model, to be found in the policy of industrial intervention (including compulsory arbitration) and social reforms pursued by the Liberals until 1920 in Norway (pp. 68–73, p. 153). No equivalent left-liberal project existed in Sweden, but the Social Democrats first cooperated with the Liberals in government in 1917, and formed the first pure party government in 1920 under Hjalmar Branting (p. 130). These developments may be part of the reason why the Norwegian Labour party was more radical than the Swedish Social Democrats in the 1920s. The other stepping stones to the Scandinavian model were the Main Agreement in Norway (1935) and Saltsjöbad Agreement in Sweden (1938) (p. 158). The author does not quite bring out how important these general business-trade union settlements were. According to the data of Douglas Hibbs Jr., in the period 1919–38 Norway topped the list (among liberal democracies) of the volume of strikes relative to population, with Sweden in second place.<sup>(2)</sup> While the development towards industrial harmony took place sometimes at odds with the Social Democrats, the agreements epitomized the coming of a new order in society, also represented by the Social Democratic takeovers. The takeovers in both countries rested on an agreement with farmers about economic policies. The Cow Agreement was concluded between the Social Democrats and Agrarians in Sweden in 1933, and the Norwegian Crisis Agreement, inspired by the Danish and Swedish precursors, in 1935. Of these two crisis settlements, the Swedish was the more elaborate as it led to the Agrarians entering government, while the Norwegian Agrarians were free to oppose the Labour government on matters not covered by the budget of 1935. On the other hand, the Norwegian Labour party only entered government as a result of this deal, whereas the Swedish Social Democrats had already formed a minority government when the deal was brokered.

What the two working-class parties got from the deals was viability for their governments, as their crisis policies were not as effective in dealing with the Depression as was previously thought (p. 170). Incidentally, the Norwegian crisis plan (not the same as the crisis *agreement*) drawn up by the Labourites Axel Sømme and Ole Colbjørnsen in 1933, which in a shortened form was the mainstay of the party's election campaign, was not inspired by the Nazi Gregor Strasser (p. 169). The research the author refers to was deliberately one-sided, because its originator felt that the German example, both of the trade unions and the Nazis, had been underemphasized. Colbjørnsen, who had lived in Britain and the Soviet Union, was inspired by Keynes's ideas and Stalin's under-consumptionist analysis and possibly also Strasser's plan, but if so it was hardly the germ of his ideas. Since Ernst Wigforss, who became minister of finance in the 1932 Social Democratic government, had written a pamphlet arguing for expansionist policies a year before Colbjørnsen did the same in Norway, and one can imagine that the Swedish example played some part.

Sweden and Norway are not just known for social democracy. They are also case studies *par excellence* of the affluent society after the 1950s, and for gender equality. Because of generous transfers, Sweden and

Norway have largely avoided the two-thirds society, though this is not something the author emphasizes. His concern is instead that paternalistic governments wished to teach the population to be discerning, rational consumers. The labour movement was sceptical of consumerism, but required it for the health of the economy (p. 316). He also notes how great an influence John Kenneth Galbraith has had on Sweden (pp. 212–13). It is perhaps not appreciated outside Scandinavia the extent to which ‘private wealth, public poverty’ applies to those societies too (p. 319). This feature distinguishes Sweden and Norway from Socialist countries, and paradoxically are a possible line of argument as to why Social Democrats deserve continued support. Not that they will create a truly socialist society, but that there are still some faults in society which require mending. Sweden and Norway have been among the wealthiest countries in the world, going back to 1938 or earlier, when the former was selling metals, timber and manufactured goods, and today when Norway is selling oil and gas. In 1975 Sweden was the sixth wealthiest OECD country (per capita), and in 2006 Norway came third (p. 497). These facts add impetus to the moral argument that it is shameful poverty still exists, and that public services sometimes fail their users.

There is an overview of feminism in the book. The author sees the socialist feminism (or ‘Marxist feminism’ as he says) of the 1970s as contiguous with the youth rebellion. The mobilizing issue was the demand for abortion rights, achieved in Sweden in 1974 and Norway the following year (p. 460). The feminists also demanded day care and employment rights. The author concentrates on the Swedish ‘Group 8’ and the Norwegian ‘Women’s Front’, but alleges that it was liberal feminists who were instrumental in the passing of gender equality legislation in 1978 (Norway) and 1979 (Sweden). This contention cannot easily be proved one way or the other; one would have thought that socialist feminism, as the more visible of the two movements, would this have played a greater part in making women’s rights a more pressing issue. In any case, there should also have been coverage of liberal feminists if they were the ones who were advancing the agenda. It would also have been interesting if Sejersted had suggested reasons why women’s rights have had a greater impact in these two countries than elsewhere.

These two societies had traditionally been exporters of migrants, especially to America, and it was not until the 1960s that they attracted significant numbers of immigrants. Both had been marked by homogeneity of population. The author believes that the concept of the nation needed to be rethought in the wake of especially Third World immigration (p. 400). This shows how fundamental the changes brought by this new development had the potential to be. As early as 1967, Sweden had received half a million migrants, which was considerable for a nation then numbering eight million people. There were differences between Sweden and Norway in this regard, because the author notes that a mere six hundred Pakistanis, arriving in Norway in 1971, caused ‘near panic’ (p. 401). He sees Sweden as the more liberal in terms of attitudes to immigration, which is borne out by the figures. What is unique to Sweden and Norway is that they had no colonial past, and therefore the immigrants were in every sense ‘foreigners’. Stricter rules were enforced in Sweden in 1968 and Norway in 1970, though immigration continued and has never stopped, owing to family reunion and asylum. Sweden has had one of the most liberal immigration policies in the world, and contains a higher proportion of immigrants and their descendants, yet interestingly it is in Norway that the populist right has been able to mobilize around this issue. The author’s treatment is factual, but the tenor of it is to see immigration as a problem. Since he believes that ‘cultural classes’ are constructed, he could have viewed ethnicity in the same light, as something amenable to homogenization in the medium term.

On the issue of the European Union, coverage is concise, integrating analysis with statements of fact. He makes the interesting point that Sweden and Norway have exchanged roles on the European stage between 1972 and 1994 (when the referendums on membership were held). Sweden had been the wealthy nation refusing to engage with Europe and seeing itself as ‘different’, a role which passed to Norway after 1995 when Sweden entered the EU. Appropriately for a work of this nature, he mentions the Norwegian ‘union complex’, which does not always feature in other explanations for why Sweden is today a member and Norway is not (p. 475). In a separate section, Sejersted explains why Sweden changed its policy on Europe. The end of the Cold War and reduced confidence in the Swedish model, due to the preceding economic crisis of 1991–3, loom large. The idea of the EU as an economic lifeboat is a good formulation. But the author does not mention the referendum on the single currency held in Sweden in 2003. Referendums on

European integration often go badly in the Scandinavian peninsula. There is a social democratic aspect to the European issue as well, because while those parties have at a leadership level generally been pro-Europe whenever the issue arose, many of their voters, and indeed supporters of other parties, fear the dissolution of the Scandinavian model if their countries engage too deeply with the EU. Thus one can speak of a social-democratic consciousness, which now resides more with the people than with its original carriers, the leaders of the labour movement. Scandinavian Euroscepticism, usually of the leftist kind, shows the populace preferring the policies which have been built up over the decades covered in this book, to the alternative provided by a benign bureaucracy. This in itself goes to demonstrate the relevance of the author's angle.

## Notes

1. Perry Anderson, 'Sweden: study in social democracy', *New Left Review* 9 (1961), 34–45.[Back to \(1\)](#)
2. Quoted in Gregory M. Luebbert, *Liberalism, Fascism or Social Democracy. Social Classes and the Origins of Regimes in Interwar Europe* (Oxford, 1991), p. 257.[Back to \(2\)](#)

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