

Mathias L. Pedersen & Jakob Christoffersen (eds.), *Nordic Countries. Economic, Political and Social Issues* (New York: Nova Science, 2012)

The book is somewhat tilted towards the presentation and analysis of economic issues within specific countries, rather than across the Nordic region. The reader is presented with a number of stimulating and topical country case studies that contributes useful background, insights and analysis on different aspects of Nordic economies and the Nordic welfare model. The chapters range from the very descriptive and general to papers with a high level of analytical and empirical sophistication. Some of the chapters require good knowledge of specific disciplines and their methodological approaches to be of real value, whereas others could be read and easily understood by any reader; e.g. a subset of chapters on Sweden and its international trade sector would likely appeal primarily to a targeted audience familiar with the tools of econometric analysis. Still, the book takes the reader through an interesting and stimulating journey through a variety of topical landscapes. For some readers the diversity in style and methodological approaches may be an unwanted distraction, whereas for others it does quite the contrary.

A connecting denominator across the chapters is the region: the Nordic region and the broad array of current issues, ranging from quality of childcare, occupational safety to highly theoretical issues surrounding the J-curve effect in commodity trade between Sweden and Germany, and the S-curve dynamics of commodity trade between Sweden and the United States, to mention a few.

The book is stimulating because of the variety of themes, and perhaps somewhat unique set of issues, and certainly from any standpoint an unlikely combination of topics. On the one hand, the book provides a good dose of stimulation, precisely because it is a somewhat unlikely combination of papers; yet at the same time it provides a certain degree of frustration – the theoretical and econometric papers take up a lot of space – and they are written by some of the same authors on similar topics, with a heavy focus on Sweden. There are three highly theoretical papers on Sweden's international trade, with some similarity among author teams; although impressive pieces of analytical works, this makes the structure and discussion unavoidably somewhat predictable, and some readers might feel tempted to skip ahead to the discussion and conclusion in those cases.

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Chapter 1, on “Denmark: Lessons from the Global Leader in Straw-to-Energy”, presents a discussion of the straw-to-energy technology in Denmark, and sets out to identify and analyze factors of Danish success in this field. The chapter and its case studies are highly descriptive and would probably have been more interesting and useful with more emphasis dedicated to analysis. The chapter is based on reports and publications on straw-to-energy, and a set of interviews. The chapter is unfortunately flooded with countless small details that tend to provide more confusion than clarification. This may be interesting for some readers who are specifically interested in this industry and in information on straw heating, while for others it makes it a challenge to get a sense of the main ideas the author wants to present or convey. A concise and not so surprising list of the major factors of Danish success in straw-to-energy is presented as part of the conclusion, including: political and financial support, nationally supported energy research, developed straw-to-energy technology. It might have been useful with a discussion of case studies structured more around highlighting these points. It clearly represents a powerful example of a Danish success story, but lacks concrete detail on how it can be duplicated in other places and across the Nordic region.

Chapter 2, on “Exchange-Rate Volatility and Sweden’s Trade with Germany: Evidence from Industry Data”, provides an impressive, well-focused and highly theoretical and empirical analysis of trade between Sweden and Germany using a large data set from 1997-2010. While interesting, on the down side, a large part of the chapter is dedicated purely to the presentation of econometric results. This structure may fail to capture the full attention of a broader audience. Also, the results are not that surprising, namely that small industries are more likely to be affected by exchange rate volatility, and that larger exporters in Germany are able to insulate themselves and hence experience less volatility – this through imperfect competition and various methods of hedging. The chapter might have benefited from a detailed elaboration of this not so surprising finding – e.g. a description of what types of imperfect competition are referred to. This would probably have made it a more interesting read.

Chapter 3, on “The Norwegian Quota Reform and the Fear of Incompetent Women”, is an interesting, well-researched and important piece of research on the gender representation on company boards in Norway. It employs a solid method and makes use of a sizeable sample size for the interviews, but the empirical work could have been elaborated on. The conclusion is not all that surprising: the results show that new women board members appear to be and are perceived to be as competent as other directors, and hence, the research rejects the

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human capital theory as an explanation for the low number of women directors prior to the reform of 2003 in Norway - when legislation was passed to specify gender representation on company boards. But one cannot help but want more detail and to ask: How does this compare to other places? Is this a general trend, or to what extent is it specific to the case of Norway and its changed legislation?

Chapter 4, entitled "Development of Quality in the Child Care in Denmark - Legislation, Culture and Daily Practices", discusses the factors that constitute quality in childcare in Denmark. The study presents a longer list of results rather than focusing on a smaller handful of results that could have been discussed in more detail. One of the many findings is the increased focus on centralized political goals, specific learning objectives, testing of children etc. since the new 2007 law in Denmark - and how this has negatively affected care in a number of areas. The findings are as important as the debate itself and they certainly raise a number of critical issues. Yet, it would have been more useful with some reference made to the rest of the Nordic region.

Chapter 5, on "The Ambivalent Mentality of a Lilliput Nation: Ethnic Relations and Intercultural Learning Among Danish International Workers", sets out to analyse what the authors refer to as a "paradox" of the difficulties of maintaining a small-scale welfare society despite the overwhelming forces of globalization. They go on to analyse how this "paradox" affects Danish international workers' abilities to manage internationally and learn from their foreign surroundings. One might question this "paradox". Is there really such a "paradox"? Also, the chapter makes a series of strong statements that seem poorly formulated, appear weakly substantiated and that need further support to be more convincing.

Chapter 6, entitled "Is There a J-Curve Effect in Commodity Trade between Sweden and Germany?", investigates the bilateral trade between Sweden and Germany by looking at 124 industries - a time series analysis for the period 1963-2009. The analysis finds little support for the J-curve effect, i.e. that a slow adjustment process after a currency depreciation leads to a deterioration of the trade balance. However, the study does find some evidence of a J-curve effect for a larger number of heavily traded commodities, which the authors suggest may be explained by larger industries being more sensitive to fluctuations in the Swedish krona. The chapter comes across as very methodologically sound, and the econometric

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approach and tests are appropriate. Since this is not a chapter in the journal *Econometrica*, what may be missing to make this of interest to a broader audience would be a more poignant explanation of the results in simple and plain words. What does this mean? What is the significance? What are the implications for the future of Swedish international trade? Without these more grounded considerations this chapter risks being of interest to a more narrow and specialized audience.

Chapter 7, on “Occupational Safety in Finland”, provides a useful and important review of research carried out in Finland related to occupational safety. One of the critical findings of the review is that bullying is a common phenomenon in Finnish workplaces, and that women and healthcare workers in particular are subjected to workplace violence. As an outsider one is likely to want to know more, i.e. how does this compare to other Nordic countries? Since the book is about Nordic countries, it would have been useful if some comparison had been drawn to other Nordic countries or cases. The lack of comparison makes the review slightly less interesting. Also, why has violence been increasing at the workplace? And how does this trend compare to other Nordic countries? If it is only a trend in Finland, what explains it? The literature list is comprehensive and useful for anyone who wishes to conduct research on issues of workplace safety and bullying.

Chapter 8, on “Co-operation between Finnish Authorities in the event of Animal Disease: A Rhetorical Comparison of Three Laws from Finnish Legislation”, analyses the hierarchy of authorities in animal health. Unfortunately, the chapter is not an easy read and the examples presented are not all that well explained. It is also somewhat unclear what the exact objective of the paper is and what the main conclusions are. Still, the issues raised are important, and the research seems to contribute to filling certain gaps in knowledge, and from this perspective it qualifies as a unique and welcome addition, albeit incomplete.

Chapter 9, on “The S-Curve Dynamics of Commodity Trade between Sweden and the United States”, discusses the S-curve effect. One cannot help but get a bit overwhelmed by the sheer volume of results, with up toward 12 pages of lists of trade figures and graphics. One cannot but wonder how useful those are to the average reader. They may be more confusing and only serve to distract from the real message of the research. This is the third chapter on Sweden and its trade sector. First there is a general analysis on exchange rate volatility, and

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then two chapters on the J-curve and the S-curve respectively. Could these chapters have been linked somehow, which might have made more sense - with a general introduction on Sweden and its international trade sector? The topic is interesting and stimulating, and as in the case of the two other chapters by this first author, it also appears very methodologically sound. Based on a large sample size and employing and using econometric techniques, the paper finds that there is evidence of an S-curve effect in half of the 92 industries surveyed. An interesting result is that for the largest industries in the empirical test (accounting for 50 percent of the trade between Sweden and the U.S.), evidence suggests that a real depreciation of the Swedish krona will increase international competitiveness in trade with the U.S.. Some discussion on what exactly this means might have been useful.

Chapter 10, on "Assessing Evidence of Swedish Cartel's Longevity: 1956-1993", presents an empirically sophisticated paper on the legal formal cartel contracts in Sweden with an examination of the structure and factors that determine their longevity. A historical and econometric analysis is presented using data for the period 1956 to 1993. It is empirically solid work and also highly theoretical. The regression results are perhaps not that surprising, but nevertheless interesting to study: for example, the results suggest that cartels are longer lived under horizontal and vertical restrictions than those that are organized under horizontal restrictions only. Results also suggest that the presence of effective regulation does not increase the longevity of cartels relative to those cartels where regulation is absent. It is found that cartels tend to break during downswings in foreign and domestic markets. The strength of this paper - as with the other papers in this book on foreign trade - is the empirical presentation. Unfortunately, common for all of them is that the discussion is limited. Given the nature of the book (and it is not an econometric journal article), one would have expected more in terms of a basic explanation of the empirical and regression results in view of the presumably relatively broad audience - and perhaps more on what these results mean for the Nordic countries in general, now and in the future.

I think it would have greatly enriched the book if there had been an attempt to synthesize and find or explore overarching themes or trends, and also, if efforts had been made within individual chapters to connect the conclusions to literature on other Nordic countries, and possibly to compare across national borders where appropriate. Some readers might be left wondering whether the results of the case studies are unique to the specific country investigated, or to what extent they are "Nordic", and if so, how and why.

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I would recommend this book to those readers who are interested in a broad range of issues and in particular those who are looking for a snapshot of a range of different and important topics in the Nordic countries. It is a stimulating and interesting book, and one comes away having learned something useful. Still, given the diversity of approaches and the thematic areas introduced, the book would have benefited from a concluding chapter highlighting some connecting points between the different thematic areas of the ten chapters, and maybe with a discussion of some overarching conclusions that can be drawn about Nordic society and welfare and its place in society. What lessons can non-Nordic countries learn from these case studies? To what extent are they success stories?

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