



THE FREEDOM EFFECT:

HOW SOME POOR FARMERS IN NORTH BECAME THE RICHEST, HAPPIEST AND MOST INDEPENDENT PEOPLE IN THE WORLD

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Foreword: How on Earth did we get here?

When the plane entered Norwegian airspace and I could see the fjords, lakes and snow-capped mountains in the south west, I thought once more about the question I had been posed at the hotel on Gran Canaria, ‘Why are you Scandinavians so rich, equal and happy?’, and how embarrassed I had been not to have a good answer to this simple question.

The person who had cornered me was Andrea, a woman in her late thirties. Originally from Venezuela, she was now working in a kiosk in a hotel on Gran Canaria, where my family was on holiday. Andrea was the kind of person children are drawn to and I got chatting with her because she got along so well with my two-year-old son, Johan. No one is more in thrall to their feelings than a two-year-old. One of the highlights of the day was seeing the excitement on his face when I suggested to Johan that we buy an ice cream from Andrea and then watching his shyness overcome him, meaning he ended up sitting in his pushchair with a big grin hidden behind two dirty hands.

It wasn’t just my son who found talking to Andrea exciting. I also looked forward to it, because she was an alert and thoughtful observer. From her post in the hotel kiosk she noticed guests’ behavior. The big divide, according to her, was between guests from the rest of Europe and guests from Scandinavia.

The first thing she had picked up on, was who was doing the childcare. Children, regardless of their nationality, like to tear about in hotel corridors. Andrea had noticed that among the Scandinavian families you were just as likely to see the fathers as the mothers running after their children. And dads were as likely to be found eating breakfast alone with the children – while the other parent had a lie-in in the hotel-room. The same was not true for families from France, the UK and Germany, according to her. In those families, mum did the lion’s share of the childcare. There were exceptions, of course, but even so, Andrea saw a clear pattern: Scandinavian families seemed to operate on more equal terms.

Another thing had caught her attention: it was harder to read the Scandinavians' social class than it was to guess at the status and position of other Europeans. Was the Danish father a tradesperson or in finance? Was the Norwegian mother a nurse or an executive? Hard to say. In addition, she found that Scandinavians were less suspicious and less likely to dispute prices in the kiosk than other guests. 'You Scandinavians seem so relaxed,' she said. 'As if you've never had to face any hardship in your lives.'

She found her own life on Gran Canaria stressful and her future was uncertain to the extent that she had abandoned thoughts of having her own children. 'And I don't want a Spanish man, either', she added, 'who will expect me to mother them and keep house while they watch football on TV.'

But most interesting about Andrea wasn't her enthusiasm for Scandinavia, even though it was, of course, flattering. Most interesting were the questions she asked. One day, for example, she asked why we Scandinavians are so rich.

'I've noticed, all the Scandinavians on holiday at this hotel have normal jobs. On my salary I could never afford to stay here. Definitely not with children. How is it that someone who works in a shop or at a nursery school can afford to come here on holiday?'

I reeled off some lines about oil's blessings. But it didn't impress Andrea. She pointed out that Sweden doesn't have oil. So why are they, with no oil wealth, also so well-off? And Venezuela, her home country, exports lots of oil. But Venezuelans are still dirt poor.

'So, let me repeat the question,' she said. 'Why are you all so rich?' I had to say that truthfully, I didn't know. Just like I had to pass when she asked why we enjoy such equality. And why we are so unusually happy and relaxed. I added, with the usual false modesty: 'If we really are as happy and relaxed as you think, that is.'

I found it embarrassing that I didn't have any good explanations to lay on the table, both because I see myself as engaged, more than most people, with Norwegian society, and, not least, because I am, after all, a qualified sociologist. Really, I ought to be some kind of expert on Norwegian society. But when it came to explaining Norway's success, my training in sociology didn't help me very much.

Sociology, at least the sociology I studied in the 1990s, was, in fact, not a subject which explained why Norway has become the world champion of societies. Just the opposite – sociology was about everything that didn't work. Have you heard that Norwegian society is made up of a small number of rich people and a small number of poor people? Well, sociologists can tell you that there are significant class divisions in Norway, more than people think, and that inequality is on the increase. And what about the welfare state we are so proud of, which is supposed to care for us all, cradle to grave? Sociologists are quick to point out the marginalized groups who struggle and fall through the safety net. And Norway, paradise of equality? Sociologists can pour cold water on that idea: we have a glass ceiling and opaque structures which keep Norwegian women down.

Social Studies at high school hadn't provided me with much insight either. I had, of course, learned about Eidsvoll, where the Norwegian constitution was signed into being, about how Parliament operates, about the King's council, about county administration and God knows what. But for everything I learned at school, I had never really learned anything that could answer Andrea's question: why has this meagre European outpost done so incredibly well?

Because we have. Despite the fact that some politicians, intellectuals and academics find it refreshing to point out things which are suboptimal here in our country, the world is in clear agreement: Norway is an exceptionally nice place to live.

For fifteen years running, Norway has claimed the top spot on the UN's Human Development Index, which is a measure of a country's quality of life. This is really the only ranking you need to consider, but for the sake of clarity, we are also on the leader board (in the top three or five; there's not much in it at the top and Norway moves a little up and down, year on year) of international metrics on confidence, democracy, equality, quality of the welfare state, workers' productivity, ability to make use of new technologies, trust of those in power, economic equality, proportion of those living in poverty (low), best conditions for industry and commerce and last, but not least, how satisfied citizens are with their lives.

Alongside us, up at the top, are the other Nordic countries. These Nordic societies are regarded as so successful that the World Bank is now trying to help more countries 'be like Denmark'. *Getting to Denmark* is the dream for everyone who wishes to create stable,

democratic, peaceful, rich and happy societies. 'Denmark', in this context, is just a snapshot of the Nordic region. It could just as easily be Norway. The point is that this part of the world has succeeded in creating a society that others would very much like to replicate.

But it is odd that no one, not even those of us who live here, can quite understand how to build a society like ours. Or, as the American political scientist, Francis Fukuyama puts it: 'Even the Danes don't know how it got to be Denmark.' Nobody can offer a good and thorough answer to Andrea's question.

This is the 'Norwegian mystery'. Or the Nordic mystery, if you want to look at the bigger picture. Why on earth are homo sapiens – originally from the East-African savannah – thriving in this North Western corner of Europe? It's about as likely as chimpanzees finding happiness in Siberia. It is, quite simply, very strange.

For many people a good mystery is reason enough to seek an answer. But not everyone is equally curious. Some people also need practical motivations to find out why things are the way they are. And I think it's more than the thirst for knowledge that makes us feel we ought to solve the Norwegian mystery. Because nothing lasts forever. Even Norway's successful society doesn't have a never-ending use-by-date. A society is constantly changing and reforming. Some things develop and some things decline. Some things disintegrate and others no longer function as they once did. Forces are always eroding the foundations. But to understand what might demolish the Norwegian house, we need to know how the house is constructed. Only then can we identify its weak points and what steps we must take to preserve it.

A clearer picture of how Norway has succeeded, can also help us use less time and energy on questions that are engaging, but not actually very important. For example, the worry that we Norwegians are becoming more and more egotistical and materialistic. Which we actually aren't – this is constantly measured, and we are, in fact, less and less preoccupied by material things. Or the worry over 'clever and successful', but troubled millennials. It's not clever, young citizens who are struggling. It's young families on low incomes. Or all the things we hear and read about the harmful effects of social media. Revealing the secret behind Norway's success will help us to narrow our focus onto what is most important.

The thing which has made writing this book possible, which is so fantastic about the current era, is that, for the first time, we have enough data to really understand our own society. Since childhood I have heard all sorts of theories about why our country is the way it is. About why Norwegians are so rich (we are protestants). About what is typically Norwegian (frugality and 'Jantelov'). About how you and I manifest five hundred years of Lutheranism (guilt, shame and melancholia). Perhaps these theories were correct, but it was impossible to find out if there was any substance to them. Until now.

Today we have access to things we didn't have even twenty or thirty years ago; big international studies and piles of quality statistics. These make it possible to compare Norway with other countries and make it easier to unravel instances where cause and effect end up back-to-front, which up to now just led to uninformed speculation. Perhaps we can't yet draw a line under all our answers, but it is certainly possible to test a large number of the most common theories about Norway. Then we can get a clearer picture of how we have achieved the miracle of Norwegian society, so that '*getting to Norway*' can become a possibility for other countries too.

The ideas which are laid out in this book are generally not things we have come up with on our own. Luckily. In working on *The Freedom Effect* and the TV-series *This is Norway*, we have been lucky to be able to speak to experts, both Norwegian and from elsewhere; people who have dedicated large parts of their lives to understanding Norwegian society and other societies around the world and who have generously shared their insights and understanding. This book is an attempt to gather the latest knowledge we have about the development of Norway's society in order to respond to a question we have always mulled over endlessly but never found the answer to; how on earth did we get here?

Harald Eia, Oslo, 23.09.2020

Part 1

Rich, Equal and Happy.

'The care of human life and happiness, and not their destruction, is the first and only legitimate object of good government'

Thomas Jefferson (1743-1826)

Outtake from the chapter "The Land of Happiness"

If we are to believe the legend, Jigme Singye Wangchuck was only seventeen years old when he launched an idea that would make the whole world think again about what it means to be a successful nation. He was certainly not just anyone. In 1972 the seventeen-year-old had just been crowned the Dragon King of Bhutan, but, at this point, few had heard of either the fourth Dragon King or the Buddhist monarchy he presided over.

Squeezed in between Tibet to the north and India to the south, in the middle of the Himalayas, the tiny, mountainous Kingdom (which is not much bigger than the Norwegian county of Trøndelag), is so inaccessible that it has never been colonized. The country had remained sequestered from the rest of the world for hundreds of years and its citizens still relied on subsistence farming, using traditional methods with no modern infrastructure or technology. Above them sat a clergy who ensured they didn't become as isolated politically and culturally as they were geographically.

But things were beginning to change. In 1961 Bhutan opened its borders for the first time. Ten years later they joined the UN. When two journalists from *The Financial Times* by chance met the newly crowned Dragon King in transit at Mumbai's airport, they were naturally curious about this newcomer to the international community. 'We know so little about your country, King,' the journalists politely confessed, scratching their heads and asking the first question they could think of to begin filling the gaps in their knowledge. 'What is Bhutan's gross domestic product?' If the question was a bit dull, the answer was all the more surprising. 'We

don't believe in gross domestic product,' explained the young Dragon King, 'we think gross domestic happiness is more important.'

The idea perhaps didn't initially seem particularly revolutionary. To say that happiness can't be measured in bills and coins was a cliché, even then. But, as a measure of national prosperity, the concept was refreshing. In the unofficial competition to establish the world's 'best' country, citizens' quality of life had never before been taken into account. Previously, the 'best country' had been synonymous with the most powerful – the country with the strongest military, able to oppress other nations and build its empire. Napoleon cared little for the well-being of his people, if anything he thought war was good for them. 'War almost always enlarges the mind of a people and raises their character,' wrote Napoleon's countryman, Alexis de Tocqueville. And this is what heads of state had believed since time immemorial.

Nowadays it's seen as old fashioned to rank countries by military might. Measured by this standard, countries like North Korea – which, with its ten-year obligatory military service term, has one of the world's largest standing armies – would end up high on the list, while Norway would be considerably lower down. But few outside North Korea would claim that the country is better than Norway.

As the world became more peaceful, and invasion-mad dictators fell out of favor, it was, of course, GDP that took over as the official measure of well-being. But, after all, wealth generally identified oppressors too; money is a natural proxy for power.

Behind the GDP numbers the belief that economic growth was to everyone's advantage remained. When countries got richer, people's circumstances would improve, and it followed that they would also become happier. But as a measure of citizens' well-being, GDP had some clear weaknesses. Regimes with a lot of money on the books could, after all, be corrupt and oppressive. GDP also didn't explain anything about how a country's wealth was distributed. If we look at today's top ten by 'GDP per citizen' we will find countries like Qatar (1st place), Brunei (4th place), the United Arab Emirates (7th place) and Kuwait (8th place). These are countries which have a lot of very rich people, but where large parts of the population are poor, and they are therefore rarely presented as positive exemplars of societies.

The World Bank uses '*getting to Denmark*' as a slogan aimed at developing countries. They would never use '*getting to Brunei*'. During the Cold War it wasn't economic (or military) superiority which led most people to feel that the USA was home to a better society than the Soviet Union. Nor was it victory in the Space Race, nor the number of medals they brought home from the Olympics. It was undoubtedly all of these things too, but what removed all doubt, was the clear image of Americans as having a better time of it than Russians – they lived freer lives, more in step with their own hopes and dreams. In short, they seemed happier.

On his travels in the West, Jigme Wangchuck also noticed a mismatch between material and psychological living standards. Despite abundant wealth, not everyone seemed to be living happy lives. Hiding behind GDP and other measures of prosperity were loneliness, depression and suicide. It seemed that even the richest of the rich could live in spiritual poverty.

This was not a new observation, but we are still brooding over the paradox. 'Since 1970 we have become three times richer, measuring in money. But are we three times happier?' asked Prime Minister Jens Stoltenberg, rhetorically, in his new year's speech in 2001, answering with a quote from Norwegian troubadour, Ole Paus, 'We have it all, but that's also all we have.'

In the 2008 book, *The Paradox of the Big Bad Wolf*, social anthropologist, Thomas Hylland Eriksen grapples with the issue. Even though we are richer now, live longer, eat better and more, work less and have more holidays, we are not happier. In fact, studies show 'that our quality of life has worsened since the 1950s,' he writes. He continues, 'Then you read in the papers about how people in Nigeria and Vietnam are insanely happy, while you're sitting on the tram in one of the world's richest countries, looking at the grumpy November faces all around you. There is something jarring about it.' Clearly.

According to Hylland Eriksen, the problem is that we have too much of the good stuff. Happiness falls victim to what economists call 'the law of diminishing marginal utility'. We all recognize the principle, a child is happy when they open their presents at Christmas time. But if it was Christmas every day, the return, measured in happiness, would diminish as each day passed. In the end the child would become so spoilt and blasé that they would in fact be less happy as a result of all the presents.

And that's not all – if your best friend receives more lavish gifts than you, yours become tarnished and you end up less happy. 'The Comparison Trap' means we can experience a reduction in happiness despite material improvements to our lives. If we get a pay rise, it makes us happy. But when we hear of a colleague being awarded a bigger increase, our happiness is eaten up by jealousy. 'Relative deprivation' is what researchers call it. The issue isn't the absolute salary, but the relative – what we earn in relation to others.

Hylland Eriksen calls forth Bangladesh as the opposing pole to the West's materialism. Although they are poor, they always come out 'surprisingly well in subjective measures of quality of life,' he writes, without revealing any sources. Hylland Erikson thinks this is a result of there being 'relatively small differences between the rich and the poor, at least in most local societies.' When everyone lives humbly, with 'few summer homes, cars and electronic gadgets per family,' the Comparison Trap has less of an effect. On the other hand, if you are poor in a country like Norway, where almost everyone is rich, your dissatisfaction is amplified. 'It's harder to be poor in a rich country, than poor in a poor country,' said Norwegian MP, Siv Jensen, in 2009, in concord with Hylland's reflections.

Outtake from the chapter "The Blessings of Collective Bargaining"

Norwegians are not just among the happiest people in the world. They are also among the richest. Leaving out filthy rich city states like Singapore and Macau (a country with just 650,000 citizens and an economy based entirely on gambling), oil states like Qatar and Brunei and tax havens like Luxembourg and Monaco, Norway is at the top of most metrics that have to do with money. At the time of writing, Norway has a higher GDP per capita than the USA and is even home to several billionaires. Yes, even in the category 'super rich' – that's people who earn more than one billion dollars a year – we find ourselves at the top (per capita), ahead of capitalism's homeland, the USA.

For many, and perhaps especially for Americans, this comes as something of a shock. Norway seems to override capitalism's natural laws. Certainly, those who find themselves on

the conservative side of the political spectrum see our combination of a large welfare state and strong trade unions as the recipe for economic stagnation. The former makes people lazy, the latter demanding. If the unions have too much power, they push workers' wages up and, to cover their losses, businesses hike up the prices of goods and services. Many would call it socialism and that is demonstrably not the path to prosperity.

In Norway, it's not just the rich who are rich. Regular people are well off too. Even those with few qualifications who find themselves in so-called low wage professions are, relatively speaking, pretty prosperous. Whereas an American retail worker can expect to earn an average of \$30,000 per annum, a Norwegian equivalent annual salary, adjusted for buying power, is \$44,000 (the top earners can take home as much as \$51,000 a year). In countries like Italy and Spain retail workers earn even less than in the USA (\$27,000 and \$23,000 respectively, again, adjusted for buying power) and the same mismatch can be found in all low wage sectors. Where a hotel receptionist in the USA earns \$28,225 a year, a Norwegian one earns \$41,000, and so on.

A retail worker or a hotel receptionist can therefore live a more comfortable life in Norway than elsewhere. As a Mormon missionary to Norway expressed it, in a kind of enthusiastic, bemused wonder at normal Norwegians' prosperity, '...one of my [Norwegian] friends ... is coming over to spend about a month's vacation in the US and he's working as a grocery store clerk and he's making a ton of money doing that and, you know, he can afford to come to the United States for a month, just off of his grocery store clerk salary.'

Do Norwegians earn more because they work more than Americans? Quite the opposite. Americans in Norway are permanently puzzled at how much holiday Norwegians are entitled to, how many extra days of leave and long weekends are available to spend at their cabins in the country. In Norway, everyone has the right to 25 days paid leave, many have a week on top of that and most take even more. Compare this with the USA, where employers are not obliged to offer their employees paid or unpaid holiday, and most people don't get more than seven to twelve days off a year. While Americans work, on average, 1800 hours a year; Norwegians only work 1400 hours. No wonder they are happy. But it makes it all the stranger that they are so rich. Not only do employees cost more in wages and work less, in addition, Norwegian businesses are obliged to pay social security contributions when they hire them. It's

actually weird that it works out. Consider export industries. How can a Norwegian business that will sell its goods abroad survive in open competition with businesses from Spain or the USA when they spend so much more on their workers?

The Norwegian climate seems, on the whole, hostile to capitalists. And even so this almost-socialist outpost has become one of the world's richest countries. How is this possible?

Oil must be the explanation. We were rich, then we found the oil and consequently became super rich. Pure luck. But no. The oil is not the whole story here either.

First things first, it's worth noting that oil is rarely an economic blessing for the countries that find it. For most states it is, on the contrary, a curse. Countries which have a wealth of natural resources actually have a tendency to weaker economic growth than others. Conflict over natural resources often leads to instability and civil war. A country's economy can also become too dependent on the raw materials nature has gifted them, which leaves them vulnerable to falling prices. Another danger is that industry and trade withers away as the sharpest brains all disappear to a particular sector. In addition, the value that is created seldom serves the general interests of a population. It accrues to a small elite, while the rest of the population stay poor. 'Oil is the devil's excrement,' said the Venezuelan politician Juan Pablo Pérez Alfonso in a prophetic speech in 1975, 'you will see, oil will bring us ruin.' Quite right. Venezuela's oil boom pushed the currency and wages sky high and damaged all other industry. Today Venezuela's back is broken.

Natural resources have not only caused problems for developing countries like Venezuela (oil), Angola (oil) or the Congo (diamonds). When the Netherlands discovered a large gas field in 1959, it soon led to a recession. In other words, Norway has not only been lucky to find oil. We have also been skilled in our stewardship and steered the economy clear of the 'resource curse'.

The oil has undoubtedly made Norway richer, but it doesn't entirely explain the increase in Norwegian wealth. Economic growth in Norway actually began long before the oil was discovered. In 1967, the year the first oil discovery was made, Norway was already among the world's richest countries, with a GDP per capita in line with Great Britain and the Netherlands, but not quite as high as that of Sweden and Denmark. The other Nordic economies have

continued to grow, even though neither Sweden, Finland nor Iceland have found as much as a drop of oil. Oil is perhaps the reason Norway is today richer than the other Nordic countries, but it is not the reason it was rich in the first place.

Norwegians who go on holiday beyond North West Europe are often struck by how many people are working. Farms and construction sites, airports, shops and restaurants, are all heaving with people at work. If you go to a restaurant it's not unusual to see waiting staff who are responsible only for refilling water and laying out cutlery, while others carry on with serving and taking orders. Hotels in Asia and the USA are teeming with activity. Porters open your taxi door when you arrive and carry in your luggage, concierges receive you and show you to reception, lobby attendants show you to the lift where a lift attendant (yes, many places in Asia still have these!) operates it.

In Nordic hotels, however, you arrive at a much more sparsely populated lobby. Porters and lift attendants are long since extinct professions here. In the Nordic countries you won't find people packing your groceries when you do your shopping, either, or taking your money at toll booths, or passing you a hand-towel when you wash your hands after a visit to the toilet in a restaurant. But in the USA these types of jobs still exist. For those of us who aren't used to it, it can sometimes create the feel of a charming, old-fashioned service culture. Other times it's just irritating. Just getting through passport control and security in an American airport is, for a Norwegian, like going back in time. Everything takes a frustratingly long time.

In reality it's not really about a service culture, it's simply about rates of pay. In the USA, wages are negotiated locally. This means that a chain like Wall Mart itself decides what it will pay its employees. Indeed, they do have to stick to the federal minimum wage, but since that's just \$7.25 per hour, they can cut their wage bill considerably. Professions which traditionally expect tips from customers – waiting tables, packing groceries, portering and so on – can, in most states, be paid even lower wages. In many states they can expect just \$2.13 per hour. In this context it's no wonder American workplaces are full of people. Hiring is cheap.

In Norway and the Nordic countries, however, labor is expensive. The reason being that wages in Nordic countries and in America are created differently. In the USA it is supply and

demand that decides how much people earn. If there are many jobseekers looking for retail work and few positions, shops can push down their employees' wages. But in the Nordic countries, wages are not decided by the market, but through central wage negotiations between unions, industry and the state. And because the unions are preoccupied with improving the lives of low-paid workers, they have pushed for higher rates for retail workers and cleaners than the free market would allow. If you, as a shop manager or hotel owner in the Nordic region want to employ someone to pack groceries into bags at a supermarket, or to open the door for guests at a hotel, you have to pay them close to twice as much in wages as in the USA. Nordic shop managers and hotel owners can't afford to do this and that's why these professions don't exist here.

This is not just good news for those working in retail or service sectors in the Nordic countries, who are paid well enough to go on holiday to the USA if they so wish. It's good for business too. Since labor is expensive in the Nordic countries, business owners are forced to become more efficient. To cut costs they must always be on the lookout for smarter technological solutions, machines and robots which can do things more quickly and make their enterprises more profitable. Not only in Nordic hotels have the porters and concierges vanished. Apps and check-in machines have replaced a constantly increasing number of retail workers too. It's not without good reason that Gardermoen airport in Oslo and Kastrup in Copenhagen are among the world's most efficient. No other airport has fewer employees per traveler, items of luggage and departures. The Nordic countries are world leaders when it comes to putting to use novel and labor-saving technologies.

This is why Nordic industry is super-efficient. A steadily increasing number of tasks are automated and so profitability goes up. For example, in 1982 there were 16 prawn processing plants in Norway. Where previously people peeled each individual prawn by hand, today machines do this work. And they do it much more efficiently. Whereas an employee in the 1980s could peel 13 metric tons of prawns a year, today, 100 metric tons are produced per employee annually. This is why there is no longer a need for more than two prawn processing plants.

From the loser's viewpoint this development is therefore a tragedy, and usually this is how the story is told. Instead of a celebration of Nordic productivity there is a lament for businesses that go bankrupt and traditional professions that are dying out. The Norwegian state broadcaster constantly transmits mournful reports about clog manufacturers and prawn peeling plants which are no longer efficient enough for the Norwegian economy. The message which is hammered home is that old fashioned production methods are lovely and it's sad that it's not possible to live off making things by hand anymore.

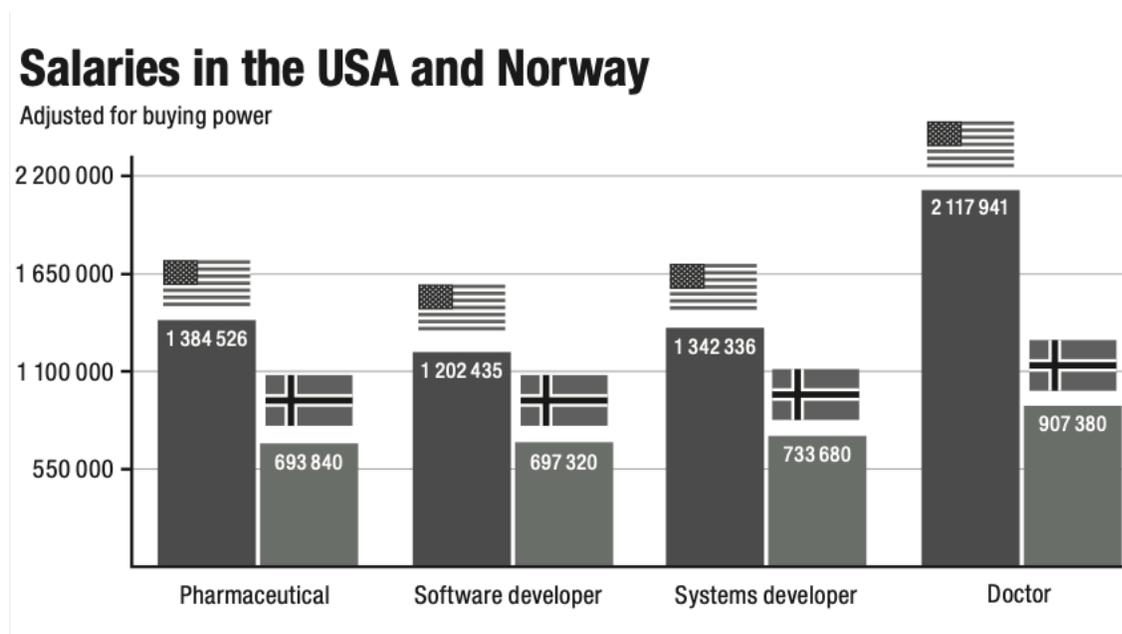
But the consequences of a nostalgic economy would be even more brutal. Without labor-saving tech and increased efficiency, Norwegian business and industry would be less profitable, and people would face merciless wage cuts.

Most people will also find new jobs. Since Nordic business and industry is so successful, new opportunities are constantly becoming available, which means that those who lose their jobs to robots quickly find new ones. Nordic unemployment is generally low. At the time of writing, it's just 3.9% in Norway. Where the USA keeps unemployment rates low with cheap labour, the Nordic countries manage the same thing by improving efficiency.

Efficiency is also more profitable for Nordic businesses than for American ones. Not just because unskilled labour is so expensive in the Nordic countries that businesses are forced to reorganise themselves, but also because the expertise required is cheaper. In Norway the most skilled people cost relatively little.

To understand this mechanism, consider two factory-owners, one in Norway and one in the USA, who each own an automotive glass factory employing five people in their respective countries. Both are considering acquiring a machine which will replace all their employees. The only worker they will need is an engineer to maintain the machine. Everything is equal from the off except for one essential thing – hiring an engineer is much more expensive in the USA than in Norway. In Norway you can employ a mechanical engineer for \$71,700 a year. In the USA you need to spend at least \$98,300. Therefore, for the American factory owner, the choice is not clear cut. Since normal labor is so cheap, it might make sense to hire more workers instead, and get more done that way. But for the Norwegian factory owner it's an easy decision – one machine and one engineer would be more profitable than manual labor.

But why does an engineer cost more in the USA? Once more the reason is that wages are controlled by supply and demand. Competition drives up wages in highly skilled professions. In the USA an engineer who is offered 'Nordic wages' can always threaten to go to a competitor who will pay him more. In the Nordic countries, where wage negotiations happen centrally, businesses have to stick to the agreements made by trade unions and business. Collective bargaining thus limits wage growth. The result is a high wage floor and a low wage ceiling. The opposite of the USA.



Tough luck for Nordic experts, obviously, who have to make do with lower pay. As the Norwegian economist Kalle Moene says, 'The Nordic model is based on the exploitation of the middle class.' But it is a blessing for Norwegian business and industry. It is precisely this combination of expensive labour and cheap expertise which means that business is booming. According to the OECD, Norway is one of the world's most productive countries (measured in GDP per working hour), beaten only by Ireland; the other Nordic countries are roughly equally productive too. The reason isn't oil, but centralized wage negotiations. In opposition to what most people think, you can get rich off strong unions and an active state.

Outtake from the chapter 'The Freedom Paradox'

Nothing says USA like 'freedom' and 'individualism'. Since the first pilgrims disembarked at Plymouth Rock, independence has been a national obsession, at first from the old world's class society and religious straightjacket, then from British dictatorship and since then from all forms of state intervention. Freedom is the keystone of the national project.

Individualism is a logical bedfellow, like a by-product of freedom. If you're going to have control over your own destiny, you can't rely on other people. You have to dare to stand on your own two feet. 'Self-reliance' had always been an American virtue, or '*doing your own thing*', as the hippies used to say. From Billie the Kid to Frank Sinatra to Donald Trump, national heroes have all been people who have done things their way, without following the agreed rules of the game. It's individualism in action. The story goes that the concept was invented by Frenchman Alexis de Tocqueville to describe American society, where kings and nobility were banished, and each man was his own master.

In opinion polls, 'individual freedom' is also what most Americans still see as the best thing about their country. And on this particular topic Democrats and Republicans, young and old seem more or less in agreement. What they include in the concept can vary a little, but everyone seems to be united in that it's about the opportunity to live life as you yourself would like to, without too much involvement from the authorities. Americans have therefore always been willing to sacrifice some security on the altar of independence. The founding fathers wrote, 'Those who would give up essential Liberty, to purchase a little temporary Safety, deserve neither Liberty nor Safety.' Here lie the roots of American scepticism towards the state. '*The less government, the more freedom*', as the Republican presidential candidate, Ted Cruz said in 2016. The state is freedom's enemy.

For Europeans this defiant individualism can seem strange, but also a little inspiring. As visitors from a sturdy welfare state, you can almost taste freedom in the air. The chaotic energy. The tempo. The diversity. The can-do attitude. Americans are loud and fast talkers. They always

have something to do, and it's always urgent. Everyone is following their own dreams. *The land of the free!*

Americans love freedom. Nevertheless there is something strange going on here. When you ask people around the world how satisfied they are with 'the freedom they have to do what they want in life', it's not the USA that comes out on top, it's Denmark, Finland and Norway. The USA is down in 33rd place, with Ecuador and Bangladesh on either side, and this pattern repeats itself in other measures of personal freedom as it is experienced. Whereas 73 percent of Norwegians 'strongly agree' with the statement 'I decide my goals in life', the highest proportion in the world, in the USA this is only true for 25 percent of people. Contrary to American perception, there is a clear tendency for people in countries with stronger state influence to be those who experience the greatest freedom and the most independence. How can this be?

Citizens most satisfied with their freedom

- 1 Denmark
 - 2 Finland
 - 3 Norway
 - 4 Canada
 - 5 Iceland
 - 6 New Zealand
 - 7 Costa Rica
 - 8 Sweden
 - 9 Malta
 - 10 The Netherlands
 - 11 The Philippines
 - 12 Singapore
 - 13 Slovenia
 - 14 Mauritius
 - 15 Nicaragua
- ↓
- 32 Ecuador
 - 33 USA
 - 34 Bangladesh

When you drill down into American society, your experience is likely to be different from that of a tourist. The feeling of freedom has a tendency to diminish the longer you live there.

For a Norwegian who moves to the USA, it can feel like travelling back in time. What many people are not prepared for, is how much time is spent on administering your life. In the Nordic countries you are used to everything having a default-setting. Things like your pension and health insurance arrive as all-inclusive package deals from the state. In the USA you have to sort it all out yourself. If everything isn't covered by your employer, finding suitable health insurance is a substantial and time-consuming project. There are many choices, and it takes time and resources to understand the various alternatives.

For Scandinavians this seems cumbersome, but when American politicians defend private health insurance the freedom to choose is the point. A one size fits all state provision smacks of coercion and socialism for many Americans. It's a deprivation of liberty. That's why you will find it stated, on The White House home page, that 'health care freedom is a priority'.

Choice can, of course, be fantastic. It would be sad if the state decided what TV we should watch, chose our friends or who we should marry. Even when it comes to trivial things like which soap or toothpaste to use, it's good to have some options, for a bit of luxury if nothing else. But some choices are better left for someone else to make on our behalf. And maybe especially when they are choices that require skills that we don't have ourselves. Very few of us wish to choose between ten different methods of pipe laying when renovating the bathroom. We just want the pipes to work and joyfully leave the technical details to the plumber.

The same is true of health insurance. Norwegians who move to the USA don't experience being able to choose between different health insurance providers or pension funds as an increased amount of freedom. Above all it's exhausting and time consuming. Letting someone else set the table is sometimes preferable and the time saved can be used on other things.

Compared with Norwegian parents, Americans also spend more time on their teenage children. TV-producer, Peter Blankens, experienced this when he made an American version of the Norwegian youth TV show, *SKAM*. In an interview with Norwegian broadsheet, *Dagens*

Næringsliv, he was asked about which aspects of the show were hardest to translate into an American context. Was it the cool, hijab-wearing Muslim girl, asked the journalist? Was it the liberal attitude to sex? Was it the weed smoking? No. None of this was problematic for Americans, Blankens could report. The thing that was unfamiliar, was the absence of parents. As the director, Julie Andem, later wrote to us in an email, 'American parents are present and involved in their children's lives to a much greater degree. This made it difficult for Americans to accept that Eva's parents, in season 1, were around so little. It made it unrealistic. That's why this was changed in *SKAM, Austin*.'

Many Norwegian parents who have moved to the USA are blindsided by how much is expected of them. Compared with their Norwegian counterparts, American children are much less independent and require more supervision – not just when they are little but well into adulthood. According to an opinion poll by *The New York Times*, three quarters of parents with children between 18 and 28 say that they remind their children about their schoolwork and appointments they need to attend – like at the hairdresser's or the doctor's.

The American 'helicopter parent' is familiar to many, hovering over their children and monitoring everything they do, but according to *The New York Times* the concept is 'so 20th century'. The new buzz-phrase is 'snowplough parenting', which clears away all obstacles to children's success. At college, parents follow their children around on orientation days, not just to make sure that *they* adjust okay, but to make sure that the college adjusts to *them*. For those who find the separation difficult, American colleges offer yearly 'Parents' Weekends', during which activities are arranged and parties and lectures are adapted to suit both generations (how about taking your mum to 'midnight roller-skating' or your dad to a 'dorm party'?).

Norwegian first year students would loudly protest if parents requested their own 'Parents' Weekend'. But in the USA many children reciprocate their parents' engagement. They call home as soon as they have sat a test to talk about how it went. Some call home every single day, just to check in. And if they don't call often enough, they hear about it. In a video which went viral a few years ago, a mother sarcastically addresses her ungrateful son, 'Hi Liam, do you remember me? I'm your mommy. I gave birth to you...I had to have a c-section to get you out. A big scar and hurt like hell.'

In Norway there are very few people who feel that being born puts you in a position of gratitude. But then American parents have invested significantly more in their children. Giving birth in Norway is free, in America it costs around \$31,225, and a caesarean, like Liam's mother had, around \$52,000. Educating your children also costs a fortune. One year at an American state university on average costs over \$27,750 (including tuition fees, books and accommodation). A year at a private university cost more than \$41,650. At several institutions the bill runs even higher (Harvard is around \$72,875 per year – even though scholarships and subsidies mean that very few actually pay this much). In other words, you've done well if you get away with paying less than one hundred thousand dollars for a four year degree. At the University of Oslo however, tuition fees are \$140 per year, plus a \$2.50 copyright compliance fee.

To be able to afford their children's education most American parents have to start scrimping and saving when their kids are little. And since, in the USA, qualifications are more important for earning a living than in Norway and the Nordic countries, they feel compelled to do it. After all it's their children's future on the line. If you have seen the TV series *Modern Family* you've no doubt noticed how worried Claire and Phil are about their less able son, Luke, not getting into college. It's presented almost as a death sentence.

Often the financial maintenance of children continues far beyond the end of their studies. Around half of new graduates in the USA rely on financial support from home. Many of them even move back into their childhood homes. In Norway just four percent of adults between 25 and 34 live with their parents. But in the USA it's 32 percent. That's higher than the number of people who live with a partner. So it's easy to see why Julie Andem had to include the parents more in *SKAM*, *Austin*. Anything else would have seemed like science fiction.

In light of this titanic contribution to their children's upbringing, it's not that strange American parents expect something in return. Or that children feel an eternal debt of gratitude. Compared with Norwegians, Americans are also generally more preoccupied with living up to their parents' expectations. According to the *World Values Survey*, 72 percent of them respond 'agree' or 'strongly agree' to the statement 'One of my main goals in life has been to make my

parents proud'. In Norway it's 47 percent and just 35 in Sweden. When you are not reliant on your parents' financial support, you are not too concerned with their expectations either.

In Norway the state has taken on this duty of care. It's not just that education is more or less free. The state also has its own loan company which offers loans and grants so that students can rent a bedsit and manage their own living costs without help from home. Obviously, the state loan company asks for this money back, but they don't ask for anything else. They don't get involved in what you study or if you get good grades and they don't expect you to call and say hi or to be invited to Parents' Weekend. No one's goal is to make the state loan company proud.

When they have finished their education, Norwegian students are, in addition, better prepared to stand on their own two feet and can safely dive into the working world without a parachute on their backs from their parents. Not because it's easier to find a job in Norway, but because we have unions and employment laws which better protect against unpaid internships, and a safety net which catches you if you fall. You're not saddled with a giant student loan, and since even low paid jobs earn a wage you can comfortably live off, you can choose the career path which suits you best, without your parents having to worry. In Norway, there is simply less at risk, which means parents can be more relaxed. They don't need to micro-manage their children's lives. If their children don't get top marks or gather enough management experience to put on their CV, it's not a big deal.

All of this makes Norwegian children less reliant on their parents. They are perhaps not as good at calling home, or visiting regularly, but this doesn't mean they love their parents any less. Rather, it means that the relationship between parent and child is not characterized as much by guilt or the pressure of expectations. When the economic link is taken out of the equation, Norwegian parents can feel sure their children aren't visiting because of their debt. They are not bought and paid for.

Just as American children are more reliant on their parents, American women appear more reliant on their men. To Nordic women who move to the USA, many of their counterparts seem more traditional. If, for example, you ask American women, 'Do you agree with the following: A

woman's most important task is to take care of her husband', all of 33 percent of ladies say 'yes'. In Norway just 10 percent of women agree with this statement.

It is tempting here to think of American women as brainwashed by Christian and conservative powers, but this is first and foremost about higher employment rates among Nordic women. Free education and childcare have made it easier for women to get into the working world and earn their own money. The proportion of stay-at-home mothers in Norway today is under four percent (since just 1996 it has come down from 12 percent). In the USA, where education is private and costs money, nearly 30 percent of mothers of working age stay at home, a number that has remained almost unchanged for a quarter of a century.

The higher costs associated with having children also make American women more reliant on men. Birth isn't the only thing that's expensive. In the USA you don't have the right to paid maternity leave. Sure, some states and private employers have their own paid or part-paid schemes, but most have to settle for twelve weeks unpaid leave.

Not everyone can afford to take unpaid leave from work. Among those who take maternity leave the average duration is just ten weeks, and close to a third of American mothers who work report that they have taken no maternity leave at all. In Norway, a mother who returns to work just a few days after giving birth would be seen as pretty peculiar, but in the USA, they often garner applause.

In the 2013 book *Lean In: Women, Work and the Will to Lead*, Facebook COO, Sheryl Sandberg, tells inspiring stories about women who have juggled careers and children in inspiring ways. Female bosses answer emails while breastfeeding and transform corners of their offices into playpens. If women are to get ahead in the world, they have to stop putting the blame on others, Sandberg explains. They have to put the hours in.

American career women can appear modern and independent. But for normal 'working moms', who can't add a nursery to their offices, this sort of go-getting is easier said than done. Especially if they are single. Rather than 'leaning in' they are dependent on someone to lean on – a man. Without maternity leave, child benefit or affordable childcare (which, according to Care.com, costs an average of \$211 a week), it's almost impossible to manage alone. And even when there are two of you it can be difficult to solve the puzzle.

As such it's no wonder that American women are more preoccupied with men's salaries and savings than Nordic women are. It's not because American women are shallow, they just have to be pragmatic. In a society with no support schemes, men must be able to bring home the bacon. It's the best insurance policy a mother can have. In the book *Marry Smart*, the Princeton graduate, Susan Patton, advises young women to use the majority of their time at university on the hunt for the right man. 'You will never again have this concentration of men who are worthy of you.'

It sounds old fashioned to Nordic ears. Where American women doll themselves up to attract men with money, Nordic women can allow themselves a more relaxed and liberated style. They don't go the trouble of 'adopting a pleasing figure or style that's more likely to attract men', an American pick-up artist asserted, after realizing that they weren't falling for his usual tricks. 'The government will take care of her and her cats, whether she is successful at dating or not.' In the Nordic countries a woman doesn't need a rich man because the state will help them. Childbirth is free, you are entitled to child benefits and affordable childcare. Moreover, new parents have the right to at least nine months paid leave.

Some social scientists have even speculated that state support is so good that it holds Nordic women back in their careers. For example, staying home for a whole year with your children is hard to combine with a leadership position. It's plausible that this is the reason there are a greater number of female top executives in the USA, where career women are accustomed to sacrificing more for work.

Even so, for Nordic women independence is preferable. Though many would like a man, they can manage just fine without one. And it's the reason the four top positions in the World Economic Forum's equality index are occupied by Iceland, Norway, Finland and Sweden (with Denmark in an embarrassing 14th place), whereas the USA lands all the way down in 53rd place.

This also makes it easier to understand why many American women feel their most important task is taking care of their husband. There is safety in traditional gender roles: *it's your obligation to take care of your husband, but it's his obligation to provide for the family.* Luckily, marriage is sacred.

For many Americans equality can therefore seem threatening. When more women work, divorce rates go up. When, for example, Hillary Clinton wanted to build nurseries to get more women into work, it didn't feel like a helping hand, but like an attack on the security offered by family values.

Losing your husband is a worse prospect for American than for Nordic women. But it's not the only thing that is – for most Americans, men and women alike, losing their job also comes with considerably higher risks. In part this is because state support is worse but it's perhaps mainly because most Americans' health insurance is provided by their employers. They lose it when they lose their jobs. That's scary. With lower wages and lots of debt, a third of Americans are just one wage packet away from homelessness. They could not afford to pay the hospital bill if they fell victim to an accident.

This not only means that Americans' lives are insecure, it also gives bosses a lot of power over them. Not least because the safeguards, which protect workers in the Nordic countries, are comparatively weak. Furthermore, in the USA, trade unions are weaker and just 10 percent of all workers are organized (compared with around 50 percent in Norway). In many workplaces you're not even allowed to join a union. 74 percent of all Americans in work are accounted for as so called 'at-will employees', which means that their bosses can fire them for 'any reason (if it's not illegal), or no reason, with no warning, and without having to establish just cause'.

So your boss can sack you on the day if he feels like it, and otherwise dictate your working day with few constraints. He can require things of you that would be impossible in Norway, like working overtime, weekends or the cancellation of scheduled holiday. There are no laws in the USA that oblige employers to offer paid holiday to their workers. Not even unpaid. Most give two weeks, but many employers expect you not to take it all, and if you do, you can quickly lose the boss's favor. The same goes for sick days. Missing work due to sickness is accepted, but it's not popular.

All of this fosters a more fearful atmosphere at American workplaces, and trust in management is low. More than half of all workers say they would trust a complete stranger more than boss. Approximately the same number report that they are unhappy at work. If the

latter is down to their boss is unknown but you can understand that some dream of giving their superiors a verbal dressing-down. In the USA it's a classic revenge fantasy that plays out in films, TV-series and pop music. 'Do you wish you had the nerve, to tell that stupid boss of yours, to shove it, next time he yells at you', sings country star, Brad Paisley, on the track *This is Country Music*.

Of courses there are many Norwegians who don't like their bosses either, but overall, most of us have an uncomplicated relationship with our superiors, and surely this has to do with the fact that they have less power over us. Norwegian workers have allies backing them up which puts us on a more equal footing with our bosses. We have employment laws which protect us from dismissal. We have trade unions which can support us in cases where we feel unfairly treated. In addition, we have a good benefits system and free health service in case we become ill. This makes firing someone a considerably less dramatic event and leads to a more flexible labor market; when the risk of leaving a job is not so great, it's more likely that people will find themselves a new job which they enjoy, and which better suits their talents.

It also changes employees' relationships with their bosses. Since the boss is not the gate keeper to their employees' healthcare security, or an autocrat who can dictate at their will, the relationship between employer and employee evens out and the employee can relate to the boss on more equal terms. If they have an issue, they can take it up the chain of command without risking their job.

Perhaps this is also the reason why Norwegians are so happy at work. When Norwegians are asked, on a scale of one to ten, how much they like their job, 10 (!) is the number they use most often. But with the state behind us we feel free and self-sufficient, both at home and at work.