

# SOCIAL INNOVATION IN NORDIC COUNTRIES

## THE ROLES OF LEADERSHIP AND POLICY

The Nordic countries exhibit a particular welfare model with a notable presence of social innovation that has evolved over time. This article takes stock of its origins and development, and examines whether Nordic social innovation serves to complement or substitute for sound institutions and the lessons thereof for policy.

*Thomas Andersson*

### INTRODUCTION

The Nordic region, which includes Denmark, Finland, Iceland, Norway, and Sweden, is typically viewed as located in the periphery, enduring a harsh climate and a history marked by violence and autocracy. From the late 19th century onwards, however, it developed strongly both in terms of economic growth and social cohesion. Although its “welfare regime” model displays commonalities with market-oriented democracies more broadly, the Nordic model carries its particular features.

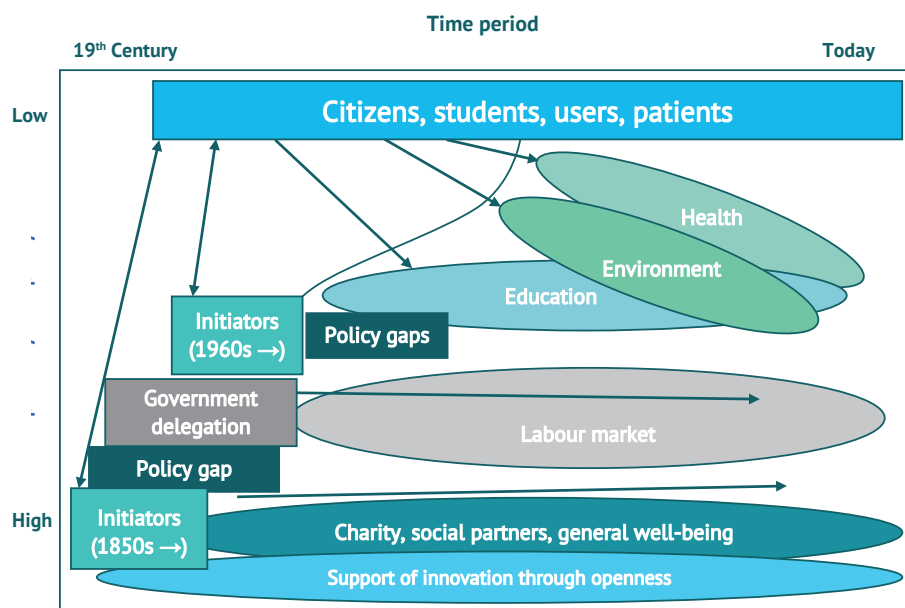
In this article we reflect on the origins and special nature of social innovation in the Nordics, and how its role has changed over time. In particular, we consider whether social innovation can be argued to be the result of institutional strength, or whether its occurrence runs in contradiction to institutions, and what policy lessons this brings. While taking partial note of variation across the individual Nordic countries, an exhaustive coverage in this regard goes beyond the scope of this presentation. The general description comes the closest to the case of Sweden, being the largest of the Nordic countries. The cases of social innovation referred to (marked in italics) are listed at the end of this chapter.

### THE NORDIC CONTEXT FOR SOCIAL INNOVATION

The original governance model of the Nordic countries was autocratic and over the years these countries have come to rely on “big government”. As the old class society and its rigid separation of social classes – the “four estates” – retreated, however, an independent agricultural class arose, income differences became modest in international comparison, and “constructive” social relations and participatory governance arose [1].

At least in Sweden, principles for the delegation of powers, decentralization, and high accountability for public administration took hold already in the 17th century (see illustration). Later, broad-based educational reforms, encompassing general schooling, were introduced and combined with ambitious investment in basic infrastructure (electricity, railways). In this context, a series of technological and commercial innovations occurred in the late 19th century, coinciding with an entrepreneurial spurt [2]. Social innovation was seen as aligned with charity, responding to gaps in existing policy by diminishing poverty and supporting unprivileged classes, but also to boost general well-being. With the vertical axis in the illustration, indicating the degree to which social innovations are compatible with policy, while the horizontal axis denotes time, this is illustrated by early waves of social innovation starting out in the low-left corner. Examples related to charity and addressing social issues include *Myrorna* in Sweden, and *Maternity Box* in Finland. Meanwhile, techno-commercial breakthroughs drew upon high receptiveness to new ideas, spanning the business sector, government and the general public.

Yet, in its upper part, the illustration shows as well that social innovations in the Nordics display an inherent interplay with categories of individuals and citizens that operate independently of policy. From the 1960s, there was a growing impact of this kind. A revolt against autocracy manifested itself in social innovations such as *Fryshuset* and *Alternative City* in Sweden, or *Christiania* in Copenhagen, which aimed for empowerment of those in need. Later on, as will be returned to below, diverse stakeholders pulled waves of social innovation in education, environment and health, which stood even further apart from mainstream policy. In some of these fields though, social innovations and policymaking have gradually started to converge, as illustrated by their downward sloping movement.



Stylised illustration of the social innovation process in the Nordics

In industrial relations, by contrast, the responsibility for wage negotiation and employment conditions became orderly delegated by government to industrial partners, based on the expectation of constructive collaboration between unions and employers. In Denmark, this situation later contributed to the acceptance of reforms in support of flexible labour markets. In Finland, the government, along with industrial partners, currently collaborate in an experiment with basic citizen salary. In Sweden, major unions such as TCO and Unionen take a lead in finding ways to accommodate the “platform economy” [3].

## NEW DEVELOPMENTS AND THE ROLE OF POLICY

The advance of Information and Communications Technology (ICT) now offers citizens, in capacity as professionals, patients or students, new means to respond to neglect or failed services, translating into social innovations based on intensive networking. Various schemes for certifying environmental impacts help underpin the rise of environmentally friendly products or companies. Some aim to invoke adjusted behaviours among large numbers of people, e.g. with regard to energy or transport. A special category of initiatives promotes multiculturalism through bonding across cultural barriers, e.g. *Taman* and *Dilemma Workshops*. Through e-health patients gain better access to information and claim ownership to their medical journals. In education, platforms such as *Mattecentrum* or *Grandfather* link students to sources of assistance, compensating for weak learning support in mainstream institutions. On this basis, social innovation has emerged as a driver of change in everyday life for big parts of society.

In smaller towns, they often support mainstream innovations in private firms, including Small and Medium-Sized

Enterprises (SMEs), which use sophisticated new solutions but perhaps not necessarily high-tech. In larger cities, and around universities, social innovations draw on modern technologies, including interactive ICT tools, as encapsulated in “Smart City” projects. Leading Nordic actors in this regard include Gothenburg and Århus (water management), Copenhagen and Stockholm (port projects), and Oulu (Arctic City). With the development of ICT-based “Ideation platforms” and using open data, Helsinki has positioned itself as a pioneer in improving public services through citizen engagement [4].

The ability of social innovations to take off depends partly on the response of mainstream institutions. In Finland, the *Maternity Box*, the *Karelia Project* and *Storycrafting* enacted powerful, beneficial revamping of conditions in health and education through embracement by the public sector. *Self-dialysis* and *Esther* belong to the many cases bred by Futurum in Jönköping, Sweden, as a means to strengthening patient engagement. With *Biophilia*, the Icelandic government made use of social innovation as a means to stimulate creativity and cultural learning. In many cases, however, social innovations were defied for long periods of time, and eventual success occurred despite rather than thanks to policy. For the Norwegian case of *Olweus*, scaling occurred through commercialisation by private businesses in the United States. *NASF*, the North Atlantic Salmon Fund, acted against all odds on the existing market and policy imperfections that drove the fish stocks towards extinction, overcoming destructive conflict between Net men, land owners and other stakeholders. Eventually achieving international cooperation to halt the over-fishing, this social innovation case eventually became an accepted means for compensating the lack of viable national as well as international policymaking.

## CONCLUSIONS

The Nordic framework for social innovation serves to reconcile the standing of a strong state with individuals that take active part in fulfilling their needs, commonly benefitting from initiatives originating outside the realm of mainstream institutions.

To what degree is this high prevalence of social innovation the result of favourable policy? While originating in autocracy and continuously reliant on “big government”, governance embedded principles of decentralisation and social participation from early on. Focusing mostly on poverty and facilitating social mobility, social innovations initially evolved as a complement to mainstream institutions. In social affairs and industrial relations, it followed delegated responsibility by government to the industrial parties. Across a range of domains, however, including education,

environment, new health issues, and in support of multiculturalism, social innovation has arisen as a force to compensate for the lack of functioning institutions. New tools, notably ICT and social networks, are in the process of altering their profile from low-key activity to becoming a potent force for social change where improvement is most needed.

Institutional acceptance and also active assistance for scaling solutions remain greatly important for the ability of social innovations to fulfil their potential. Having said this, policy-making needs to refrain from seeking dominance for its own sake. The lesson rather is that policy should strive to support generally favourable conditions for citizen engagement and step in to support the uptake of social innovation when that is clearly helpful for realizing the benefits. In other cases, policy should let social innovation run its course as a force capable of responding to, and filling, the gaps.

## CASES OF SOCIAL INNOVATION REFERRED TO

NAME	WEBSITE	CATEGORY	COUNTRY
Myrorna	<a href="http://www.myrorna.se">www.myrorna.se</a>	Recycling	Sweden
Maternity Box	<a href="http://www.kela.fi">www.kela.fi</a>	Integrated care	Finland
Fryshuset	<a href="http://www.fryshuset.se">www.fryshuset.se</a>	Empowering youth	Sweden
Alternative City	<a href="mailto:www.alt-stad@algonet.se">www.alt-stad@algonet.se</a>	Collective living	Sweden
Christiania	<a href="http://www.christiania.org">www.christiania.org</a>	Sharing economy	Denmark
Taman	<a href="http://www.taman.se">www.taman.se</a>	Cultural bridging	Sweden
Dilemma Workshop	<a href="http://citiesofmigration.ca/good_idea/the-dilemma-workshop/">http://citiesofmigration.ca/good_idea/the-dilemma-workshop/</a>	Cultural bridging	Sweden
Mattecentrum	<a href="http://www.mattecentrum.se">www.mattecentrum.se</a>	Learning support	Sweden
Grandfather	<a href="http://www.klassmorfar.se">www.klassmorfar.se</a>	Learning support	Sweden
Karelia project	<a href="http://www.karelia.fi/en">www.karelia.fi/en</a>	Lifestyle change	Finland
Storycrafting	<a href="http://www.edu.helsinki.fi">www.edu.helsinki.fi</a>	Learning support	Finland
Self-dialysis	<a href="http://www.plus.rjl.se">www.plus.rjl.se</a>	Integrated care	Sweden
Esther	<a href="http://www.qulturum.se">www.qulturum.se</a>	Integrated care	Sweden
Biophilia	<a href="mailto:www.biophilia@mrn.is">www.biophilia@mrn.is</a>	New learning possibilities	Iceland
Olweus	<a href="http://www.episcenter.psu.edu">www.episcenter.psu.edu</a>	Bullying prevention	Norway
NASF	<a href="http://www.nasfworldwide.com">www.nasfworldwide.com</a>	Ecosystem restoration	Iceland

## REFERENCES

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- [4] European Parliament (2014): *Mapping Smart Cities in the EU*, Policy Department: A Economic and Scientific Policy: Brussels.