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(liste at december 1, 2007)

**BUSINESS AND SOCIETY :
THE SWEDISH MODEL**

by

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Forthomme & Associés

June 8th, 2007
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Overview

In France, the Swedish style of business and social life is often cited by politicians of both wings, as well as trade unionists, sociologists and other people in social life, a superb model which should be transposed to France, without anyone ever questioning whether it is possible, or even desirable to do so. Sweden is clearly a very appealing country : the average income is among the highest in the world, it has a particularly efficient social security system, enviable economic success, and a peaceful social climate. But what is it like to live there on a daily basis ? A Frenchman, married to a Swede, who divides his time between the two countries, and whose children are heavily influenced by both cultures, explains that behind the well-known appearances of a country which is now also a member of the European Community, lie deep-rooted and subtle differences. The Swedish model exists at a price, but do we want to pay that price ?

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TALK : Pierre Forthomme

I am interested in Sweden for two reasons. Firstly, my training as an anthropologist automatically encourages me to be interested in other cultures, as does my work as an international consultant with teams from various cultural, linguistic and professional backgrounds. Secondly, there are personal reasons which I will expand upon during the course of my talk, because having been married to a Swede for fourteen years, we decided to make Sweden our home and now my entire family lives there. Therefore, both the French and the Swedish models come face to face on a daily basis.

I shall start my talk by outlining three values which I consider fundamental to Swedish life. I choose them from an anthropologist's perspective : a macroeconomist would almost certainly have chosen other factors. I shall then show how these values are a feature of modern Swedish society using examples taken from both economic policy and company management.

It is reasonable to talk about a Swedish model since it is a rational system, but that is not to say that it is a concept which should be copied as a shining example. As a Frenchman, this model prompts me to question the French model rather than to try to imitate the Swedish model.

The first founding value : Protestantism

The first basis of the model is the Protestant influence. Max Weber wrote about this at length in his work *The Protestant Ethic and the spirit of capitalism*. I will not discuss this in practical terms – like in all other Western countries, religious practice in Sweden has greatly diminished – but I recognise that, sociologically speaking, Luther's Protestantism continues to influence the ways in which people think and act. For example, in Sweden, marriage in church is also a civil marriage. This is also true in the regions of Alsace and Lorraine in France. The Lutheran church, to which 95 % of the population belongs, is part of the Civil Service. I shall now illustrate this Protestant influence with reference to some principles.

The principle of individual responsibility

Max Weber showed that capitalism and free enterprise did not develop by chance in Protestant countries but because the legacy left by the Reformation permitted a certain amount of freedom. When the Bible was translated into German, Luther decided to translate the German word 'Beruf' as both the notion of religious vocation as well as the aspiration for any kind of secular profession. Once a person becomes involved in an activity or a profession, he becomes part of the glory of God on Earth. In many Protestant countries, the Industrial Revolution is the heir to the concept of free enterprise.

Commitment to one's work and individual responsibility are extremely strong values in modern Sweden. This can be illustrated by the following example : when students pass their final school leaving certificate, the State, through a partly state-controlled body, guarantees them a student loan with a preferential interest rate to finance their future studies. The loan can be as much as 900 Euros per month and is given to every student for five years, regardless of parental income, and on the proviso that the student passes his end-of-year exams. Almost all Swedish students take out these loans. 80 % of the amount is a loan whose interest the student pays back once he starts working (and which should be totally reimbursed before his fiftieth birthday) : this is deducted at source. The remaining 20 % is given to the student in the form of a grant.

The Swedish state thereby makes sure that every young citizen who has finished his secondary education (in general or technical studies) has access to all forms of higher education and is not denied this because of a lack of financial resources. Once the student gains financial autonomy, his parents immediately lose control over the choice of his studies. As a result, the student makes the most sensible choice possible regarding his studies knowing

that the salary of his future job will enable him to pay back the loan (sometimes as much as 50,000 Euros) which the community has granted him. In this way, young Swedes are undoubtedly more conscious of risks, and more aware of their personal responsibilities than their French counterparts.

This example shows the link between old Protestant values and the system of social democracy. This is also borne out in the famous remark made by the German Chancellor Helmut Schmitt in the 1980s, 'today's profits are tomorrow's investments and jobs after tomorrow.' The link between culture and free enterprise and this idea of investment is central to social democratic policies in all the Scandinavian countries.

The principle of autonomy

The principle of autonomy helps explain the notion of 'horizontality' in Swedish society. Unlike Catholicism, Protestant religions (since there are many of them) do not function according to hierarchical principles. There is no symbolic authority such as the Pope to show the moral direction. In Protestantism, the believer is alone before God. Let me illustrate this point using my marriage as an example. Prior to the wedding and during meetings with the minister, my wife expressed the desire to enter the church on her father's arm, a well-known practice. The minister asked her 'Are you sure that this is the message you want to give out? Are you aware of the symbolism of going to the altar on your father's arm? Do you really want to show the congregation that you are arriving at the altar under your father's authority and leaving it under the authority of your husband?' Nowadays, because of the influence of American films, Swedes have become accustomed to this ritual but this does not reflect the deep-rooted traditions of the country according to which the woman is supposed to arrive on her husband's arm showing that she is an autonomous adult capable of making her own choices. This example is completely in keeping with the insistence of Swedes in refusing all forms of submission to any centralised authority. This is in keeping with the model of a horizontal society as opposed to the French model of a vertical society.

The second value : concern about the common good

The use of common goods

This very strong tendency towards personal responsibility and autonomy does not necessarily mean that this is a society which encourages individualism. The Swedish model trains citizens to be autonomous, (as does the model of another Protestant country, the United States). At the same time, it nurtures a concern for others and for the common good. The notion of community (*Gemeinschaft*)¹ is very important, both in a civil society and in business. An example of this is the *Allemansrätt* customary law. This is an unwritten law which is well-known, especially by the law courts, and literally means 'every person's right'. It states that even though private ownership of the earth definitely exists, it does not give those people who acquire it exclusive use because the Earth remains fundamentally under common ownership. In practical terms, everyone in Sweden has free use of his surrounding environment, whether it is public or private, provided that this use is deemed 'reasonable' and 'moderate'. The majority of the 40,000 islands of the archipelago around Stockholm is private, but anyone can anchor his boat there for the night without the owners say-so providing that one uses this right reasonably, in other words that one does not anchor one's boat right in front of the owner's house, for example! Similarly, if one walks on somebody's property, one can pick mushrooms or fruit that grows there as long as one does not sell this produce. This example helps us to have a better understanding of the commitment of Scandinavians to ecology. Everything is done in order that a common facility can be used by everyone, by finding the right balance between what is necessary to keep private and the fact that there is a collective tradition. Scandinavians have created extremely modern and innovative economies, but at the

¹ Max Weber pits the concept of *Gemeinschaft* (society with a 'warm' link) against that of *Gesellschaft* (society with a 'cold' link).

same time, they continue to live their lives according to principles which are strongly influenced by old traditions.

The Jante Law

The principle of self-discipline encourages Scandinavians to consider the group before the individual. This is an extremely important principle and the Swedes are satisfied with the idea that a chain is only as strong as its weakest link. Because of this, they are reluctant to propose strong personal strategies. In these countries, the Jante Law exists. This resembles a sort of Ten Commandments. The law was written in the nineteenth century and was supposed to describe the realities of Swedish life and constitutes a sort of conditioning which, from a very young age, instils in the Swedes, the idea of remaining in a group. This Law states :

- do not think that you are special ;
- do not think that you are of the same standing as us ;
- do not think that you are smarter than us ;
- do not fancy yourself as being better than us ;
- do not think that you know more than us ;
- do not think that you are more important than us ;
- do not think that you are good at anything ;
- do not laugh at us ;
- do not think that anyone cares about you ;
- do not think that you can teach us anything.

These precepts, which are radically different from those that French children are taught, encourage a remarkable predisposition to develop group strategies, even though these lines of conduct appear to be very restrictive. A Swedish friend once said to me 'I know that I am carrying Luther on my back'. In a model such as this, there is no need for either authority or for leaders. Group pressure is enough to ensure self-discipline and provide the individual with direction. Nowadays, it is still the case that the influence of these traditions is such that the range of salaries in Sweden is much smaller than in France : Sweden and Norway are rich countries overall, but individual families are not necessarily rich. Wealth is shared by everyone without the rich standing out (like sore thumbs).

One can easily imagine that with a model like this Sweden is not particularly sympathetic to its elite. It is very hard to be a hero in Sweden ! Ingmar Bergman, the well-known Swedish film director, was arrested on a film set by the police, handcuffed, put in prison and charged with tax fraud. Olof Palme, the Social Democrat politician, who came from an upper-class family and was one of the rare Swedish politicians to be known outside Sweden, enjoyed a love-hate relationship with the Swedish public. His aim was to perfect an ideal system of social democracy in Sweden. For example, during his time in power, the Swedes changed from using the formal 'you' in Swedish to the informal version, on the principle that 'why should I call someone by the formal 'you' and therefore acknowledge a difference in class which that implies ? The King of Sweden remains the sole person who is still treated differently (even though he is essentially more a marketing tool for Swedish industry than a moral authority). Apart from him, everyone else uses the informal 'you'. Of course, children call their nursery school teachers by the informal 'you'. However, as far as the Swedes were concerned, Olof Palme, when he brought this into effect, all too often produced a conflict between his own desires and those of the people, which is an unforgivable mistake for a politician in that country. The Swedish politician should only be the rather dull expression of a group's conscience.

As for the failed marriage between Volvo and Renault, Philippe d'Iribarne explains very clearly that this could never have worked because the vertical hierarchy *à la française* was the opposite of the horizontal Swedish system. The Swedes viewed this failure differently : as far as they were concerned, it was a failure because the idea of fusion came from a single person, the Volvo president, Pehr G. Gyllenhammar, who ended up by being in a minority as far as an alliance was concerned. He was too isolated, too pretentious and not in the *Gemeinschaft*... It

is a system which has its positive aspects and its limits, but one in which priority is always given to the functioning and power of the group.

Similarly, one could refer to the custom of Dugnad, which, in the past, consisted of groups of volunteers building a neighbour's barn (like the Amish 'Barn raising'), and which now consists of neighbours getting together on a voluntary basis once a year to carry out work deemed to be in the public interest. In France, this would be called servitude... One cannot avoid doing this work for fear of losing face in public.

The third value : a horizontal society and the search for a magic triangle

The horizontal society

Lawrence Friedman, a law professor at Yale, was the first to develop the theory of the horizontal society. He stated that traditional authority in these societies had lost a great deal of importance and that nowadays it was the authority of peers which had taken precedence and which formulated decision-making. He adds that this new type of society has developed more in countries which are able to take in new information technologies, in particular the ideas developed by the world of the Internet.

I will continue with a remarkable quotation by Marie-Laure Lefoulon. She wrote 'northern Europe is perfectly adapted to the new global order because it has experienced neither federalism nor pronounced hierarchical relationships. In pyramid-shaped societies, when those at the top do not take any initiative, nothing changes. However, in human groups which are organised horizontally, everyone can make a suggestion or take a decision. Modern societies resemble the horizontal Internet web where each person can communicate with whomever he pleases and in any direction he chooses.'²

About ten years ago when I was carrying out a project, I needed to meet the president of SAF (Svenska Arbetsgivareföreningen), the Swedish equivalent of the *Medef* (the French movement for private business). I called the number I had been given to set up a meeting with him. The president himself answered the telephone without knowing who I was. On another recent occasion, I was with a group of experts discussing nuclear power and we met the Secretary of State for energy. He received us personally, made the coffee for us and accompanied us to the door because his secretary had already left. As far as he was concerned, his status, precedence, and role had no importance. This is a very different world from that which exists in France.

The magic triangle

There is a great deal of talk about the magic triangle – economic performance, social cohesion, and respect for the environment – which is the link between traditional values and social democratic policies. When there is a deep-rooted need to maintain social cohesion, the *Gemeinschaft*, criteria other than simple economic performance are taken into account in one's decision-making, arguing that what is fair could also be efficient. The Swedes have learned to regard performance as a direct link with social cohesion and respect for the environment.

This triangle is accepted by all those involved. When there are crises (and there have been two important economic crises, one at the end of the 1930s and the other in 1990) all those involved – the State, trade unions and managers – vowed 'not to ask for more than what the country could accept' according to the exact terms of the 1938 Saltjöbaden agreements. The State declared that it would only intervene if an agreement could not be reached between the trade unions and employers. This ability to establish efficient consensus is the starting point for all change since it is based on the undisputed agreement of everyone.

² Marie-Laure Lefoulon, *Le rebond du modèle scandinave* (Lignes de Repères, 2006).

How the model works today

The reform of public policy

In the beginning of the 1990s, the Swedish model ran out of steam. Having survived on what had been established since the 1970s, it started to encounter an economic and financial crisis, including unemployment at 12 %, national debt at more than 90 % of the GDP (Gross Domestic Product), a budget deficit of more than 10 % and very high interest rates. The Swedes, working on the assumption which is entirely in keeping with the ethic of capitalism, that a small country like Sweden should offer its companies one of the best standards of living in the world and a very high level of social protection, realised that in order to save their model, they had to revise it. They said 'our wealth only exists because we are able to export. Therefore, over the next decade, we are going to focus all our resources on our exporting industries, as well as on innovation and high-tech sectors.' Therefore, they decided to reduce drastically any unnecessary consumption of resources which prevented them reaching this goal. They abandoned most of their public policies in a non-controversial manner, while holding on to their principles and keeping their traditions. Over a fifteen year period, nearly 30 % of public jobs were permanently cut. This did not take place in the context of a Thatcher-style ideology of privatisation. Initially, the companies remained public, but they competed against each other in keeping with the idea that monopolies no longer had any reason to exist.

The reforms began with the railways and shipping, continued with the Post Office (there are no post offices any more in Sweden and the basic services which the post offices offered have been taken on by a chain of supermarkets), and then were carried out in the energy, telecom and health sectors. Sweden still has one of the best public health systems in the world despite the number of hospital beds being reduced by more than 30 %. There are no longer any 'safe' jobs these days, everything is subject to competition and public services work towards defined targets. A revolution has taken place which was instigated by the Social Democratic Party and never been called into question because fundamentally this revolution is based on shared principles. The practicalities were initially established between social democrats and liberals, and between trade unions and managers, but the foundations, when it was judged necessary to act, were entirely shared.

As far as unemployment is concerned, Sweden has the highest rate of all the Scandinavian countries with about 6 %, whereas Denmark, whose changes were more radical, has a rate of 4 %. National debt dropped last year to 46 % of the GDP, the budget surplus is 2 %, and the growth rate was 3.5 % in 2005 and 2.7 % in 2006. Obviously that there has been a major transformation. However, the rate of tax and social security benefits have not fallen and remain extremely high, but the way in which public money is being used in the economy is now much more efficient.

The methods of dealing with unemployment have become much stricter. Unemployment benefit is clearly not intended to replace the salary. The daily maximum allowance is approximately 730 Krona (about 1,500 Euros per month) only for 100 days, regardless of one's previous salary. Knowledge of traditional values helps one to understand the way in which public policies are devised. The guiding principle for all those concerned, ranging from managers to trade unions and the State, is that one must not allow people to remain unemployed for a long time. This is why the job-seeker is under pressure to accept a job which is reasonably close geographically or professionally to his previous job. In this social democratic country, an unemployed person has certain rights, but he also has many duties which are linked to the traditions which I have mentioned. Similarly, the reform of health expenditure has considerably reduced the volume of social security repayments : for example, orthodontic treatment for non-medical reasons is not longer refunded because it is considered to be purely for aesthetic purposes. To preserve their model, the Swedes have been obliged to examine it critically and they have decided to keep it.

Energy policy is another important area. In 1980, following the accident at Three Mile Island, the Swedes thought that nuclear-derived electricity was such an important issue that it could not be handled by experts alone. They called a referendum which resulted in the decision not to use nuclear energy after 2010. Politicians were then faced with a serious situation because no alternative energy source had been suggested. Whereas in 1980, the principal problem had been waste-related, it is now the greenhouse effect which dominates public awareness and Swedish opinion on nuclear energy has changed. As far as they are concerned, the key question is no longer the problem of nuclear power, nor even electricity, but transport, and its total dependence on fossil fuels whose combustion contributes to global warming. In the beginning of 2006, one of the last decisions taken by the Social Democratic government was to make Sweden the first 'oil-less economy' by 2020. In 2020, every car driver will have an alternative source of power for his vehicle instead of petrol, and fuel-heated houses will no longer exist. All those actively involved, such as industrial manufacturers and academics, have been asked to help in this project and they are working towards this goal.

What is interesting is not whether this energy policy is a success or failure, but that it is first and foremost a democratic logical development. If one asks the Swedes, they would say that when they were asked about nuclear power, what really worried them was not so much waste issues but the concept of a 'controlling' society prompted by a civil nuclear industry. This could lead to the dangerous development of a centralised state which, in the name of security, was capable of infringing civil liberties.

The Swedish model and management

When one has been brought up in a system which advocates group cohesion and one knows early on that one is going to succeed because one's friends will never abandon you, and when you are strongly influenced by the Jante Law, the day you start working in a company, you will not have the same reactions as a Frenchman. The dressage, to use an anthropological word, is fundamentally different in Sweden to that in France. Dressage is when one is learning social behaviour : one learns not to leave the group too often, and the higher up the social scale one is, the more one should be able to mix socially. Let me illustrate this with the following example : about ten years ago, I went to the SAS (Scandinavian Airlines) Christmas party. The tradition is that the CEO gets dressed up as Father Christmas and hands out presents to the children of the staff. The new CEO was Danish. He came from a more southerly country, one is thought to be less influenced by traditions. The personnel waited to see how he would handle the situation. However, the CEO was happy to dress up, put on the disguise including a heavy coat. He avoided the trap and retained his composure. In a vertical country such as Sweden, had he kept his distance from the employees, he would have lost his authority.

Similarly, one of my neighbours, who was the manager of an important Swedish electronics group, built his house by himself. Had he not done so, something would have been missing and the community would have questioned his managerial skills if he was incapable of building his own house. This is a system where in order to trust someone, it is necessary for that person to have all the necessary skills to live in a community.

DISCUSSION

Question : *How do your children cope with finding themselves in a culture and educational system which is so different ?*

Pierre Forthomme : The difference between the two educational systems was one of the reasons why we chose to live in Sweden. My two eldest children are in primary school in Year 5 (9 years old) and Year 3 (7 years old). Both speak fluent Swedish and have spent long periods of time in Sweden. The crucial test was for them was when they spent a whole day in the school which they were going to attend. The teacher had been told that she was going to have two French pupils and organised the day allowing for the fact that my children were new to the class. For my youngest child, the teacher asked my wife if she wanted to spend the day in the classroom where she would be encouraged to take part in the activities. In France, as a parent, you are only allowed in the classrooms for parents' meetings ! The whole day was arranged to incorporate the arrival of our children. Because Swedish teachers are judged according to previously fixed indicators and objectives (as is also the case in the civil service), they are completely at liberty to organise their class as they see fit. Having lived in France for a long time, my wife was surprised to see the extent to which everything was done in groups. Children are at ease in school because they know that they will never be alone when doing their homework. One might think that this system creates people who constantly need to be helped, but in fact it is quite the reverse. Scandinavian countries have the highest rate of school attendance and literacy. As early as primary school, children are set homework two or three times a week and they have to organise their time. School finishes at 2pm every day. Our children preferred this school system to the French one.

Of course they will not learn what they would have learned had they stayed in France, where the objective is for a small number of children to progress intellectually and have a very advanced level of knowledge. Swedes do not have the same objectives : they prefer to train responsible individuals in the environment in which they find themselves and they encourage the learning of social skills. Choices have to be made. It is another way of regarding the aims of education. The content of the curriculum is therefore less important : the humanities, for example, are not taught in Swedish schools. However, when one sees how these young people behave as adults, one sees that this does work. A very strong group of people are educated to a very high level and essentially one trains individuals who are extremely capable of adapting to contemporary life. This is the strength of a horizontal society.

The Swedish integration machine

Q. : *How does this model stand up to globalisation ? In particular, how will it cope with the movement of people, migration, and so on ? In the past twenty years, the country has opened itself to the rest of the world and the situation has completely changed. Even in countries in northern Europe, populations have become less and less homogeneous.*

P. F. : The Swedish immigration rate is similar to that of France. For a long time Sweden's closest neighbours made up the bulk of this immigration. More recently, there has been very strong influx mainly from the Middle East and the former Yugoslavia. The Danes, who made a radically different choice to the Swedes, say that the Swedes are much too naive, and that they are heading for catastrophe. Earlier in my talk I mentioned *Allemansrätt*. It is extremely hard to understand this state of affairs when one has not been brought up with it. It is both implicit and very active. How does one communicate this to people who have not been brought up in the same culture ? Two aspects encourage Swedish policy : the growth rate of the economy is maintained and the unemployment rate, which is relatively low, is not as high among certain 'high-risk' people as it is in France. This undoubtedly worries the Swedes, but at the same time, it intensifies their efforts to integrate these people, regardless of their origin. The educational system exists and creates a common way of thinking whether it be for young Swedes, young Iraqis or young Bosnians.

Furthermore, all foreigners have the undisputed right to learn their native language at school. My children are taught French for two hours each week at school. Similarly, their

Iranian friend spends two hours with a Farsi teacher. One tries to integrate people but at the same time, one allows them to stay in contact with their native culture.

Q. : *The new right-wing Prime Minister, Fredrik Reinfeldt, seems to be in favour of values which do not conform to this Swedish model. What might we expect from him ?*

P. F. : It has been a long time since the liberal party, the Alliance for Sweden, was in power. It is likely to create a little more individualism in Swedish society, but I do not think that the choices it has made so far are at odds with the national consensus. He has taken symbolic measures. For example, he has almost abolished property tax. In a horizontal society, there are no domestic employees. With this liberal government, it is the first time that some of its members acknowledge publicly that they have home help. It legitimises what would not have been possible five years ago.

Q. : *This Swedish rigour has a major disadvantage : denunciation. When one leaves the ranks, one is denounced by one's neighbours. Social pressure to conform is extremely strong.*

P. F. : It is true that self-discipline may go as far as denunciation. Things that we in France consider to be private are considered to belong to the community in Scandinavian countries. It is a case of 'you have to maintain your garden because your action has an impact on the group and because your garden is part of the common good.' It is another way of thinking. An expatriate, who was infuriated with his unruly child's behaviour in a supermarket, smacked him : a few days later, a team from the social services called at his house to carry out an inquiry. Children are human beings in their own right. It is therefore important that they can be heard, and if they are too young, someone will represent them. The father has no right to have any sort of power on a child.

Conformity and innovation

Q. : *Does conforming to all these features of Swedish life limit the opportunities for changing Swedish society ?*

P. F. : Yes, one has to conform, but that does not limit the opportunity for change. In the last 10 years, the peaceful transformation of the Swedish economy has had a considerable effect without any strikes ! It is amazing that there has been a reduction in the number of civil servants, jobs for life have been abolished and so on, and all of this has taken place without any conflict because the initial courses of action were accepted by everyone. Yes, there is some conformity but this is the price one pays for social cohesion. If this is not accepted by everyone, it has no value and is not considered to be progress because it brings the group's cohesion into question. It is a fine balance.

It is important to understand to what extent innovation in Sweden is group innovation. If one asks the Swedes, they reply that of course they are not as good as individuals as they are in teams, and that they learn more quickly in a team. The team is really the source of innovation. And it works. They produce leaders very rarely, but this is not the point. Schools teach them how to be efficient as a group. This is a special feature of horizontal societies.

Q. : *In an egalitarian society which appears to be non-aristocratic, the institution and the award of the Nobel Prize, a Swedish creation of worldwide renown, appears to be strange. How do you explain this ?*

P. F. : The real difference between Sweden and the other Nordic countries is that Sweden has a native aristocratic tradition which is much older than the current royal lineage which stems from the House of Bernadotte. The pressure of being a horizontal society nevertheless is clarified by a true ruling class which is old and respected, and these noble families have an influence which neither exists in Norway, which is a population of seafarers and agricultural labourers, nor in Denmark, a country of shopkeepers. There is also an industrial aristocracy which has existed in Sweden since the 19th century and which does not exist elsewhere in Scandinavia, promoting technical achievement and the engineering profession. The Swedes

are proud of engineers who, for a number of years, were responsible for a large number of technical and scientific innovations. Alfred Nobel is an example and the prize named after him is the expression of this old tradition of innovative industry. Swedes want to be seen to promote projects for the future.

Soft but not sluggish

Q. : *A historian to whom I explained my thinking about Scandinavian countries, and my surprise at their cultural characteristics, said to me 'This is not at all surprising. They are sea-faring people. On a boat, the captain lives with his crew 24 hours a day, and each person is responsible for looking after the entire group. Four generations after the Scandinavians settled on firm ground, they still have not forgotten that they started out on a boat.' Also, when one is at sea, one cannot remain idle ; when unemployed, one feels obliged to find work quickly. Is it true that group pressure is so overpowering ?*

P. F. : The idea of the boat is interesting, and it is true that every middle-class Swede has his own boat, and that water is omnipresent in Sweden. As far as unemployment is concerned, I would say that it is soft but not sluggish ! It is soft because the job-seeker has many people to help him but there is a considerable pressure on him to find work quickly, and this pressure is unrelenting. The same is true for companies : it may be difficult but one never speaks out. Being soft can sometimes be extremely restrictive. Being unemployed in Sweden or Denmark is something to be ashamed of, and consequently people are not unemployed for very long, especially since there is a positive rate of growth and almost full employment. The Swedes took severe measures in this area : rather than keep jobs which everyone knew would be abolished because of globalisation, they got rid of them ten years ago. Some companies reduced the number of employees by 30 % to 40 %. The jobs which exist in Sweden today are those which have coped with globalisation and survived. No job is ever guaranteed. It is the trade unions which had a role similar to that of a consultant. They determined who should be made redundant when collective team decisions had to be made about who had to leave. They did not lose their credibility because they negotiated very favourable conditions for people to become managers of their own destinies.

Q. : *How does this model fit in with the development of a united Europe ?*

P. F. : Swedes are forced for economic reasons to be in the EU but philosophically and emotionally they are not there at all. They have never experienced any wars and consequently do not understand the deep-rooted reasons behind the creation of a united Europe which was to avoid wars between the six founding states. They have a very sensible relationship with the European Union. This is necessary because they live essentially from their exports. They are extremely wary of Brussels because they consider it to be a centralised system which on several occasions has made them lower their own standards, especially in agriculture, to conform with European norms. There is no conflict between public opinion and that of their economic leaders, but there is no love lost either : Sweden is part of Europe, full-stop.

It is slightly different in business. Once a business grows, it becomes international. Then, of course, the international rules of the game are accepted. A company like Ericsson only makes 5 % of its turnover in Sweden. Swedish managers' strong point is that they are open to international business. Their English is perfect, and unlike the French, they are used to dealing with other people, and make the effort to deal with others because it is the rule and it is essential for them.

Q. : *Is the elite, which seems to be a little hard done by, not tempted to leave the country ?*

P. F. : The level of taxation is dreadful. It is more than 50 %, even though income tax and property tax have been abolished. Many wealthy Swedes have left the country. This is common to both the French and the Swedes ! However, there have been some negotiations. Ericsson threatened to relocate its head office outside Sweden if company taxation measures were not changed. Sweden is a small country and the government has made some very clear decisions concerning the type of jobs and the type of companies it wants. In terms of tax, if

one's business is innovation, one will have many advantages. However, the Swedish government is not necessarily looking to keep jobs in sectors which it considers do not bring in high returns.

Presentation of the speaker :

Pierre Forthomme : founding president of the Forthomme & Associés management consultancy. He was a former Visiting Professor at De Paul University, Chicago, and has been a speaker at Oxford University and the HEC. He divides his time between his work as a management consultant and research on how people perform in an international setting.

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