

Cold, wet, taxed and happy as hell



CHILLED: Taking a dip in an icy swimming hole in Helsinki. INSET: Snow in Finnish Lapland.

Picture: AP/JUSSI NUKARI

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LAST week I had cause to celebrate as my native country scored a win.

Finland topped the table in the annual United Nations happiness rankings for the first time, snatching the honour from Norway.

I sat on my back deck in shorts and a T-shirt as I raised a glass of Tasmanian wine.

I listened to the parrots and the wind shaking the gum trees and watched the sunset against the backdrop of Mt Wellington. I said cheers.

It is obvious to anyone who has been to Finland outside summer that climate plays no part in the happiness ranking.

Helsinki, my home city, endures long, dark winters that are very cold and, if not cold, they are very wet. Up north midwinter days are so short the sun does not make it above the horizon for weeks.

Neither has the ranking anything to do with jolliness or displays of happiness.

Compared to the Finns, even Brits are positively animated. Finns tend to prefer silence, and nowadays their smartphones, to small talk.

To me, Finland's winning score is all about one thing: fairness.

The Happiness Report is based on annual surveys that measure income, healthy life expectancy, social support, freedom, trust and generosity.

The surveys ask where people place themselves on a scale of zero to 10.

The results sound a little bit like the Winter Olympics: this year the order was Finland, Norway, Denmark, Iceland and Switzerland in the top five, followed by the Netherlands, Canada, New Zealand, Sweden and Australia.

The countries in the top 10 have been unchanged for the past three reports but the order has changed. For instance, this year Finland jumped from fifth to first,

On her Hobart deck, **Leena Lavonius** explains why she is grinning like a Finn

while Australia dropped from ninth to 10th.

While the rating differences between the top-10 countries are small, the pattern is clear.

The survey has been held every year since 2012. Only the Nordic countries and Switzerland have ever held the top spot, and the only other countries to make the top five are Canada and the Netherlands.

Since the Nordic countries are the consistent performers here, and they are very similar politically and culturally, it's easy to see traits that have taken them to the top.

They are wealthy, but there is more to happiness than that. It's not the amount of money, it's how it's used that matters.

As a proportion of gross domestic product in 2016, figures from the OECD show Denmark claimed the title of world taxing champion.

All up, the Danish state claimed back 45.9 per cent of its GDP in tax that year. It was followed in the tax table by France at 45.3 per cent while Finland and Sweden both were at 44.1 per cent, Norway at 38.1 and Iceland at 36.4.

The OECD list has no 2016 figure for Australia but in 2015 the country's total tax take was 28.2 per cent.

So what was the happiest country in that year's UN report? That's right, Denmark.

In Australian political debate the word tax is often followed by the word burden, and focus is on paying as little as possible. In the north of Europe the debate is on what to do with money collected.

The Nordic countries have fully earned their reputation as high-taxing — but their residents genuinely feel they

get value for money.

For instance, I know very few Finns who pay for private health insurance and no one pays big money for private schooling.

Child care is a public service with all kids guaranteed a place. Fees are higher for those earning more, but even the top rate is reasonable — after all, no one is making a profit. No wonder most parents work full time.

In any global comparison, the Finnish education system is ranked among the best and it involves no fees from preschool to postgraduates.

University students only pay for membership of the student union. And anyone of any age can go to university provided they get in.

Finland has a college system, where everyone must apply for places to do years 10 to 12. This means all secondary schools are properly funded — makes sense when parents cannot know which one is going to accept their kids.

This equality of opportunity lies at the heart of the Nordic model. Money simply does not buy success.

Naked self-interest plays a part: when wealthy people know they and their children will be using public services, it is in their interest to make sure the services are good.

In the case of Finland, history is also a factor. One hundred years ago the country was fighting a short but bloody civil war on whether to go down the Communist path or not. Later, after World War II, it lost a big slice of territory to the Soviet Union and had to resettle hundreds of thousands of displaced people. In the 1990s recession huge numbers



of people who had held good jobs were suddenly out of work.

The Nordic model understands that bad things can happen to good people and when they do, society has to help out.

It also accepts that some people will never contribute as much as others to the system.

Public services can't stop someone falling ill or losing a job or a relationship, but they can cushion the blow. Most importantly, they provide opportunities for everyone, not just those who can pay.

Australians often dismiss the Nordic model as tax hell, but as the rankings show, people there are consistently happier.

Meik Wiking, from the Happiness Research Institute — based in Denmark, where else — said last week that Finland's top ranking was remarkable as its GDP per capita is lower than that of its Nordic neighbours and much lower than in the US.

For 2017, the World Bank ranked Australia 18th in the world for GDP while Finland was 25th. "The Finns are good at converting wealth into wellbeing," Wiking said.

Cheers, Finland, I'll drink to that.

Leena Lavonius moved from Finland to Australia in the 2000s. She has worked as a news producer with the Mercury from 2008.

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