

Anna Liisa Westman

The Development of Finnish Welfare Society and Business Life

Abstract

This article considers the development of Finnish welfare society and business life mainly between 1880–1940. The main idea is to map the development of Finland from an agricultural state to an industrial state. The theoretical starting point is the social-historical and financial development of Finland. Finland was a part of the kingdom Sweden (1150–1809) and Russian Empire (1809–1917). Finland became independent in 1917. Industrialisation started in the mid-nineteenth century. Infrastructure of services developed rapidly during that time, for example wood processing, textile industry, metal and engineering factories were established. The development of the local government and state administration as well as party political system supported the development of industry and business. The First World War influenced the development of the industrialization and business life.

Keywords: welfare society, war, business, development.

Under the Governance of Sweden

Only little information is available from the legal practices in Finland before the period of the Swedish governance¹. It is known that in about AD100, the Finns who had

¹ M. Laine, *Access to Finnish Public Law*, WSOY, Helsinki 2006, p. 7

different origins and language began to move from Baltic countries across the Finnish Gulf to the inner land of Finland². The Swedish king and church created Finland into a vassal state in the 13th Century. In those times the Catholic Church was an authority. It determined women as incomplete, whose duty was to serve men. However it was just the Catholic Church, which offered opportunities for women to study firstly. Civil society started to develop for example through the development of education. From the viewpoint of Finnish women an interesting document from the year 1316 states: “Let it be proclaimed that all those living in marriage, widows, nuns and maidens shall enjoy the same peace and safety in respect to property as a person as in the realm of Sweden”³.

During development of Finnish society there was so called “the peaceful period” (1323–1473) which included the royal power and the power of the Roman Catholic Church⁴. The Russo-Swedish War (1808–1809) broke the peaceful development. This war was a consequence of Napoleon’s wars in Europe⁵. At the end of the war Finland was divided between Russia and Sweden. The culture of the eastern parts of Finland was influenced by the Russian Orthodox Church and the western parts by the Catholic and the Lutheran churches. During this time Finland was a very poor country. People earned their livelihood mainly by hunting, fishing, picking up berries, mushrooms etc. and doing some agricultural work. “The upper class” was Swedish speaking minority. On the other side of the society were landless, poor people. City of Turku (Åbo) was the main administrative centre. Little by little the cultural roots turned to the Lutheranism, as well as in all Nordic countries⁶. (Marriage was the most common livelihood for women, then domestic work like baking, cleaning and spinning. Female widows could continue the work of their husbands like keeping shops or working as shoemakers. The first real occupation for all Finnish women was to be a midwife⁷. The social and business life of the society was in the hands of men.

Women participated into the political life of the Social Democratic Party (later SDP) which started the suffrage movement in Finland – even before the independence of the Finland. The political agenda for equality between women and men in all sectors of life, for example in politics, education, working life (an aim: 8-hours working day) was the aims of the SDP in 1903. This agenda was the first step to enhance the positions of women and men in the society in Finland. The SDP, through its political work helped working class people. Before that (1898), the social democratic women published a newspaper named “Palvelijatar” (The Maid). The SDP women and men together – organised edu-

² B. Nøkleby, *Nordic Chronology*, [in:] Ø. Sørensen, B. Stråth (eds.), *The Cultural Construction of Norden*, Scandinavian University Press, Oslo 1997, p. 286–296.

³ M. Manninen, *Finnish Women’s Opportunities before the 19th Century*, [in:] M. Manninen, P. Setälä (eds.), *The Lady with the Bow. The Story of Finnish Women*, Otava Publishing, Helsinki 1990, p. 9–15.

⁴ M. Laine, op. cit., p. 7.

⁵ M. Manninen, op. cit., p. 15.

⁶ H. Stenius, *The Good Life Is a Life of Conformity: The Impact of the Lutheran Tradition on Nordic Political Culture*, [in:] Ø. Sørensen, B. Stråth (eds.), *The Cultural Construction of Norden*, Scandinavian University Press, Oslo 1997, p. 161.

⁷ M. Manninen, op. cit., p. 12.

cation, sport activities, art, theatre and music clubs. Also working against Fascism and building peace have been inner of the political programme of SDP-women⁸.

Under the Governance of Russian Empire

During 18th and 19th Century the Finnish class-divided social system was replaced by a new civil society. The earliest period is known as the revivalist period. The second period saw the reshaping civil society and during the period society was dominated by the norms of Russian culture. During the revivalist period the social and economic situation of the municipal residents change a lot. The second period witnessed the political and social discussion of a Finnish state. In addition, this period saw the development of formally organised civic associations and voluntary organisations, for example for care (read: poor) work and industrialism. It was the starting point of the modern society. The new form of society was organised by party system, parliamentary work and municipalities. Also at collective understanding of human being was a growing phenomenon. It created needs to develop civil society, public administration, welfare services and above the welfare state. All of this created opportunities to develop business life and this started the development of the welfare state, which later during 2000 turned (back) to the welfare society⁹.

The Russian Empire developed mainly the City of Helsinki. It got the powerful position as a capital of Finland. Business life developed especially between St.Petersburg and biggest cities of Finland at the beginning of 1900 century. In addition The Russian Empire supported the development of the Finnish culture and architecture. This can be seen even today in the buildings of the capital city of Finland, Helsinki. Finland was remained poor state the earnings of women were necessary for families to have daily livelihood¹⁰. Education has been seen then and now as a key tool for developing people's opportunities in the life. It has been seen also as a key concept to develop the welfare state and civil society as well as equality between women and men¹¹.

At the beginning of 1900, women entered more and more to the work outside home. This was not due to the emancipatory work done by leftish women. It was only a phenomenon of the society. Families needed the wages of women and men. At the same time industrialisation started. Waving factories needed cheap work force, for example women. Wages of women were lower than men's. Industrialisation and a changing society

⁸ Aro et all, *Työläisnaisen tarina*, Hakapaino, Helsinki 1995; Läheänmäki M., *Vuosisadan naisliike. Naiset ja sosialidemokratia 1900-luvun Suomessa*, Hakapaino, Helsinki 2000.

⁹ I. Sulkunen, *The Mobilisation of Women and the Birth of Civil Society*, [in:] M. Manninen and P. Setälä (eds.) *The Lady with the Bow. The Story of Finnish Women*, Keuruu: Otava Publisher 1990, p. 43.

¹⁰ See more P. Markkola, *Women in Rural Society in the 19th and 20th Centuries*, [in:] M. Manninen, P. Setälä (eds.), *The Lady with the Bow. The Story of Finnish Women*, Otava Publishing, Helsinki 1990, p. 17–29.

¹¹ See more M. Läheänmäki, op. cit.; A. Korpi-Tommola, *Education – The Road to Work and Equality*, [in:] M. Manninen, P. Setälä (eds.), *The Lady with the Bow. The Story of Finnish Women*, Otava Publishing, Helsinki 1990, p. 31–41.

created gendered separated labour markets. Men worked in the mining companies, wood processing and metal industry. By that way the birth of civil society started¹².

In 1855 there were 7,100 industrial workers and 20 years later 26,400. Early industrialism, like cotton mills was partly based on female and child labour. Using children as factory workers, for example in tobacco and textile industries, under the age of 12, was forbidden 1889. Textile industry remain in women's hand until 1930 (80%), as well as food, clothing, chemical and printing industries (50%)¹³.

Table 1. Economically active population by sectors, %, women/men, excluding agriculture 1880 – 1940 (Modified by Vattula 1981.)

Sector	1880	1910	1920	1940
	Female/Male; %	Female/Male; %	Female/Male; %	Female/Male; %
Industry and handicraft	11/89	31/69	32/68	37/63
Building	–	4/96	5/95	11/89
Commerce	14/86	39/61	39/61	49/51
Finance and insurance	–	45/55	56/44	57/43
Transport and communication	0/100	8/92	14/86	16/84
Public Services (without the workforce of churches and army)	4/96	6/94	31/69	42/58
Education	31/69	58/42	60/40	65/35
Health services	36/64	66/34	73/27	79/21
Cafes and restaurants	53/47	77/23	83/17	86/14

The Finnish political and administrative system developed between 1917–1919. The Finnish Constitution is a compromise between republican and monarchist opinion. The president received a significant power. The constitutional change in the 1980's and 1990's reduced this power¹⁴. However even today the power of President is greater than in many other European States¹⁵.

The Poor Law (1922) required municipalities to organise social and health care services. Before that social work was mainly charity work of churches, NGOs and women. This development continued with subsequent legislation in 1936 Finnish Government published the Child Welfare Act, in 1937, the Act of Maternity Allowance. Legislation regarding social security pension, national insurance pension (1949 for all citizens of Finland) was also passed in 1937. School meals were introduced in 1943. From 1944, municipalities provided maternity and health care clinics. Care work remained mainly in the hands of women. Today's the topic of the political discussion is privatisation and cutting welfare services.

¹² M. Pohls, *Women's Work in Finland 1870–1940*, [in:] M. Manninen, P. Setälä (eds.), *The Lady with the Bow. The Story of Finnish Women*, Otava Publishing, Helsinki 1990, p. 55–73; I. Sulkunen, op. cit., p. 42–53.

¹³ M. Pohls, op. cit., p. 55–59.

¹⁴ M. Laine, op. cit., p. 9.

¹⁵ Ibidem.

The Development of Industrialism and Business in Finland

The industrial boom started in 1860. Liberalism was the economic model until the First World War. So-called Russification existed in Finland between 1899–1917. The citizens of Finland had different political opinions on the presence of Russian troops still being in Finland at the beginning of independence. There were even radical hopes for a revolution. This social situation, as well as a poverty gap between Finnish people, led to an Independence war, called also as Civil War (1918). Another explanation is that the war broke out from the Russian Revolution and the Finnish Declaration of Independence. In this war the supporters of left wing politics “The Reds”, (left wing political ideology, supported from Russia) and The “White” (right wing political ideology, supported from Germany) confronted each other. This was a very crucial war, “brother against brother”, and poor people against richer people. The White troops won the war. The social and political situation normalised with foreign states in 1919¹⁶. Even today the memories of this war are present in the political discussion of the parties, especially between right and left wing politicians.

At the same time the forest and metal industries developed further as a result of the First World War, equipment and armaments were needed during wartime. For example, Metso with various companies like Valmet/Valtra and Tampella remains leading producers of paper machines in the world with huge and advanced electric technology.

The most important branch of industry was the wood processing. Later during the 1930s the metal and textile industries grew a lot, though Finland remained a very agrarian state. The first commercial bank was established in the 1860¹⁷. The electrical engineering industry’s roots in Finland go back to the late 19th century, when Gottfried Strömberg built his first generators and electric motors. The company is now a part of the Asea Brown Boveri Group. In addition Instru, Vaisala and Neles (now part of Metso) have started to develop on the same time. Kone and KCI Konecrans was founded 1910 as a sector of Strömberg, under the ownership of the Herlin family. The main products are elevators and escalators and it is now one of the leading companies in this area in the world.

After the Civil War, Finnish political life started to develop. The atmosphere of the political discussion was to find peaceful solutions for the development of the new state. However, bitterness about the position of the poor people was present. In any way the first parliaments of Finland included both “The Reds” and “The Whites” as well as women and men. The development of society led to the development of the industrial and business life. For example in 1917 all residents of the municipalities got universal right to vote and be eligible for election, when s/he was 21 years old. Finnish citizens re-

¹⁶ Ibidem; B. Nøkleby, op. cit, p. 293.

¹⁷ Piihlanti K.-M., *The Structural Changes of Corporate Networks in Finland, 1900–1940*, 2011, p. 1.

ceived principle of equality in 1919 by the Constitution Act. Of course, this was not true in the everyday life¹⁸.

Immediately after the independence in 1917 the first state-owned industrial companies were created. These companies worked mainly in the wood processing and metal industries. In addition some foreign entrepreneurs, coming mainly from other Nordic states and U.K, started established their business in Finland.

According to Piilahti¹⁹ after the World War I, Finnish business life can be described as “selective liberalism”. This means that national acts on behalf of business were accepted in the parliament. Interesting issue is that the role of language influenced a lot in the business life. Many leading business families have Swedish or German roots. This created difficulties between Finnish and Swedish speaking people. On the some level this “fight” continues in 2,000, for example the whether to teach Swedish language as compulsory second official language of Finland was raised.

Coming back to Finland in 1917, there were three major international forest corporations, Stora-Enso, UPM and M-Real (Ahlström). Forests in Finland were mainly owned by private farmers. The forest industry includes paper mills, plywood manufacture, wood processing for the packaging industry, furniture companies like ISKU, Artek (the famous planner Alvar Aalto), forest machinery and consult services, for example Jaakko Pöyry.

The engineering company Wärtsilä, established in 1834, is today one of the world’s leading producer of large diesel engines. Assa Abloy is global leader in the manufacture of locks and locking systems. This company started as a part of Wärtsilä.

A leading company for producing metal products is Fiskars. It was founded in 1649, and is now part of the global Glaston Group, a leading manufacture of glassmaking machinery. Metallurgy has also long roots in Finnish society. The most famous is the state owned company named Outokumpu. It is well known for developing the flash smelting process for copper pipe manufacturing. Its roots are in the City of Outokumpu. Mining work today is significant in Finland, for example in Kemi, Polvijärvi and Ilomantsi.

The co-operative movement grounded in Finland during the 19th and 20th century. The central co-operative bank, co-operative society SOK (in 1903) and Hankkija (in 1905) was founded. These organisations are still working in Finland. Swedish speaking noble background men started entrepreneurship²⁰. However I argue against Piilahti (2011) study, women’s suffrage did not weaken the political or financial status of businessman. Women’s suffrage was needed in Finland for having better life conditions for families.

The common proverb at that time (1900) was “Swedes we are not, Russians we will not become, so let us be Finns.” The Communist revolution of October 1917 enabled the Finnish senate to declare independence on 6 December 1917. Independent Finland was accepted by the Soviet Union one month later. January 18th of 1918 started the Civil War, called also as Independent War. There were two kinds of troops: White Guard and Red Guard. White Guard, Finnish nationalist and upper-class people was supported by

¹⁸ M. Pohls, op. cit., p. 73. A. Moring (Ed.), *Sukupuolen politiikka. Naisten äänioikeuden 100 vuotta Suomessa*, Otava, Helsinki 2006.

¹⁹ K.-M. Piilahti, op. cit., p. 2–3, 13.

²⁰ Ibidem.

Germany and led by Marshal Carl Gustav Emil Mannerheim. Red Guard was supported by Russian troops and Finnish workers. About 30000 people were killed, mainly Red ones, even children in the prison camps. The United Kingdom joined the war so that there were so called Kings Reds in Finland. They fight against Germany with Red ones mainly on the area of eastern Karelia (nowadays a part of Russia), Eastern part of Finland, Lapland and Petsamo. These groups succeeded well, however the White troops won the war. The Whites wanted the German king to become Finland's head of state, but this idea was dropped in the negotiations of the New State. Finland chose a republican state model. Relations between Russia and Finland were normalised by the agreement of the Treaty of Tartu 1920.

Civil Society and Welfare State

The idea of civil society has long roots in the western political thinking. In this article the concept of civil society is a common term of all societies. Under that there are the terms like welfare state and welfare society. In this article the term of civil society is seen as critical political thinking of societies including western and eastern styles of societies. It discusses connection between civil life, democracy, state, social movement and citizens in all aspects of life²¹.

The Development of Civil Society and Welfare State has been multiphasale as has the development of active citizenship. In Finland the development has been rather different in the southern, eastern and western parts of Finland. According to Anttonen²² the Nordic Model of welfare state has focused on work, family issues, labour relations, gender equality and marginalized groups such as women have become a part of social policy contract. As a part of this social concept the term of 'social/active citizenship' was used in the Finnish context²³. In addition women's active citizenship has received influenced by the notion of social motherhoods connected to social rights²⁴. This means being "a mother" for someone without being "a real mother". By other words it means work for example in the day-care centres and schools for children. It means also equal rights and responsibilities between women and men in the society based on the ideology of welfare state.

As earlier discussed Finland suffered from the wars between Sweden and Russia. In the 19th Century, the Czar of Russia was also the Grand Dukes of Finland. He allowed wide-ranging autonomy for Finland. This resulted into the development of the civil society, business life and industry. It also helped Finnish nationalism, which became a powerful movement early in the 19th century. Philosophy J. V. Snellman promoted the Finnish language, though he had a Swedish language family background. Elias Lönnrot collected

²¹ See more J.L. Cohen, A. Arato, *Civil Society and Political Theory*, Massachusetts Institute of Technology, 1992, http://books.google.pl/books?id=gPvk-eE7t0IC&printsec=frontcover&hl=pl&source=gbs_at_b#v=onepage&q&f=false, [14.12.2014]; M.W. Foley, B. Edwards, *The Paradox of Civil Society*, "Journal of Democracy", Vol. 7(3), 1996, p. 38–52.

²² A. Anttonen, *Vocabularies of Citizenship and Gender*, "Critical Social Policy", 18(13) 56, 1998, p. 355–372.

²³ P. Ahponen, P. Jukarainen (eds.), *Tearing Down Curtain, Opening the Gates, Northern Boundaries in Change*, Jyväskylä University Printing House, Jyväskylä 2000.

²⁴ A. Anttonen, op. cit., p. 361–363.

national stories for the epic Kalevala and J.L. Runeberg wrote poets. Jean Sibelius was inspired by the Civil War and independence of Finland, so that even nowadays you can listen to Finland national anthem in the Olympic games, if some Finns will have metals.

Bibliography

Ahponen P., Jukarainen P. (eds.), *Tearing Down Curtain, Opening the Gates, Northern Boundaries in Change*, Jyväskylä University Printing House, Jyväskylä 2000.

Anttonen A., *Vocabularies of Citizenship and Gender*, “Critical Social Policy”, 18 (13), 1998.

Aro P., Hentilä M.-L., Nissinen I. (eds.), *Työläisnaisen tarina*, Hakapaino, Helsinki 1995.

Aronson P., *Local Politics – The Invisible Political Culture*, [in:] Ø. Sørensen, B. Stråth (eds.), *The Cultural Construction of Norden*, Scandinavian University Press, Oslo 1997.

Cohen J.L., Arato A., *Civil Society and Political Theory*, Massachusetts Institute of Technology, 1992, http://books.google.pl/books?id=gPvk-eE7t0IC&printsec=frontcover&hl=pl&source=gbs_atb#v=onepage&q&f=false, [14.12.2014].

Esping-Andersen G. (ed.), *Social Foundation of Postindustrial Economies*, Oxford University Press, Oxford 1999.

Esping-Andersen G. (ed.), *Welfare State in Transition. National Adaption in Global Economies*, Sage Publication, London 2001.

Foley M.W., Edwards B., *The Paradox of Civil Society*, “Journal of Democracy”, Vol. 7(3), 1996, p. 38–52.

Kalavainen M. et all, *Naisen työ – sosialidemokraattinen naisliike 80-vuotta*, Kansan Voima, Joensuu 1980.

Korpi-Tommola A., *Education – The Road to Work and Equality*, [in:] M. Manninen, P. Setälä (eds.), *The Lady with the Bow. The Story of Finnish Women*, Otava Publishing, Helsinki 1990.

Kuntalaki 17.3.1995/365. (The Municipal Act)

Läheemäki M., *Vuosisadan naisliike. Naiset ja sosialidemokratia 1900-luvun Suomessa*, Hakapaino, Helsinki 2000.

Laine M., *Access to Finnish Public Law*, WSOY, Helsinki 2006.

Manninen M., *Finnish Women's Opportunities before the 19th Century*, [in:] M. Manninen, P. Setälä (eds.), *The Lady with the Bow. The Story of Finnish Women*, Otava Publishing, Helsinki 1990.

Markkola P., *Women in Rural Society in the 19th and 20th Centuries*, [in:] M. Manninen, P. Setälä (eds.), *The Lady with the Bow. The Story of Finnish Women*, Otava Publishing, Helsinki 1990.

Moring A. (ed.), *Sukupuolen politiikka. Naisten äänioikeuden 100 vuotta Suomessa*, Otava Publishing, Helsinki 2006.

Nøkleby B., *Nordic Chronology*, [in:] Ø. Sørensen, B. Stråth (eds.), *The Cultural Construction of Norden*, Scandinavian University Press, Oslo 1997.

Perustuslaki 11.6.1999/731.

Piilhti K.-M., *The Structural Changes of Corporate Networks in Finland, 1900–1940*, 2011.

Pohls M., *Women's Work in Finland 1870–1940*, [in:] M. Manninen, P. Setälä (eds.), *The Lady with the Bow. The Story of Finnish Women*, Otava Publishing, Helsinki 1990.

Schimank U., *The Fragile Constitution of Contemporary Welfare Societies: A Derailed Functional Antagonism between Capitalism and Democracy*, Univesität Bremen, 2012, http://www.welfare-societies.com/uploads/file/WelfareSocietiesWorkingPaper-No1_Schimank.pdf, [05.01.2013].

Seligman A.B., *The Idea of Civil Society*, Princeton Univeristy Press, Chichester 1995.

Stenius H., *The Good Life Is a Life of Conformity: The Impact of the Lutheran Tradition on Nordic Political Culture*, [in:] Ø. Sørensen, B. Stråth (eds.), *The Cultural Construction of Norden*, Scandinavian University Press, Oslo 1997.

Sulkunen, I., *The Mobilisation of Women and the Birth of Civil Society*, [in:] M. Manninen, P. Setälä (eds.), *The Lady with the Bow. The Story of Finnish Women*, Otava Publishing, Helsinki 1990.

Vattula K., *From a domestic to an office worker – women's participation in work 1880–1940*, [in:] Kun yhteiskunta muuttuu (When the Society is transforming), 1981. <https://helda.helsinki.fi/bitstream/handle/10224/3532/vattula63-90.pdf?sequence=>, [05.01.2014].

Streszczenie

Rozwój fińskiego społeczeństwa dobrobytu i życia gospodarczego

Artykuł przedstawia rozwój fińskiego społeczeństwa dobrobytu i życia gospodarczego w latach 1880–1940. Główną ideą jest ukazanie rozwoju Finlandii i przeobrażenia ze społeczeństwa rolniczego w społeczeństwo przemysłowe. Teoretycznym punktem wyjścia jest rozwój społeczno-historyczny i gospodarczy państwa. Finlandia była częścią Królestwa Szwecji (1150–1809) i Imperium Rosyjskiego (1809–1917), uzyskała niepodległość w 1917 roku. Industrializacja kraju rozpoczęła się w jednak wcześniej, już w połowie XIX wieku. Infrastruktura przemysłowa w tym czasie rozwijała się szybko, głównie przemysł drzewny, przetwórstwo i przemysł włókienniczy, metalurgiczny. Wzrostowi przemysłowemu sprzyjał także rozwój samorządu terytorialnego i administracji państwowej.

Słowa kluczowe: społeczeństwo dobrobytu, wojna, gospodarka, rozwój.