

# Opinion: Finland is a capitalist paradise <sup>[1]</sup>

Can high taxes be good for business? You bet.

**Author:** Partanen, Anu & Corson, Trevor

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## EXCERPTS

Two years ago we were living in a pleasant neighborhood in Brooklyn. We were experienced professionals, enjoying a privileged life. We'd just had a baby. She was our first, and much wanted. We were United States citizens and our future as a family should have seemed bright. But we felt deeply insecure and anxious.

Our income was trickling in unreliably from temporary gigs as independent contractors. Our access to health insurance was a constant source of anxiety, as we scrambled year after year among private employer plans, exorbitant plans for freelancers, and complicated and expensive Obamacare plans. With a child, we'd soon face overwhelming day-care costs. Never mind the bankruptcy-sized bills for education ahead, whether for housing in a good publicschool district or for private-school tuition. And then there'd be college. In other words, we suffered from the same stressors that are swamping more and more of Americans, even the relatively privileged.

As we contemplated all this, one of us, Anu, was offered a job back in her hometown: Helsinki, Finland.

Finland, of course, is one of those Nordic countries that we hear some Americans, including President Trump, describe as unsustainable and oppressive — “socialist nanny states.” As we considered settling there, we canvassed Trevor's family — he was raised in Arlington, Va. — and our American friends. They didn't seem to think we'd be moving to a Soviet-style autocracy. In fact, many of them encouraged us to go. Even a venture capitalist we knew in Silicon Valley who has three children sounded envious: “I'd move to Finland in a heartbeat.”

So we went.

We've now been living in Finland for more than a year. The difference between our lives here and in the States has been tremendous, but perhaps not in the way many Americans might imagine. What we've experienced is an increase in personal freedom. Our lives are just much more manageable. To be sure, our days are still full of challenges — raising a child, helping elderly parents, juggling the demands of daily logistics and work.

But in Finland, we are automatically covered, no matter what, by taxpayer-funded universal health care that equals the United States' in quality (despite the misleading claims you hear to the contrary), all without piles of confusing paperwork or haggling over huge bills. Our child attends a fabulous, highly professional and ethnically diverse public day-care center that amazes us with its enrichment activities and professionalism. The price? About \$300 a month — the maximum for public day care, because in Finland day-care fees are subsidized for all families.

And if we stay here, our daughter will be able to attend one of the world's best K-12 education systems at no cost to us, regardless of the neighborhood we live in. College would also be tuition free. If we have another child, we will automatically get paid parental leave, funded largely through taxes, for nearly a year, which can be shared between parents. Annual paid vacations here of four, five or even six weeks are also the norm.

Compared with our life in the United States, this is fantastic. Nevertheless, to many people in America, the Finnish system may still conjure impressions of dysfunction and authoritarianism. Yet Finnish citizens report extraordinarily high levels of life satisfaction; the Organization for Economic Cooperation and Development ranked them highest in the world, followed by Norwegians, Danes, Swiss and Icelanders. This year, the World Happiness Report also announced Finland to be the happiest country on earth, for the second year in a row.

But surely, many in the United States will conclude, Finnish citizens and businesses must be paying a steep price in lost freedoms, opportunity and wealth. Yes, Finland faces its own economic challenges, and Finns are notorious complainers whenever anything goes wrong. But under its current system, Finland has become one of the world's wealthiest societies, and like the other Nordic countries, it is home to many hugely successful global companies.

In fact, a recent report by the chairman of market and investment strategy for J.P. Morgan Asset Management came to a surprising conclusion: The Nordic region is not only “just as business-friendly as the U.S.” but also better on key free-market indexes, including

greater protection of private property, less impact on competition from government controls and more openness to trade and capital flows. According to the World Bank, doing business in Denmark and Norway is actually easier overall than it is in the United States.

Finland also has high levels of economic mobility across generations. A 2018 World Bank report revealed that children in Finland have a much better chance of escaping the economic class of their parents and pursuing their own success than do children in the United States.

Finally, and perhaps most shockingly, the nonpartisan watchdog group Freedom House has determined that citizens of Finland actually enjoy higher levels of personal and political freedom, and more secure political rights, than citizens of the United States.

What to make of all this? For starters, politicians in the United States might want to think twice about calling the Nordics “socialist.” From our perch, the term seems to have more currency on the other side of the Atlantic than it does here.

In the United States, Senator Bernie Sanders and Representative Alexandria Ocasio-Cortez are often demonized as dangerous radicals. In Finland, many of their policy ideas would seem normal — and not particularly socialist.

**Read more** <sup>[2]</sup>

**Related link:** The Nordic theory of everything <sup>[3]</sup>

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