

**Social Cohesion, Innovation System,
Learning Society, and Lifestyle: Decoding Happiness
Infrastructure from Scandinavian Experiences**

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SOCIAL COHESION, INNOVATION SYSTEM, LEARNING SOCIETY, AND LIFESTYLE: DECODING OF HAPPINESS INFRASTRUCTURE FROM SCANDINAVIAN EXPERIENCES

By

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ABSTRACT

The paper is part of the results from Thailand Reform Programme (TRP) of Public Policy Development Office (PPDO). The focal areas are on the exploration of paradigms and platforms, which are generally considered as key infrastructures to leverage an evolutionary path of people's happiness in Scandinavia. The region illustrates the achievement in both exceptional high level of competitiveness and capability to sustain their living standard and happiness of people, which is evidently perceived in various international indices and recognition. In these particular aspects, three Scandinavian countries, Denmark, Norway and Sweden, are selected as case studies for good practices.

By applying, the exclusively developed diagnostic framework covering 5 key areas, including; socio-political system (government and policy), infrastructure (tangible and intangible), social process (participation and community), economic process (corporate dynamics and specialization), and individual/people (identity and creativity), we identify 4 critical aspects of Scandinavian model which relate to happiness infrastructure. There are social cohesion, innovation system, formation of learning society, and evolution of lifestyles. These aspects are shown to be crucial in assisting national system to interact with several aspects of globalisation. The paper, also investigates and gives examples of the way in which knowledge and other standard services in support of materialization and idealization of national happiness infrastructure may be provided.

It makes policy recommendations based on case studies' good practice. Finally, the paper proposes which role is most appropriately discharged and reformed by which governance level, from local to regional and from regional to national by proposing a capacity reconfiguration on Thai Happiness System.

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1. INTRODUCTION

Scandinavia has long history of relationship with Thailand. Denmark was the first, among the three, who sailed to Siam in 1621 with the first goods, fire gun. After that, Danish were allowed to trade in the kingdom. In 1770, the reign of King Taksin, Siam ordered a canon from the Danish Royal Asiatic Company. The Treaty of Friendship, Commerce and Navigation was then signed in 1858. Tracing back to the reign of King Rama V, the relationship between Thailand and Scandinavia was stronger due to the first royal visit to Europe of King Rama V in 1897 when he visited Denmark and Sweden. For Norway, he made an official visit in 1907.

Nowadays, Thailand and Scandinavian countries' economic relations are in forms of trade and tourisms. Thailand is one of the most popular tourist destinations for Scandinavians as the figure of Scandinavian tourists increase every year. The number of the tourists died during the tsunami disaster in December 2004 confirms this fact well with the figure as high as 500 of Swedes died in that incident. However, the number of Scandinavian tourists still has a significant share on Thai tourism market with its rapid growth rate of 6 percent in March 2005, only few months after the disaster. Thailand has been time to time awarded popular tourist attractions by the Scandinavian. In 2005, the increasing demand of travelling in Thailand prompted Thai Airways to increase direct flights from Stockholm to Bangkok from 4 flights a week to 5 flights in June 2005 and 6 flights in October. Moreover, from November 2005 onwards, there are direct flights from Copenhagen to Bangkok everyday.²

Sufficiency economy, initiated by His Majesty the King of Thailand, is a holistic concept of moderation and contentment. It sets out to shield the people and the country from adverse shocks, and acknowledges interdependency among people at all levels as an approach, against the backdrop of interdependence and globalization. It emphasizes the use of knowledge wisely with due consideration. Its values include integrity, diligence, harmlessness and sharing. Finally, it seeks to achieve balance and sustainability. Nowadays its application to the development process in Thailand as well as its application in daily lives and various activities at all levels have been widely accepted and implemented. In the auspicious occasions of the 60th years Anniversary Celebrations of His Majesty the King's Accession to the Throne in 2006 and the 80th years Celebration of His Majesty the King's Birthday in 2007, the PPDO brings the philosophy of His Majesty's Sufficiency economy into one of three policy research tracks, a socio-economic and

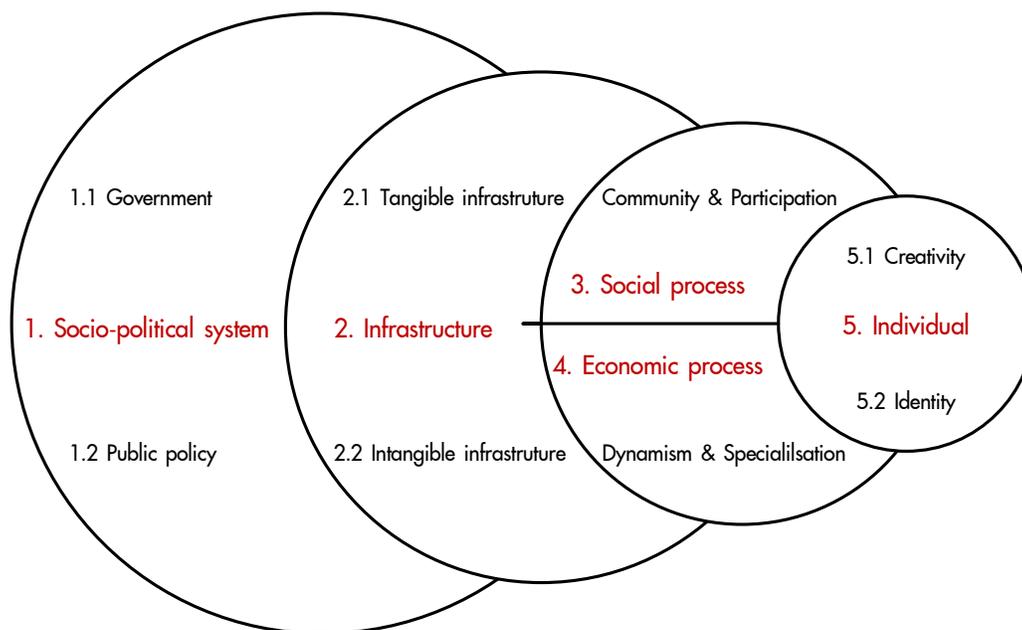
² Tourism Authority of Thailand, *"Tourism Situation Concerning Inbound Foreign Visitors in 2005"* [[http://www2.tat.or.th/stat/download/ind/2005%20Tourism%20Situation%20\(English\).doc](http://www2.tat.or.th/stat/download/ind/2005%20Tourism%20Situation%20(English).doc)], 30 June 2005.

political paradigm shift, in order to expand the horizon of new paradigm as an innovative public policy platform through a study of the selected international complementary approaches of long-term development.

Scandinavia illustrates the achievement in both exceptional high competitiveness and sustaining their living standard and happiness of people evidently perceived in various international indices and recognition. Under Thailand Reform Programme (TRP), Balancing Economic and Social Prosperities: Lessons from Scandinavian Model of Economic and Social Evolution Project can be considered as an attempt to explore an alternative channel toward a comprehensive development system that have been practicing a compassionated innovative policies to balance economic and social transformation toward more populace happiness approach. In this particular project, Denmark, Norway and Sweden, are selected to be case studies for good practices. This initiative will also reflect continuity in goodwill relationships between the Kingdom of Thailand and Kingdoms of Scandinavia through the understanding and sharing roadmap to better people policy development.

The project developed a diagnostic framework along the line to benchmark an utilisation of existing sets of information in 5 key layers, socio-political system (government and policy), Infrastructure (tangible and intangible), social process (participation and community), economic process (corporate dynamics and specialization), and individual/People (identity and creativity) (See Figure 1). The framework is designed to systemise a process of understanding of Scandinavian model evolution from the root of national philosophy level to individual level, in order to identify key success factors which could be develop to equip Thai system's development.

Figure 1: Framework for Scandinavian Model Analysis



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The diagnostic framework, to analyse a context of Scandinavian success in sustaining social development with economic prosperity, ranges from the macro level to the individual one. The layers in this framework are presenting in an onion ring shape for easy understanding. Each layer is interconnected to one another rather than isolated from each other.

The first layer, socio-political system, includes its key institution (government) and its instrument (public policy). The socio-political system influences the other four layers in many ways. First, it represents the responding role of the government on creating and maintaining tangible infrastructure (basic physical infrastructure such as water system and mass transportation) and intangible infrastructure (laws, regulations and other support of research and knowledge infrastructure). Second, it shapes both social and economic processes of a nation through a public policy rooted from a political belief of an administrative party in power. It ranges from neo-liberal market with high degree societal tolerance and diversity to extremely high degree of government intervention in both economic and social activities. Finally, it influences individual in determining what one can or cannot do and also provides basic requirements for one's quality of life.

The second layer is infrastructure. It ranges from roads, health service and education to intellectual properties management infrastructure. For individual, infrastructure gets influence in every aspects of life from health, education, investment to entertainment. The third layer, social process focuses on how people form a community and how a society draws participation from different groups of people. The value essential in this process are tolerance and social cohesion which are strong social capital possessed by the three Scandinavian countries. Economic process, the fourth layer concerns corporate dynamics and specialization which are sources of each country's economic driver and also the revenue for the state's expenditure on social equalizing and law and order maintenance. The last layer concentrates on personal identity and creativity of individual. This is to answer how people's lifestyle, value and cultural background conforms an unique characteristic of specific people group.

The article begins with utilising the above framework to describe the countries' identities, value, economic and social achievement, differences and similarities, and emerging trend for each dimension. Then, the following section discusses the four finding aspects that represent four critical aspects for Scandinavian success. The final part will discuss and conclude on what Thailand could learn and apply the lesson into local context and implementation.

2. THREE CROWN IDENTITY: THE HARMONEOUS DIFFERENCES:

Scandinavia is a region centred on the Scandinavian Peninsula in Northern Europe. It includes the three kingdoms of Denmark, Norway and Sweden, which have similar languages and have strongly influenced one another.³ The highlighted figures in Table 1, bounded by the above framework, are the selection of global indices in which the three Scandinavian countries are all ranked high, particularly on socio-political system, infrastructure and social process layers. According to figures in table 1, these three countries, Denmark, Norway, and Sweden, shares common foundation of strong health, environment, education and research systems, high level of human development and quality of living through an achievement on the integration of tangible infrastructure like roads or telephone lines and intangible infrastructure like knowledge and research management, social cohesion and competitiveness

³ Scandinavia also includes Faroe Islands and Greenland of Denmark.

Table 1: Selected Indices on Competitiveness and Happiness of Scandinavia

Indices	DK 	SE 	NO 
World Competitiveness Report 2006 (IMD)			
World Competitiveness Index 2006	5	14	12
— Economic Performance	31	28	20
— Government Efficiency	3	22	10
— Public Finance	5	29	23
— Institutional Framework	1	20	9
— Business Legislation	5	21	14
— Societal Framework	3	6	2
— Business Efficiency	3	12	16
— Management Practicess	1	7	11
— Health, Safety & Environmental Concerns	2	6	3
— Infrastructure	3	6	8
— Basic Infrastructure	10	25	4
— Urbanization	1	11	12
— Scientific Infrastructure	15	3	22
— Health and Environment	10	9	5
— Sustainable Development	2	5	8
— Quality of Life	4	15	5
— Education	2	4	8
Global Competitiveness Report 2006-2007 (World Economic Forum)			
Global Competitiveness Index 2006-2007	4	3	12
— Basic Requirements	1	7	6
— Institutions	2	12	6
— Infrastructure	5	9	19
— Macroeconomy	14	15	5
— Health and Primary Education	4	9	10
— Efficiency Enhancers	6	2	13
— Higher Education and Training	2	3	9
— Market Efficiency	6	19	16
— Technological Readiness	10	1	15
— Innovation Factors	7	5	21
— Business Sophistication	9	5	19
Human Development Report 2006 (UNDP)			
Human Development Index 2006	15	5	1
World Map of Happiness (University of Leicester)			
Quality of Life Index 2005 (The Economist Intelligence Unit)	9	5	3

Supposing these three Scandinavian countries as persons, they are healthy and well-educated. They share various similar values, life styles, system and infrastructure with different specialization and expertise. If Denmark is a person, he is a smart and lively merchant with high ability to adapt to the globalized world economy. Unlike Sweden, with enjoys big firms domination on their economy, Denmark economy mostly comprises of medium and small-sized firms seeking their business capability in form of competence clusters which are very efficient in the management of knowledge flow intra and inter-clusters and corporation in industrial-related clusters. Denmark is the hub of small but very international entrepreneurs. Very few Danish companies in logistics and transportation are internationally recognized; among the well-known corporate is Maersk. Danes love to travel and trade, a legacy of their seafaring heritage, this makes Denmark has a good business environment, high competitiveness and well-managed infrastructure especially higher education and training.

For Sweden, he is a techno-industrialist. This reflects from the ranking in figure 2 where

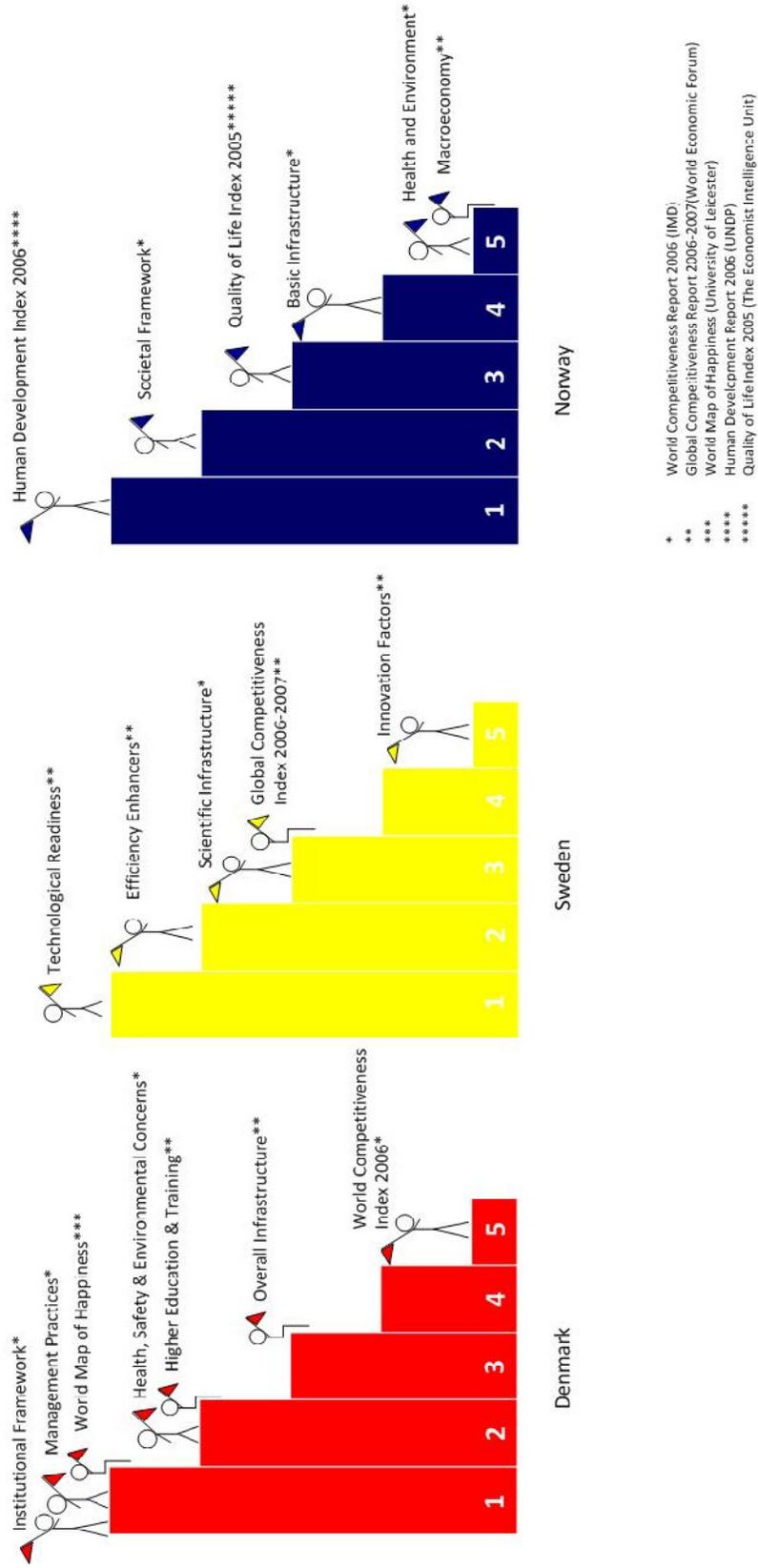
Sweden is the first runner for the sub-index on technological readiness which contributes to the global competitiveness index 2006-2007 where it is placed third of the world. Other sub-indices where Sweden are ranked high all concern innovation, science and technology. Its innovation and technology have highly been transferred for industrial usage which shifts many Swedish firms from natural-resource-intensive to knowledge-intensive such as ABB, Scania, Ericsson and SAAB.

It is internationally recognized as one of the highest R&D payers of the world with 2.9% of its GDP spent for R&D in 2005. The development as a knowledge-based country constitutes one of the most desirable goals of Swedish government. The roles of the government in this aspect include subsidy for the creation of new knowledge and support for professors to do more researches in order to better their teaching quality.

Norway is a high-technology agriculturist. The country has abundant natural resources, especially crude oil. Compared with other two Scandinavian brothers, Norway is the youngest brother with less industrial-intensive economy. Internationally, Norway has been cited for its concentration on human and social development. It enjoys high rate of woman's social participation equality, broad health system provided by the state, stability of high living standard, close-to-nature lifestyle and green environment which stable its recognition as the most livable country of the world by the UNDP Human Development Report 2006.

3. SCANDINAVIAN MODEL:

Figure 2: Selected World Rankings Achievement of Scandinavia (2006/07)



From foreign eyes, Scandinavian model represents the distinguished welfare model of which the Scandinavian organises and finance their social security systems, health services and education. Scandinavian model is built on Lutheran values that benefits should be given to all citizens who fulfill the conditions, without regard to employment or family situation.

“Everyone among the equal” is universal values of the contemporary Scandinavia. The equality of the Scandinavian model is achieved by high taxation of the greatest earners. This tax system is known as “egalitarianism”, and it results in Sweden. The Scandinavian welfare model is accompanied by a taxation system which has both a broad basis of taxation and a high taxation burden in order to maintain more generous and greater redistribution of social services than other European neighbourhoods.

The Scandinavian model is generally more decentralized than the Continental European model, focusing more on local governance. The simple and comprehensive model is undertaken by the State or local authorities (Commune) and only to a limited extent by individuals, families, churches or national welfare organisations. In addition, the benefits are given to the individual, as such individualism can be another Scandinavian identity; i.e. married women have rights independently of their husbands.

Denmark and Norway have the least income disparity in the world. The "Swedish Model", has a highly developed and government-funded welfare state that provides generous unemployment benefits. Job regulation has been relatively high, and still is in Sweden, for example, where it is difficult to be fired. However, this causes inflexibility in the globalised economy. With the taxes as a tool, an equalisation of income is achieved so that everyone has the necessary material framework for living a reasonable life.

According to the lyrics from the song by N.F.S. Grundtvig, the clergyman, author and politician (1783-1872), “Few have too much and fewer too little” represent “the Danish Model”. In Denmark and the rest of Scandinavia, 33% of the taxes (2005) are paid back to the citizens as transfer income and that the public sector is so large that it accounts for 30% (2005) of all employees. According to Victor Andersen, the Danish freelance journalist, The Danes has no spirit of revolt against the tax burden in Denmark, although it was 50.1% in 2005 and thus one of the highest in the world. The people notice that they are getting something for their money – in addition to the transfer income, also virtually free education and free medical and hospital services. Moreover, the ideological debate about whether the public sector should become smaller or larger in relation to the private sector has almost disappeared.

3.1 SOCIO-POLITICAL SYSTEM

The region has a long history of democratic rule and is today ranked high on the list of countries in the world where democracy is most successful. Scandinavian political philosophy is based on social democratic school and Lutheran belief. Like all democratic nations, Scandinavian political framework is laid on constitution. All of three Scandinavian nations are governed under constitutional hereditary monarchy. In practice, the monarch's role is symbolic and representative. The degree of decentralisation in Scandinavia is relatively high. In addition to the central state administration, it was divided at a regional level (counties) plus the metropolitan areas for big cities and at a local level as municipalities or commune. Both counties and municipalities were led by an elected council headed by a mayor chosen by the council. The political parties in Scandinavia are formed on the basis of the economic, social and ideological divisions.

In Denmark, no single party has had a majority in the Danish Parliament (Folketing) since 1909. Most Danish governments have been minority governments consisting of one or more parties. Interestingly, there had been stability in the distribution of seats between the right-wing and left-wing block in the Folketing and it had been difficult to determine which political block/side was able to form a majority and therefore also which party was in power. The 1970's was the political volatility period; the general election in 1973 dramatically changed the party system. Three newly established parties - Christian People's Party (Kristeligt Folkeparti, founded 1970,⁴ The Progress Party (Fremskridtspartiet, founded 1972), and The Centre Democratic Party (Centrum-Demokraterne, founded 1973) won over the four incumbent parties, while the two political veterans were back to the political arena; The Danish Communist Party (Danmarks Kommunistiske Parti, founded 1920) and The Single Tax Party (Retsforbundet, founded 1919) The Danish parliament (Folketing). The 1980s was the time of the right-wing conservative administration led by Poul Schlüter (b.1929). Between 1994 and 2001, the central left-wing side, the social democratic parties, under The Social Democratic Party under Poul Nyrup Rasmussen,

In Denmark, the participatory rate from local election was around 70% and the trend was towards displacement of the local non-party lists by the national political parties.⁵ For example, the counties in Denmark were abolished and replaced by five regions led by an elected regional council without authority to levy taxes and with health services and regional development as their main tasks. The 271 local authorities were merged into 98, led by an elected primary council

⁴ from 2003 called The Christian Democratic Party (Kristendemokraterne)

⁵ In 2004-2005, the Folketing passed a structural reform, which radically changed the local administration map and the distribution of tasks and burdens between state, region and municipalities.

with the authority to levy taxes and with day-care institutions, elementary schools, care for the elderly, culture, environment and roads among their main tasks.

Political Hi-light

“In Denmark, elections for regional and primary councils take place every four years. Elections cannot be called at other times. As political conflicts thus cannot be resolved by appealing to the electorate, cross-party collaboration and a consensus policy are usually a necessity.”

The contemporary socio-political system in Scandinavia is shifting from the traditional ties between party and social class into a more loosened and more complex system, likewise crumbled.

3.2 INFRASTRUCTURE

Regarding the world competitiveness sub-indices in table 1, it can be said that all three Scandinavian countries have strong infrastructure, following by their high performance ranked the third, the sixth and the eighth of the world for Denmark, Sweden and Norway, respectively. Among the three, Norway is best for its basic infrastructure, particularly in health and environment while Sweden is placed highest for its scientific infrastructure and Denmark for its urbanization, sustainable development, quality of life and education.

International indices concerning quality of life and happiness mostly take three main factors into account: economic status, education and health. The three neighbors are always ranked high since they perform efficiently in all these factors. In other words, they are highly competitive while able to maintain the high living standards of their people. Infrastructure has played important roles for their internationally-recognized success as it enables public and private actors to run the economy efficiently and better people's quality of life in forms of education, health and environment, etc. Drawing from the rankings, Denmark, Sweden and Norway are well-equipped with both tangible and intangible infrastructure. Instead of illustrating each Scandinavian country's overall infrastructure, the case of Öresund region would be a good example of how Scandinavia manages its complete infrastructure.

Öresund is established as a transnational region located by the shores of Öresund strait with Sweden's Skane County on the east and Denmark's island of Zealand on the west. The two coasts are connected by the Öresund Bridge. The population is 3.6 million with 150,000 students,

14,000 researchers and 50,000 employees in public and private R&D. There are 14 universities and 7 science parks in Öresund. Its complete infrastructure attracts approximately 14,000 new companies every year. The region has been the hub for the creation and commercialization of innovation with well-developed systems for supporting innovators and entrepreneurs in every aspect from their start.

Physical infrastructure is well-provided. It has now gone beyond the topic of transportation within the region or communication technology to office space, conference rooms and reception services provided by the incubators and science parks for the business newcomers. Many organizations located in both side of the region are created to help innovators and entrepreneurs from funding, business counseling, legal advice to intellectual protection and management.

The environment of fully-equipped infrastructure has become strong base for the region's innovation system. Öresund's innovation system portrays an effective performance of the triple helix: public institution, business and universities. With the large amount of researchers, business is surrounded with pools of knowledge and innovative methods. The transfer of knowledge between universities and business develops under the structure of innovation-related governmental institution (such as state's institution subsidizing R&D) and appropriate environment (creation of science parks and technology parks as consultants for business).

3.3 SOCIAL PROCESS

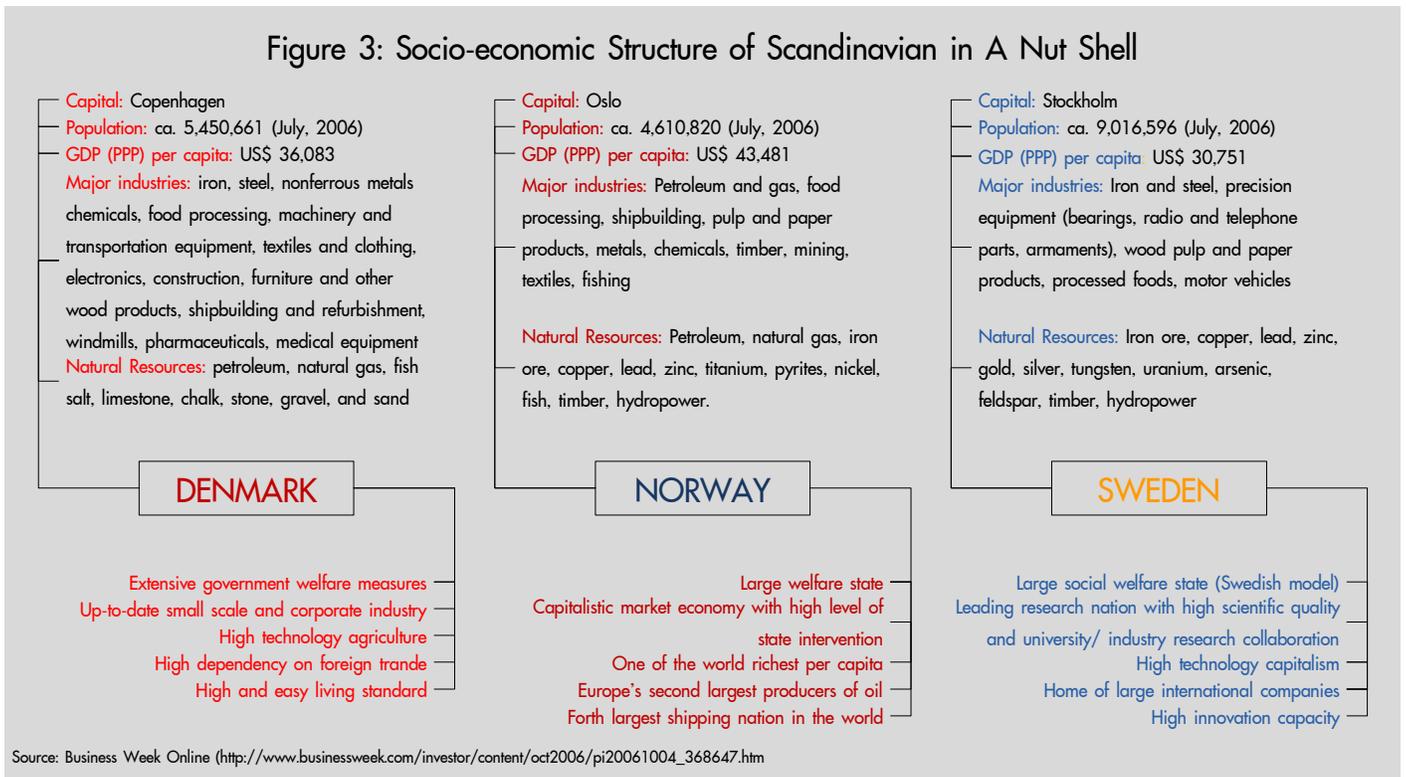
One way to illustrate on community and participation process in Scandinavia, in the second half of century Danish and the other two Scandinavian societies went through a dramatic transformation. The traditional export markets for vegetable products were collapsed. Production in Denmark had to be changed toward animal products, while in Sweden for forestry and mining. This dramatic transformation was to a high degree self-organised in collaboration between small independent farmers. It found its ideological support in the ideas of the popular priest Grundtvig. Grundtvig initiated the "folkhøskole" (a school open to adults and aiming at general education but without exams or grading – organized locally but with support from the state". The main objective was to educate farmers and to give them self-confidence. One major indirect outcome was the formation of strong democratic and decentralized producer co-operatives in dairy and meat production in Denmark and labour unions in Sweden.

This peculiar period of Scandinavian history is important in order to understand some of the current characteristics of the current Scandinavian model. It is reflected in the community and business structure as well as in the mode of individual. The fact that the most important export products in Denmark– dairy and meat products – and Norway – grain and fish - remains under

the control of farmer co-operatives explains why the basis for establishing big export-oriented firms in the core of manufacturing sectors was much weaker in Denmark than in for Sweden.

The high regard for decentralized general education and for learning, established in this period, is reflected in the mode of collective creativity and group consensus and in the organization of continuous education where the major role of the state is to support local initiatives.

Figure 3: Socio-economic Structure of Scandinavian in A Nut Shell



3.4 ECONOMIC PROCESS

The lessons from the history of economic transformation process in Denmark, Norway and Sweden indicate a remarkable achievement in poverty eradication, development of country specialization and dynamism.

Norway and Sweden were among the poorest countries in Europe 150 years ago, but today the countries are among the most developed economy in the world. Starting from the rapid industrialization process after 1870s, Sweden now enjoys a prominent position for leading raw material intensive industries and is transforming this engineering based economy into more weightless economic transaction since the beginning of an emergence of *Knowledge Economy* during the past decades (1990s). Interesting questions here are why was the industrial

breakthrough so fast, what explains the continuing prominence of raw material based sectors, what explains the emergence of the *Knowledge Economy* and what are the remaining weaknesses of Swedish economic process?

In the 1870s, the Danish economy was predominately agrarian and linked to the world economy mainly through its grain exports to UK. New competitor (Russia and USA) entered the British market and Danish grain was almost eliminated from that market. The Danish response to the result of agricultural disaster by reorientation of production from grain to pigs and cattle and gradually toward more processed products.

The rapid diffusion of technological innovation in Scandinavia can be seen from the introduction of economic treat and combination of community based learning. For example, the cream separator (a continuous centrifuge), which was to play a crucial role in making the dairy industry, was invented almost simultaneously in Sweden and Denmark in the 1870s by the co-operative farmers. This form of organization proved to be an efficient framework for the modernization of both primary agriculture and the secondary industry. The backyard innovator approach became the strong foundation of economic development in the three countries for the later century.

3.5 PEOPLE/INDIVIDUAL

It can be said that Scandinavians enjoy their lives. With the full infrastructure greatly provided by state, one is guaranteed proper medical treatment when sick, education as long as wanted, benefits during unemployment, child-care, etc. The success in redistribution of wealth has made these countries desirable social development model with its emphasis on human capital. This environment supports the high ranking of Denmark as the most happiness country in the world according to the World Map of Happiness, Sweden as the third-most competitiveness nation and Norway as the most livable place on earth.

Apart from the high living standards, the important value installed in Scandinavians is “individualism”. This renders them to enjoy life as long as it does not infringe others’ right. In making any decision affecting their lives, Scandinavians are allowed to enjoy as much freedom as they could. This can evidently be seen in teenagers’ decision to create their life path. Unlike Thailand where almost all middle-class youngsters further their bachelor right after high school and others who have financial obstacle enter the labour market, Scandinavian adolescents take pleasure in a break after high school. Most of them go traveling and working a short-term job in

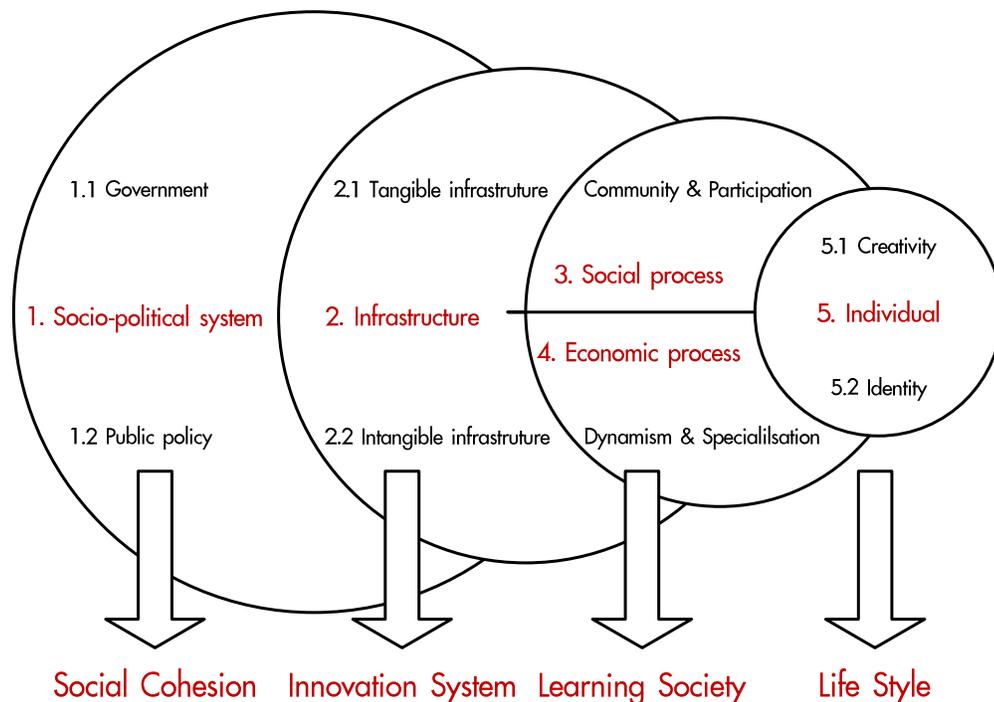
order to find their own goals of lives; some come up with appropriate courses for their bachelors and others choose to work longer before furthering their studies.

Moreover, they also enjoy high level of equality. Their contentment on equality means not only the distribution of income, but also embraces social equality especially women's right. The three countries are all placed high internationally for its wide social acceptance of women which can be seen in the high number of women taking important positions in both public and private sectors.

4. FOUR CRITICAL ASPECTS FOR SCANDINAVIAN SUCCESS: LESSONS AND IMPLICATION FOR THAILAND

There are four critical aspects for Scandinavian success according to the above discussion, social cohesion, innovation system, learning society, and life style (See figure 4).

Figure 4: The Scandinavian Model & Four Critical Aspects of Success



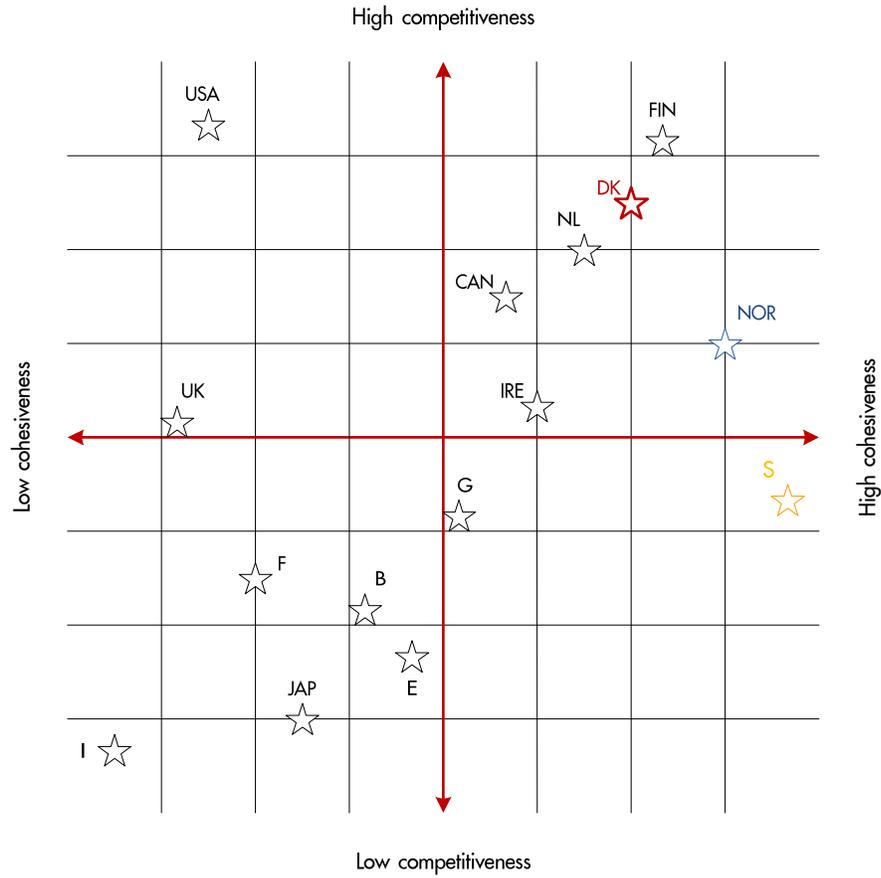
4.1 SOCIAL COHESION:

Social cohesion has been an enduring subject of inquiry and review for both sociologists and psychologists (Albert 1953, Bettenhausen 1991, Carron 1982, Cartwright 1968, Doreian & Fararo 1998, Drescher et al. 1985, Levine & Moreland 1990, and McPherson & Smith-Lovin 2002). In the Danish National Council for Competence's report (Mandag Morgen 1998, p. 28), a diagram which combined qualitative data from interviews about social relations with the IMD's evaluation of the competitiveness of several countries. Figure 5 shows the diagram and illustrates that most small countries in Europe combine social cohesion with being highly competitive. They are characterised by high scores on both competitiveness and cohesiveness.

The foundation of high cohesiveness in the Scandinavian countries is that they are small countries, social and political systems have been developed in such a way that the costs of the changing process are shared on the basis of solidarity principles. Sweden's low placement terms of competitiveness reflects an incoherent combination of a rigid system of labour market agreements, concentration on large-scale operations, and the extensive globalization of the largest Swedish firms. This can be debated that the existing mega-firms have led Sweden into the position that there is a lack of internal adaptation and the exodus of capital on a large scale (Mandag Morgen 1998, P. 14).

Cohesiveness is one important element of "social capital" has a great importance in the learning society, which we will elaborate later. An effective learning presupposes trust and co-operation. The small countries may remain inferior in some economic areas which tend to be dominated by formal knowledge, but on the other hand, they can penetrate in other knowledge-intensive areas rooted in interactive learning process. The key inductive reason to have high level of social cohesiveness in these small countries is to tackle the marginalization of those who have difficulty keeping up with the accelerated change caused by globalisation.

Figure 5: Competitiveness and Social Cohesiveness in Selected OECD Countries



Source: Mandag Morgen (1998), p. 28

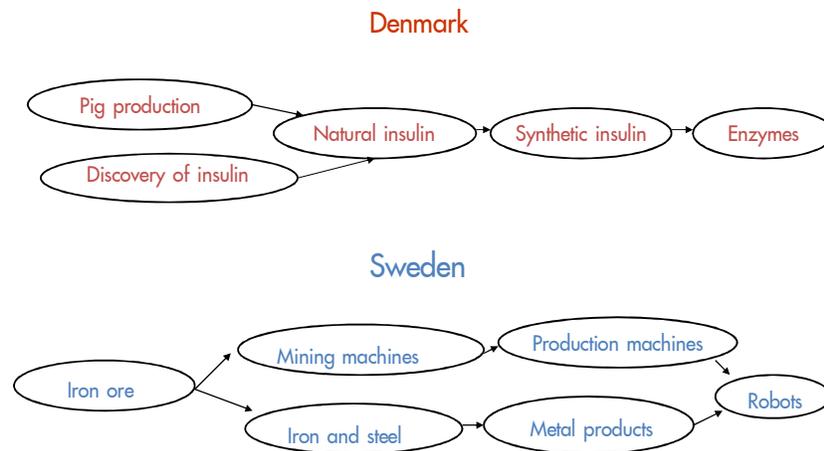
INNOVATION SYSTEM:

From non-European perspective, Scandinavia might seem almost the same, especially Denmark and Sweden, which have been almost recognized as identical. But the closer observation of Edquist and Lundvall (1999) brings a visible difference in to debate under the concept of innovation system. The concept has initially been developed in these small Northern European countries. Innovation System is “A *system of innovation* is constituted by elements and relationships which interact in the production, diffusion and use of new, and economically useful, knowledge” (Lundvall, 1992). These two Scandinavian, including Norway share difference characteristics (See Figure 2 and 3) and in the socio-institutional setup and that they have strong and deep roots in the economic and social histories of the three crowns.

Scandinavia enjoys a high capability of utilizing the Scandinavian high standard tangible and intangible infrastructures. Figure 5 illustrates how Denmark and Sweden accumulate their innovativeness from resources.

Denmark and Norway is low-technology specialization economy, while Sweden is specialized on medium-high technology economy. Denmark switched herself from grain producer into butter and meat producer. This reflects from the successful establishment of Danish agro-industrial complex, while Sweden has shifted herself from agriculture, forestry and mining toward engineering (forestry and mining still play significant role in Sweden). Norway has shifted herself from agriculture, fishery dominated country into key energy and high value food producer.

Figure 5: Evolution of Innovation in Denmark and Sweden



Source: Edquist, C. and Lundvall, B.-Å. (1993) 'Comparing the Danish and Swedish Systems of Innovation', in Nelson, R.R. (Ed.), *National Innovation Systems: A Comparative Analysis*. Oxford: Oxford University Press.

4.2 LEARNING SOCIETY:

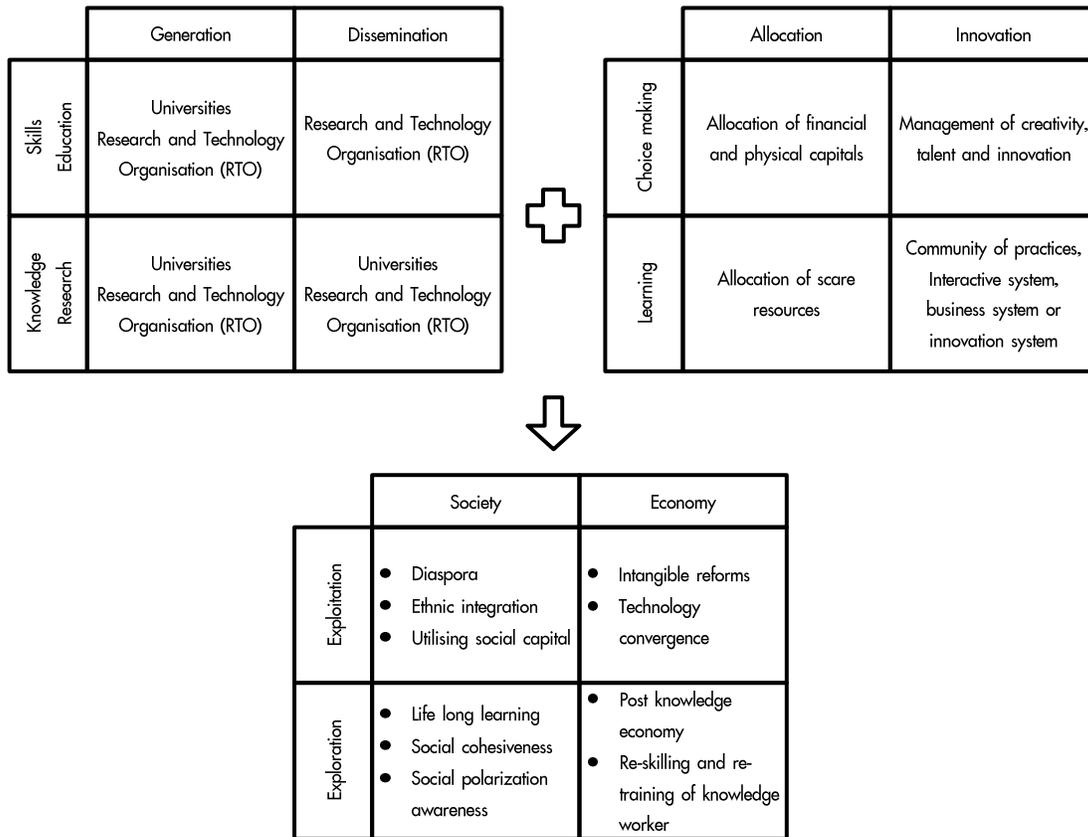
According to the UNDP, “capacity building” is defined as *the creation of an enabling environment with appropriate policy and legal frameworks, institutional development, including community participation (of women in particular), human resources development and strengthening of managerial systems*, adding that, *UNDP recognizes that capacity building is a long-term, continuing process, in which all stakeholders participate (ministries, local authorities, non-governmental organizations and water user groups, professional associations, academics and others* (UNDP, 1991).

The concept of absorptive capability building is not new. The recent popular “learning society” can be the step forward of this above concept. In Scandinavia, it should be recognised that some of the most important features have roots far back in history. The Scandinavian model is not any way the outcome of a planned political effort. In most instances its strengths, as well as its weaknesses, reflect unintended consequences of pragmatic policy, the impact of unique personalities and small historical events.

Figure 6 describes how Scandinavian utilise their assets through learning process. The left hand side 2x2 matrixes categorize of knowledge creating agents and process. (See Kokoo, 2006) There are two dimension of knowledge creation; research for frontier knowledge and diffusion of well-established knowledge to national human capital. The right hand side 2X2 matrixes illustrate how knowledge is utilised and applied (See Lundvall, 2005). Learning and choice making (management of capital) are the key facilitating mechanism in order to allocate and innovate. The bottom 2X2 matrixes illustrates how learning society and economy in Scandinavia look like.

The ambidextrous capability of Scandinavian system allows them to exploit and explore the intangible and tangible assets in both society and economy. In social aspect, learning to exploit the capability of new coming diaspora, reconcile with new comer cultural differences (social integration), and expanding the exploitability of social capital (new and old) one is the key challenging that Scandinavian is facing, while exploring the future of Scandinavian society is also important. In economy side, the Scandinavian illustrate remarkable learning capability through development of green, environmental friendly and energy saving technology, and well prepare for the uncertainty of internal and external changes.

Figure 6: Scandinavian Knowledge & Learning Model



Adapted from Lundvall, B-A. (2005) and Kokoo (

4.3 LIFE STYLES

Social scientists, economists, philosophers and political leaders have long emphasised human wellbeing as the sole purpose of economic development. A successful community is not that which has one wealthy member and the rest in poverty, but that one where all members of the community have succeeded in achieving a high standard of living and happiness. Uniqueness of the Scandinavian life style can be observed from the high standard of living, learning and education philosophy, and designs.

The Human Development Report (HDR) measures the wealth of nations by the standard of living of their population and considers several indexes related to life expectancy, education, economy and environment. Under the presumption that whether the national income of a nation is creating an environment for its people to enjoy a life with good health services, political freedoms, security against crime, greater access to education and a satisfying leisure time. The Scandinavian countries are overall the best countries to live in the world, according to the Human

Development Report, because of their high levels of education, democracy, income and public health.

The Scandinavian countries have always performed very well in the United Nations' HDR, all figuring within the top 15 countries on the index. Since the beginning of the new millennium, Norway has become the best performing Nordic country in the report after ranking number one in since 2001 till 2006. In Norway, 99 percent of the population can read and write; there are 413 doctors per 100,000 citizens; the average life expectancy is 78.4 years, while Japan has the longest life expectancy with the average Japanese living up to of 81.3 years. Norway has also topped the lists for being among the most generous countries in the world in terms of foreign aid donations on a per capita basis, and for their green environmentally friendly policies. Emerging issues has been raised under the current high demand of aging and new family requirement of public services. The current discussion topics in Norway range among the waiting lists for medical care, the shortage of nursing homes and the cuts in police and school budgets.

Scandinavian countries are an egalitarian society; of the seventeen richest countries in the world, Sweden ranks first as having the fewest people living in poverty and the fewest illiterate people, while other rich countries such as the United States have the most, showing that stark inequality persists even in middle or high-income countries.

Education is one of the pillars of this egalitarian society; the free national education systems breed some of the most skilled workforce in the world. Moreover, when it comes to equality between women and men, all the three countries top the index and score again the highest; Norway takes the lead in terms of emancipation, followed by Sweden and Denmark.

Among a good expression of how Scandinavian live their life can be reflected from “the Scandinavian Design”. The idea that beautiful and functional everyday objects should not only be affordable to the rich and the powerful, but to all, is a core theme in the development of modernism, minimalism and functionalism, has coined into the post-WWII Scandinavian Design philosophy. The ideological background was the emergence of a particular Scandinavian form of social democracy in the 1950s, as well as the increased availability of new low-cost materials and methods for mass production. Much Scandinavian Design makes use of form-pressed wood, plastics, anodized or enamelled-aluminium or pressed steel. The Scandinavian design movement is characterised by a simple, uncomplicated designs, minimalism, stylisation, functionality, and low cost mass production.

The Scandinavian living standard and design has blended in and create a unique life style of individualistic and self sustained individual that interact under well structured and

generous social and economic infrastructure. This reflects the Scandinavian way of poverty eradication after the last century through human development, democracy, and community responsibility.

5. CONCLUSION:

In brief, Scandinavia in the eyes of distant observer is certainly perceivable as striking similarities of Denmark, Sweden and Norway. They shares very similar languages, with few legal difficulties limiting movements across the borders. They have the same right as the indigenous population to enter the labour market. In term of living standard, life-style, and consumption pattern, there do not seem to vary much between the three societies. The Scandinavian public sector is in charge of systems for education and health service, which are comparatively high quality. This is reflected in high tax rates and in having large public sector. The important factor of having such huge public sector has been the strong Social Democratic presence in the politics and the strong trade unions.⁶

All Scandinavian countries were industrial latecomers, while the current international rankings position the three in top tier performer in both social and economic benchmarking charts. In general, they have been successful in exploiting technology and indigenous knowledge to stimulate social up-lifting and economic growth. Thus it is easy to understand why many distant observers would tend to perceive the three crown as one Scandinavia or Nordic.

However, within the co-existed overall aggregate performance, radical differences can be perceived. Denmark is small but international trader with cosmopolitan attitude, Sweden is research-oriented country with huge manufacturing technology enterprises and Norway is the natural resource rich with high standard of living.

The paper discussed that there are four pillars under the big Scandinavian success the Thailand should have a careful look on the possibility to adapt and utilize the experiences from these three Scandinavia friends. There are social cohesion, innovation system, learning society, and life style.

The first two factors can be considered as the policy instrument to cover the national reconciliation, harmonization, transparency, competitiveness and cohesiveness, decentralization

⁶ It should be noted that the Scandinavian political party membership has deep rooted of co-operative and trade union supports.

and equality issues, while the later two, learning society and life style, are the important factors to coin, direct and implement the first two grand designs into more efficient and coincided step.

The existing economic reform and innovation system in Thailand should learn from the Danish and Norwegian model in term of creating green development and blend in with the Sufficiency economy philosophy, while the on going social reform movement can learn from the development of health service, education and decentralization from the three. “Social technological innovation” will be an emerging issue among Thai to learn from our Viking friends.

The globalization in ICT application and tourism are creating pluralisation and individualization. This is very critical to Thai society and economy evolution. The lesson from the social and economic process, and life style in Scandinavia would shed a light for Thailand toward knowledge and post knowledge-based economy, as egalitarian society!?

How Thailand could re-structure its existing system to accommodate the 63 million people, how this develop affects individual and group paradigm shift, will it lead Thai society into the re-interpretation of happiness, how Thailand deal with globalization trends and how the public policy maker shift there role from “change agent” into “change maker” will be big future challenge.

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