

Add a Nordic touch to China's welfare society

The vision of building a "moderately well-off society" (xiaokang shehui) by 2020, formulated in the early 2000s, is an important goal of China's 13th Five-Year Plan (2016-20). What can China look to learn from experiences of "advanced" welfare states, the "Nordic welfare model" in particular?

The Nordic welfare model highlights the apparent relative success story of the four Nordic countries of Denmark, Finland, Norway and Sweden during the recent global financial crisis.

China's decades of economic success is recasting it back to become the world's leading economy, a position it held during 18 of the last 20 centuries. But social challenges persist, and new ones appear, prompting the introduction of a great number of social reforms.

Over the years major social policy reforms aimed at universal population coverage have been passed, for example, for healthcare, pensions and education. And life expectancy has improved for the vast majority of the people. But income distribution has become very unequal and rural-urban disparities are striking. Issues of social justice, equality, sustainable development and welfare have shaped the political discourse in recent years.

Can the Nordic experience be of inspiration for the next phase of building the Chinese welfare society?

Not one feature, but a specific combination of features, justifies the concept of a Nordic type of welfare state. Welfare states with "Nordic characteristics" combine the normative foundation of strong public responsibility for citizens' welfare, the principle of universal population coverage of social security, healthcare and welfare, a "passion for equality", and a consensual system of governance through which social policies are developed and politically agreed upon.

Welfare states come in different sizes and shapes. The origin of the Western welfare state dates back to the last quarter of the 19th century. The great societal transformations of the time were conducive to a "new thinking" about the role of the state: Should the state play a more active social role and, if so, in what way? On entering the 20th century, social policy and welfare emerged to become a crucial issue on the political agenda, and the Western countries adopted varied approaches.

The Nordic welfare state is about "stateness, universality, equality", and "a system of governance" conducive to stable, continuous reform efforts and decisions.

The Nordic welfare model is based on the prevalence of the state and the public sector in welfare arrangements. The "stateness" of the Nordic countries has long historical roots. The principle of social rights is extended to the entire population. Services and cash benefits are to a greater extent than elsewhere universal in character, covering also the middle- and high-income classes, and those without income.

In short, all benefit and all who are able to must pay. Progressive income tax and universal, generous, social security and welfare systems have made for redistribution, little poverty and egalitarian income distributions. The system of governance provides a pattern for conflict resolution and policy legitimacy through political processes prior to authoritative political decision making. Civil society organizations,

most particularly through triangular relationships between government, trade unions, and employers' associations, are actively involved before decisions are formally made. This system of governance may be called "consensual governance".

The Nordic experience of welfare, politics and economic development—the "middle way"—can be of interest for China and for developing economies and embryonic welfare states in a globalized world.

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