

A decorative graphic consisting of a grid of dots in various shades of gray and red, arranged in a pattern that suggests a world map or a data visualization.

Welfare – Exposed to Competition and in Need of Reform

KATINKA HORT
ÅSA-PIA JÄRLIDEN BERGSTRÖM
November 2013

- After two decades of reforms of the Swedish welfare system to further freedom of choice, competition and increased participation by private-sector interests in the welfare sphere, it is high time to examine the results and discuss the future.
- Things have not worked out as *intended* – the original aims of equality, greater efficiency and better quality have not been achieved. The opposite has happened in central respects – there is evidence of less equality, increased segregation and more selectivity. Market orientation has been introduced in recent decades without sufficient consideration of the pros and cons of market solutions, private profit interests, or the necessary control instruments and balances.
- The principal idea behind the market which has now been established is that active, well-informed choices by individuals will promote competition and hence further a more effective production of services. There are, however, some clear indications that as consumers of welfare services we perform »unsatisfactorily«, which means that quality may not be enhanced through freedom of choice. Furthermore, many individuals have a limited capacity to make rational, well-informed choices.
- The future poses considerable challenges but progress can be achieved by finding pragmatic solutions, adapted to the sector in question, in a continuous process of reform. The future task is to ensure that politicians control the operations so that the objective is not the profit motive but overriding welfare goals.
- Reforms are needed to ensure a continuous improvement in the quality of welfare, with a high degree of professionalism, compliance of publicly financed operations with societal objectives, and the efficient utilisation of common resources.



Content

1. Background	2
2. How Does Private-Sector Participation Work Today?	3
2.1 Procurement from private-sector sources	4
2.2 Employment in the welfare sector	4
3. Is Competition Necessary?	4
3.1 Does the market work?	5
3.2 The problem of adequate information	5
4. Conflicting Goals	6
4.1 Societal objectives versus the goals of private interests	6
4.2 Equal access – irrespective of where you live and who you are	6
4.3 Equivalent welfare	6
4.4 Allocations in accordance with needs – not demand	7
4.5 Picking and choosing versus a long-term approach	7
4.6 Economic incentives or political control	7
4.7 Private profit or public gain?	7
5. The Way Ahead	8
References	9



After two decades of »reforms« to further freedom of choice, competition and increased participation by private-sector interests in the welfare sphere, it is high time to examine the results and discuss the future. This article aims to contribute to this discussion and the changes that are needed to ensure that our common welfare services promote the overall goals of equal opportunities, gender equality, prosperity and efficiency in a more satisfactory manner. It was originally written as an introduction to an anthology with contributions from a number of progressive economists and analysts with different backgrounds and experience of the developments in the Swedish welfare sector. From their different perspectives they were asked to examine various aspects of the welfare sector and ask themselves such questions as: Where did we want to go? Where do we stand? Where do we go now? (Järliden and Hort 2013)

Since we are currently in just the initial stages of work on such changes, it is helpful to contrast various perspectives with each other. Moreover, different aspects of the welfare sector will call for different types of solution. However, all contributors shared a number of opinions about the current situation:

1. Things have not worked out as *intended* – the original aims of equality, greater efficiency and better quality have not been achieved.
2. The opposite has happened in central respects – there is evidence of less equality, increased segregation and more selectivity.
3. Something must be done. Various types of reform are needed in different areas/sectors.
4. There is no time to lose in launching the changes but this time they must be thought through properly.

The work of reform must focus on ensuring that publicly-financed welfare makes a better contribution to key objectives by, for example:

- creating equality in opportunities for people's lives,
- freeing people from unequal relationships,
- giving everyone opportunities to participate actively in working life and society,

- increasing freedom of choice and extending genuine freedom for users, rather than for producers.

Reforms are needed to ensure a continuous improvement in the quality of welfare, with a high degree of professionalism, compliance of publicly financed operations with societal objectives, and the efficient utilisation of common resources.

In the following we set the scene by contrasting the neo-liberal idea of the self-generating and self-regulating market with the idea that the establishment of market structures require political decisions and active governmental initiatives. We also provide a brief, general account of the way in which operations are currently organised and financed in the Swedish welfare sector today. We then proceed to scrutinise the arguments launching competition and the ideas of New Public Management as the prime solution to problems of management and insufficient responsiveness to citizen's needs encountered in the growing public sector.

A larger element of market orientation in the welfare sector has also given rise to incompatible goals that are likely to lead to outcomes that are incompatible with the objectives of public financed welfare. This is the focus of the final section.

1. Background

Ever since the 1930s, Social Democratic welfare policy has been based on the idea that political decisions and active governmental initiatives in specific areas are a prerequisite for a market economy that functions satisfactorily in both economic and social terms. On this basis, reforms were implemented in Sweden in which society gradually took over, restructured and extended responsibility for various welfare functions that, in so far as they existed, had been carried out in the home, by the family, in the local, paternalistic factory community, or via various non-profit organisations such as the church, charitable organisations or consumer or worker cooperatives.

It is important to note that neither schools, child-care services, medical care, care of the elderly nor other forms of care have ever previously been bought or sold in a market in Sweden – except to a very limited extent. In other words, the increased element of a market-based



organisation of the welfare sector that we have seen in recent years does not represent a return to a situation that existed earlier. Instead, what we are experiencing is the establishment of market-oriented structures in the welfare sector for which there is no precedent.

The notion of a self-generating and self-regulating market as an institution for rational, anonymous exchanges between utility and profit-maximising individuals is, for the most part, a fiction. The liberal idea – that markets can automatically regulate societies and people's well-being – is simply a utopia. The phenomena we rather loosely call markets encompass, in practice, a wide variety of structures (raw materials markets, the labour market, financial markets, the foodstuffs market, etc. – markets subject to free competition, monopoly competition, oligopolies, monopolies, and so on). In general, however, such markets have been established as a result of deliberate political decisions, often in conflict with various forces that run counter to rational exchanges. Forces that, for example, favour monopolisation and other forms of the exercise of private power that need to be regulated. It is also the case, at a more general level, that a market's control mechanisms cannot handle many of the objectives we want to apply to publicly-financed welfare. As an institution, a market lacks mechanisms for dealing with the social and collective needs of a society and on which, moreover, a long-term sustainable and rational market economy depends but is incapable of creating on its own. Consequently, a functional market economy presupposes an active policy that both ensures rational, anonymous exchanges between the participants and embeds and supplements market mechanisms in various ways.

The Great Transformation, Karl Polanyi's classic work from 1944, provides a graphic description of the way in which the development of modern market economies over the previous two centuries was by no means a natural, harmonious or spontaneous process. Instead, extensive political interventions and new laws were required to transform pre-industrial forms of production into an industrial society organised on market economy lines. The integration of a market economy into more and more areas of society aroused strong opposing forces that aimed to protect both their own and broader societal interests from the arbitrariness and unpredictability that characterise market mechanisms. Major aspects of Social Democratic welfare policy have been concerned with the

regulation and supplementation of market mechanisms. By making it possible for people to cope with uncertainty and take advantage of the opportunities presented by greater affluence, the destructive forces of the market economy have been counteracted and the aspects that increase prosperity have been reinforced.

A variety of forces have contributed to the »marketification« of the welfare sector that we have experienced in recent decades. In contrast with the past, however, this extension of a market organisation involves changes in operations that are publicly financed and formally organised rather than functions that were previously handled by civil society or the informal economy. But, as in the past, this is a transformation that has, in the main, been promoted by a neo-liberal idea of a free market and the glorification of the market as a rational mechanism, although some of the arguments for a greater degree of market orientation have been concrete, for example inadequate efficiency and flexibility, coupled with a rigid bureaucracy. But neo-liberalism's acceptance, in principle, of all kinds of market has shaped developments ideologically and calls for counter-forces that ensure protection against the unlimited and one-dimensional functioning of market mechanisms. That is where we stand today.

2. How Does Private-Sector Participation Work Today?

The discussion in this article is concerned with the consequences of a larger element of market mechanisms in the welfare sector and the changes required to achieve key policy objectives. In order to understand how the markets for medical care, schools and care services function today, we provide a brief, general account of the way in which operations are currently organised and financed.

As in the past, the main sources of funding for public-sector operations are the municipalities and county councils. On average, they and the central government defray 90 per cent of the total costs for medical care, schools and care services. Consumers/households pay approximately 6 per cent via fees and charges, and private companies pay slightly more than 2 per cent (Statistics Sweden 2010).

The public sector also performs the major share of production in education, health, medical care and social care.



Approximately 80 per cent of such activities are carried out under public-sector auspices. The other participants are private companies and non-profit organisations.

Operations in the *education sector* accounted for a total of SEK 300 billion in 2010 (comprising pre-schools, compulsory schools, upper secondary schools and higher education), of which the public sector performed 83 per cent. These operations are largely conducted under municipal (62 per cent) and central government (18 per cent) auspices. Approximately 12 per cent of the education market consists of privately-owned entities but they, too, are mainly funded from municipal sources; 67 per cent of this funding came from the public sector, 14 per cent from private-sector companies and 18 per cent from consumers and private individuals (Swedish Competition Authority 2011). About 2.5 per cent of the education sector is funded from private sources. In addition, private households/consumers contribute about 5 per cent and non-profit organisations about 1.5 per cent. In other words, the public sector provides 88 per cent of total funding in the education sector.

Expenditure in the *health and medical care sector* also totalled about SEK 300 billion in 2010. The structure of funding in this sector is similar to that in education—the public sector pays for 89 per cent, private entities for 2.5 per cent, and households and individuals 7.5 per cent. The majority of operations (82 per cent) are provided by public-sector care services, of which the overwhelming proportion is funded by county councils. Private companies performed 16.5 per cent of operations, and non-profit organisations only 1 per cent. The private companies received 58 per cent of their funds from the public sector, plus 28 per cent from households and individuals; 14 per cent was capital supplied by private companies.

In the *social welfare and care sector*, slightly less than 80 per cent of operations were conducted under public-sector auspices; the largest providers were the municipalities. Private companies performed 18 per cent of these services and non-profit organisations 3 per cent. This sector's operations cost a total of about SEK 200 billion in 2010. Financing was predominately (90 per cent) from public-sector sources (central government, county councils and municipalities); private companies provided 1.5 per cent and households 6 per cent.

2.1 Procurement from private-sector sources

Another way of describing how such activities are organised is to depict the extent of public procurement from the private sector. The value of the goods and services in public procurement totalled about SEK 550 billion in 2010 (Swedish Competition Authority 2011), which is equivalent to 16.5 per cent of Swedish GDP. Note, however, that this refers to *all* types of procurement, not merely in the welfare sectors. In the case of municipalities and county councils, operations purchased from private companies, associations and foundations amounted to slightly less than SEK 80 billion in 2010, according to the Summary of Accounts for Swedish local authorities. This accounted for 14 per cent of gross costs in the education sector and 11 per cent in the medical and care sector.

There are, however, considerable variations between local authorities. In Stockholm County, purchases by municipalities and the county council amounted to 21 per cent of gross costs in the education, medical and care sectors. The runner-up was the County of Östergötland, 13 per cent, while the figure was smallest, 4 per cent, in the counties of Kalmar, Dalarna and Norrbotten. In other words, the extent of procurement varies greatly and Stockholm stands out in this respect. The national average is 12 per cent.

2.2 Employment in the welfare sector

In all, the education, health, medical and care sectors employ about 1.2 million people, of whom 80 per cent are women. The municipalities are the main employer (54 per cent). Around 80 per cent of the total are employed by the public sector, 17 per cent by private companies and slightly more than 3 per cent by non-profit organisations.

3. Is Competition Necessary?

As noted previously, the decision to organise certain activities under public-sector auspices is based on the view that there are social and economic goals that cannot be achieved on normal market terms. Hence, the basic assumption here is that in this field, a market with completely free competition would entail a number of



deficiencies, such as inadequate coverage of services and biased distribution. In other words, the fundamental reasons for public ownership in many areas are either that it helps to achieve a more positive socio-economic outcome than would otherwise have been the case, or that it provides better and more equal welfare. The Swedish welfare sector was built on this foundation, with the public sector not only funding operations but also executing them. However, as the various welfare and service commitments expanded and increased their proportion of the public sector, the traditional form of public control with detailed regulations suffered from a growing number of shortcomings.

There were powerful objective reasons for changes in the organisation and control of public-sector operations and they gained increasing force in the 1970s. The common denominator in the public debate was a reduction of governance by rules and a greater variation and adaptation to people's preferences. But opinions about how this might be achieved differed considerably at an early stage. »Nonetheless, discussion converged from the late 1980s in the direction of a single overall solution ... namely more market mechanisms, competition and different forms for operations« (Lindgren 2013).

The structure of the public sector has become much more complex and central government has various roles. Greater opportunities to choose services may, for example, mean that public-sector providers compete with each other, that more private providers compete or that public providers compete with their private equivalents and non-profit organisations. Decentralisation of operations to the municipal level leads to considerable local variations, with consequences that may be both positive and negative. A more wide-ranging public administration makes it increasingly important to develop new criteria for control and monitoring.

The changes that have been implemented in the public sector in recent decades had their origin in private-sector ideas about market mechanisms. These ideas, often referred to as New Public Management (NPM), stress the role of competition in achieving efficiency and the need to distinguish between operations and funding. This paves the way for private-sector producers of operations that are publicly financed. In line with these ideas, both management by results under public auspices and exposure to competition with private-sector participation

have been implemented with the aim of giving the public sector a market-oriented impetus.

3.1 Does the market work?

In practice, however, many public-sector activities, such as welfare services, function differently from a market and may be said to resemble a »quasi-market« (Bartlett and LeGrand 1993) in which demand is determined, not by people's willingness to pay, but by frameworks in the form of budget decisions and payment systems. Unlike the situation in a normal market, the individual consumer does not face a price that reflects the costs of production. Those costs are shared by the community and the market consists of three parties: producers, users and those who fund the service in question. The party that actually decides whether the price is reasonable in terms of the quality and quantity supplied is the funder, not the user.

Another key difference when demand is governed by public budget decisions is that producers' possibility of expanding production is limited. Thus, the size of the market is not determined by user demand. For producers there are two main ways of improving profitability: securing a larger share of the market in order to increase production or cutting unit costs in favour of a larger share for profits. The unit cost of services may be reduced by improving efficiency, lowering quality, or focusing on the most profitable segments.

3.2 The problem of adequate information

Public-sector operations – particularly in areas such as education and medical and care services – are to a large extent concerned with the production of services. One theoretical premise for greater efficiency to result from the privatisation of the production of services is that the content of such services is not a substantial problem as regards quality, i.e. that quality is either of little importance or is easy to define and monitor. Given that this is the case, users' possibilities of choosing between different services result in competition for the best quality. In practice, however, the characteristic feature of a large share of public-sector production of services is that the quality of such services is in fact hard to assess.



As noted above, the degree of procurement and implementation under private auspices varies across sectors and regions. It is interesting that the forms for operations appear to be chosen without any clear consideration of the operation's nature. An example is care services for young people and drug abusers, where production has been largely transferred to private interests even though care of this type is relatively complicated, with services that are quality-oriented (not standardised).

4. Conflicting Goals

A cautious conclusion at this stage is that a market orientation has been introduced in recent decades without sufficient consideration of the pros and cons of market solutions, private profit interests, or the necessary control instruments and balances. Neither is there a sound theoretical or empirical basis for proposing exposure to competition as a method for solving problems in the welfare sector.

Moreover, a larger element of market orientation in the welfare sector has given rise to incompatible goals that are likely to lead to outcomes which run counter to what were previously considered to be optimal solutions from a socio-economic point of view.

4.1 Societal objectives versus the goals of private interests

The public sector is our joint project for achieving a common, fair funding of welfare and allocation of education, medical and care services in accordance with needs. An individual's aims for his/her education or visits to a health centre do not necessarily correspond to the interests of society as a whole. If people's objectives are out of step with society's goals, there is a risk of sub-optimisation of the welfare sector.

One example of incompatible goals is the trend towards inflated school grades in the wake of keener competition in the school sector. High grades are a clear signal to the parents of children who are choosing their school and are consequently an important factor in competition for pupils. Society's goal, however, is that good grades should reflect a sound education and corresponding achievements. From a societal viewpoint, situations in which

grades are out of line with pupils' actual achievements are a problem.

The principal idea behind the market which has now been established is that active, well-informed choices by individuals will promote competition and hence further a more effective production of services. There are, however, some clear indications that as consumers of welfare services we perform »unsatisfactorily«, which means that quality may not be enhanced through freedom of choice. Furthermore, many individuals have a limited capacity to make rational, well-informed choices.

4.2 Equal access – irrespective of where you live and who you are

Private companies are primarily attuned to economic incentives. They want to be where there is a demand for their services. This is evident, in particular, in the propensity of private actors to operate in the major conurbations. Just as private actors may opt for certain regions rather than others, they may try to influence the selection of users. This results in a process whereby other actors are left with users who require considerably more resources. It then becomes the task of public-sector producers to provide medical and care services in the regions and segments that are »less profitable«.

In the present situation, private and public-sector participants compete but not necessarily on the same terms. This in turn may make it hard for public-sector actors to achieve profitability in their operations.

In addition, some welfare services call for the user's personal involvement in the production of services. School results, for example, depend not only on the quality of the teaching, but also on the efforts of those who participate in operations – pupils, parents and relatives. The ways which users are allocated between different welfare sectors are therefore not irrelevant.

4.3 Equivalent welfare

Freedom of choice presumes qualitative differences between the alternatives – differences which are supposed to provide greater welfare for everybody. So what happens if this results in unacceptable differences in



quality – for example if the quality of certain operations is inadequate? Some differences simply correspond to differences in individual's needs and preferences. But there are also differences in services which can be said to conflict with the basic principles for general welfare. To distinguish between the two in practice and prohibit the latter is not an easy task.

4.4 Allocations in accordance with needs – not demand

Historical experience indicates that the income elasticity of demand for public-sector services is generally high. This is often the case with services that people find attractive but where the determining factor should instead be the individual's needs. In order to ensure that tax revenue is used efficiently, individuals should not have an unlimited entitlement to available resources.

Society's goal is that medical services are allocated in the first place to those in greatest need. Broadly speaking, the freedom of establishment that applies in the education sector and, to some extent, within the framework of the Freedom of Choice Act (LOV), means that tax-financed operations can be established in any location. This can lead to over-establishment. Some county councils have payment systems whereby health-care centres are funded in terms of the number of visits. The centres then have an incentive to attract as many visits as possible, which means that our joint tax resources are allocated by how much health care people *demand* instead of by how much they *need*.

4.5 Picking and choosing versus a long-term approach

As previously mentioned, a major reason for more competition in the welfare market is that individuals should be able to choose between providers, based on quality, thus creating pressure for more efficient production and better services. Dissatisfied users should be able to switch to another provider and thus have access to services that are closer to their preferences. This may be the case for relatively simple services such as vaccination centres but it does not always apply. An old people's home is probably chosen once and for all; moving to another may entail a very difficult adjustment. Similarly, some research indicates that a change of school may be bad for the pupil's

results (Hattie 2008). Hence, in many parts of the welfare sector competition secured through individuals' freedom of choice is not a guarantee for better services.

4.6 Economic incentives or political control

As noted above, private-sector actors have a primary objective. Everything is fine if this objective coincides with the goals for welfare policy and the provision of services in which users have equal access to high quality care services in accordance with their needs. The problem, however, is that, as indicated earlier, there are ways of achieving profitability which run counter to the political objectives. The fact that private entities tend to operate in affluent areas enables them to select individuals who cost relatively little, for example in certain schools.

Still, the structure of incentives in this area is not a given matter, since funding comes from the public sector, not the individual users. Instead, the results depend on the way in which welfare sectors are controlled, for example how the payment systems are designed. The way in which public sector funds are transferred to schools and health-care providers and the criteria for this make a difference. A system with standard rates of payment (a standard amount per user) probably accentuates the element of selection, while a system of payment per service rather than per individual may favour an allocation in accordance with demand instead of with need.

We consider that elected representatives must have a clearer role in the governance of these sectors. One problem with the consumer market as a model for the welfare sector is that it is less open to the influence of democratically elected politicians. Political control of operations under public sector auspices is reduced when market solutions apply. This is particularly the case with freedom-of-choice systems, since they assume that the same requirements and payment systems apply to public operators and private-sector providers.

4.7 Private profit or public gain?

Opportunities for profit-making companies to provide tax-funded welfare are perhaps the most controversial issue in the public debate about the organisation of welfare services. A prominent argument in this context is



that tax revenue should be used for welfare operations instead of being turned into profits for the providers of such services. This is, of course, a key principle. Still, the major problem is not the dividends so much as how the profit motive affects operations.

Moreover, the really significant profit opportunities lie, not in the dividends paid out, but in the capital gains that accrue when companies buy up operations, improve their profitability and then sell the whole or part of the company to a third party. It is in this process, in which the operation's potential for higher returns is exploited, that the profit motive exercises its controlling force. The difference between profit-oriented and public-sector operations has to do with the goal and the means. Money is the goal for profit-oriented activities, while the operations are the means. For non-profit public sector activities, the operations are the goal and money is the means.

There are indeed cases where the entry of private actors has led to improvements for the users and/or more efficient operations, fully in line with society's aims. But the nature of the operations, with costs largely determined by fixed payments for personnel, means that there is very little room for increasing profitability via rationalisation and qualitative improvements. Instead, the main road to higher profitability lies in reducing costs, which is liable to impair quality and/or selectivity. It is this conflict of objectives between the private profit motive and societal objectives for a good education, medical or care services that is the main problem with profit-driven activities in the welfare sector.

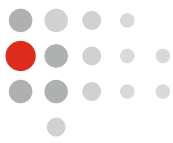
5. The Way Ahead

The future poses considerable challenges but progress can be achieved, as so often in the past, by finding pragmatic solutions, adapted to the sector in question, in a continuous process of reform. The importance of the conflicts of objectives between profit as the crucial economic force and the overall goals behind public funding varies between the sectors of welfare. Our future task is to ensure that politicians control the operations so that the objective is not the profit motive but overriding welfare goals. In some areas, this may call for regulations that restrict the possibilities of buying and selling publicly funded operations. In other areas the solution may lie, for example, in better ways of monitoring quality, amendments to the Act on Freedom of Choice (LOV), changes that limit private establishments and/or their possibilities of avoiding users who need substantial resources. Reforms are also likely to be needed for the way in which resources are allocated between individuals and regions.



References

- Bartlett, W. and Le Grand, J.** (1993): *Quasi-markets and Social Policy*. Palgrave Macmillan: London.
- Hattie, John A. C.** (2008): *Visible Learning: A Synthesis of Over 800 Meta-Analyses Relating to Achievement*, Routledge: London, New York.
- Järliden Bergström, Å-P and Hort; K. (eds)** (2013): *Från konkurrens till kvalitet. Vägen till ökad jämlikhet i välfärden* Tiden Debatt, Stockholm.
- Konkurrensverket (The Swedish Competition Authority)** (2011): *Siffror och fakta om offentlig upphandling*. Konkurrensverkets rapportserie 2011:1.
- Lindgren, A-M.** (2013): *Välfärdspolitikens förändring*. In Järliden Bergström, Å-P. och Hort, K. (eds): *Från konkurrens till kvalitet. Vägen till ökad jämlikhet i välfärden* Tiden Debatt, Stockholm.
- Polyani, K.** (1944): *The Great Transformation – the Political and Economic Origins of Our Time*, New York.
- SCB (Statistics Sweden)** (2012): *Finansiärer och utförare inom vård, skola och omsorg 2010*. Statistiska meddelanden 1201.



About the authors

Katinka Hort

Economist, analyst at the Swedish Tax Agency. Previously Administrative Director of the Office of the Social Democratic Parliamentary Party Group, State Secretary in the Ministry of Finance and Head of Division of the Ministry of Finance Tax Department.

Åsa-Pia Järliden Bergström

Economist, Swedish Trade Union Confederation. Previously Director at the Swedish Agency for Public Management, employed by the Expert Group for Studies in Public Economics (ESO) and participant in several official reports, etc.

This article is the abbreviated and slightly amended version of the introduction chapter of the anthology »Från konkurrens till kvalitet. Vägen till ökad jämlikhet i välfärden« edited by Åsa-Pia Järliden Bergström and Katinka Hort (2013).

Imprint

Friedrich-Ebert-Stiftung | Western Europe/North America |
Hiroshimastraße 28 | 10785 Berlin | Germany

Responsible:
Anne Seyfferth, Head, Western Europe/North America

Tel.: ++49-30-269-35-7736 | Fax: ++49-30-269-35-9249
<http://www.fes.de/international/wil>

Orders/Contact:
FES-WENA@fes.de

Commercial use of all media published by the Friedrich-Ebert-Stiftung (FES) is not permitted without the written consent of the FES.

FES Stockholm (www.fesnord.org)

The Nordic Office covers Denmark, Finland, Norway and Sweden.

Based in Stockholm, the Nordic Office was established in 2006 in order to promote Nordic-German cooperation, mainly by means of seminars and reports on political trends. The office strives to contribute to a continuous dialogue between decision-makers and civil society in the Nordic Countries and in Germany.

FES in the Nordic Countries focuses, in particular, on the exchange of ideas on common challenges in social, economic and foreign affairs, such as:

- experiences from welfare state and social reform, especially with regard to equal opportunities, participatory democracy and public sector performance;
- experiences in the fields of foreign and security policy, European integration and Baltic Sea cooperation;
- experiences in the areas of integration and migration policy.

The views expressed in this publication are not necessarily those of the Friedrich-Ebert-Stiftung or of the organization for which the author works.

This publication is printed on paper from sustainable forestry.