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Rural Cooperation and the Finnish Society. Past, Present and Future

La cooperación rural y la sociedad finlandesa.
Pasado, presente y futuro

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Specialised in rural socioeconomic questions at the Universities of Tampere and Turku he was recruited (in 1973) to research on agricultural and rural policy themes at the Marketing Research Institute of Pellervo Society and as a Research director of the Pellervo Economic Research PTT of Pellervo Society, one of the leading economic policy research institutions in Finland.

Tapani Köppä's publications cover such fields as cooperation, social economy and social policy, rural community studies, diffusion of innovations and social policy themes.

He is a member of the European Academy of Sciences and Arts and has been a member of numerous other scientific associations and advisory bodies of public policy.

pendiente (1917-). 4.1. El papel de las cooperativas. 4.2. Industrialización rural. 4.3. Guerras y reconstrucción. 4.4. Urbanización y reactivación rural. 4.5. Renovación de prácticas cooperativas. 4.6. Buscando características centrales de las actividades cooperativas.—5. A modo de conclusión: Repensar la economía de mercado, virar hacia un mundo en el que todos ganen.—Referencias.

Abstract: This essay deals with the importance of human cooperation for the development of societies and economies. The rural history of Finland offers rich material about the topic, including forms and applications of cooperation in economy and community life as well as the role of cooperation in the development of social institutions and fulfilling political goals. Historical continuum covers here 900 years, including Finland as part of Sweden (~1100-1808), as an autonomous Grand Duchy of Russian empire (1809-1917) and as an independent republic of Finland (1917-).

The author aims to provoke discussion about the social political importance of cooperation in general as win-win model recognising collective interests of people and balancing dominant individualistic view of man behind the rationality of mainstream competition economy. Long historical evidence of cooperative survival calls e.g. for continuing theoretical works like Nobelist **Elinor Ostrom's** path-breaking analyses of *the Commons* and to give deeper time perspective for comparative research interests around recent topics, like the role of social economy in different countries.

Relationships between cooperation and society can be recognised during history in changes of socio-political power relationships, applying of new technologies and re-organising community activities and economic exchange. An example with far-reaching consequences of these components in Finland was the period around the turn of 18th and 19th centuries. Market economy was replacing local subsistence economy, leaving traditional local means of livelihood in troubles. Rural poverty was critical social question needing measures to introduce new agricultural technologies and empowering poor peasants to self-help and extension organisations. Need to find access to larger markets for food and timber, including exporting, was also extremely important. Awareness of new European models of rural and agricultural cooperatives came into this context through influential pioneers, like **Hannes Gebhard**. After founding of Pellervo Society as central organisation of cooperation, the adoption and dissemination of cooperatives went on rapidly as an important component of Finnish small farm favouring agricultural policy.

Talkoot is an essential element of the Finnish rural cooperation. Initially talkoot has been applied in rural communities as voluntary and mutual exchange of work and equipment. This could respond to everyday needs, but has also been applied for the sake of solidarity, to help disadvantaged members of the community. Talkoot-practices were exploited also by authorities, obligating subjects collectively to cooperate for certain common responsibilities. As an example of talkoot potential of Finns in exceptional circumstances was the organising of voluntary acts in home front during the wars 1939 and 1941-45.

Keywords: win-win solutions, co-producing, commons, *talkoot* (Finnish, pl), cooperation, competition, social economy, subsistence vs. market economy.

Resumen: Este ensayo aborda la importancia de la cooperación humana para el desarrollo de las sociedades y las economías. La historia rural de Finlandia ofrece material rico sobre el tema, incluidas formas y aplicaciones de la cooperación en la economía y la vida comunitaria, así como el papel de la cooperación en el desarrollo de las instituciones sociales y el cumplimiento de objetivos políticos. El continuo histórico abarca aquí 900 años, incluyendo a Finlandia como parte de Suecia (~1100-1808), como Gran Ducado autónomo del imperio ruso (1809-1917) y como república independiente de Finlandia (1917-).

El autor pretende provocar un debate sobre la importancia sociopolítica de la cooperación en general como un modelo en el que todos ganan, reconociendo los intereses colectivos de las personas y equilibrando la visión individualista dominante del hombre detrás de la racionalidad de la economía de competencia dominante. Una larga evidencia histórica de llamadas de supervivencia cooperativa, p. por continuar con trabajos teóricos como los análisis innovadores de los comunes de la Nobel Elinor Ostrom y por brindar una perspectiva temporal más profunda para intereses de investigación comparada en torno a temas recientes, como el papel de la economía social en diferentes países.

Las relaciones entre cooperación y sociedad pueden reconocerse a lo largo de la historia en cambios de las relaciones de poder sociopolítico, aplicación de nuevas tecnologías y reorganización de las actividades comunitarias y del intercambio económico. Un ejemplo con consecuencias de gran alcance de estos componentes en Finlandia fue el período de finales del siglo XVIII y XIX. La economía de mercado estaba reemplazando a la economía de subsistencia local, dejando en problemas los medios de vida locales tradicionales. La pobreza rural era una cuestión social crítica que requería medidas para introducir nuevas tecnologías agrícolas y empoderar a los campesinos pobres para que participaran en organizaciones de extensión y autoayuda. También era extremadamente importante la necesidad de encontrar acceso a mercados más grandes para los alimentos y la madera, incluida la exportación. En este contexto surgió el conocimiento de los nuevos modelos europeos de cooperativas rurales y agrícolas a través de pioneros influyentes, como Hannes Gebhard. Después de la fundación de la Sociedad Pellervo como organización central de cooperación, la adopción y difusión de las cooperativas continuó rápidamente como un componente importante de la política agrícola finlandesa que favorece a las pequeñas explotaciones.

Talkoot es un elemento esencial de la cooperación rural finlandesa. Inicialmente, el talkoot se aplicó en comunidades rurales como intercambio voluntario y mutuo de trabajo y equipo. Esto podría responder a las necesidades cotidianas, pero también se ha aplicado por motivos de solidaridad, para ayudar a los miembros desfavorecidos de la comunidad. Las autoridades también explotaron las prácticas de talkoot, obligando a los sujetos a cooperar colectivamente en ciertas responsabilidades comunes. Un ejemplo del potencial hablador de los finlandeses en circunstancias excepcionales fue la organización de actos voluntarios en el frente interno durante las guerras de 1939 y 1941-45.

Palabras clave: soluciones beneficiosas para todos, coproducción, bienes comunes, talkoot (finlandés, pl), cooperación, competencia, economía social, economía de subsistencia versus economía de mercado.

1. Introduction

Cooperation plays a central role in the evolution of human societies. Finnish rural cooperation is presented here as an example of the survival of the very core of the cooperative behavioural model through periods of changing development stages: from hunting and fishing to agriculture with man and horse power to machinery and market economy, until industrial and knowledge societies of globalisation.

Finland was part of Sweden for about 700 years, 108 years under Russian rule, and has been an independent country for 104 years, and a member of The European Union as of 1995. Cooperation has needed to adapt into changing sociopolitical organisational settings. Changes have required learning of new win-win solutions regarding adoption of new technologies, responding to population growth as well as becoming accustomed with increasing complexity of social organisations.

Cooperation has been applied in all fields of life, from getting food, shelter and warmth as essentials of life as well as to organise community life and maintain its integrity as an actor connected with the growing size and complexity of the societies. Therefore, cooperation is understood in the broad meaning of the word in this essay. The main concern will be given to economic cooperation, but even there, the aims of cooperation and its contexts may be more or less intertwined with social needs, cultural life, political power, religious or ethical realms. The main contribution of this text might be the recognition of the importance of cooperation as a learning platform for win-win solutions to develop societies more peacefully towards the common future of mankind. Given the recent state of arts, the global hegemony of competitive market economy needs critical re-evaluation. Cooperation, belonging to the very core of human evolution must be recognized as an instrument to build a more sustainable world, ecologically, economically and socially.

In Finland, as also in general around the globe, the range of cooperation has reached from necessities of life and working to a multitude of shared experiences of people, following the seasons through the year, sharing common experiences of life, from weddings to funerals, sharing risks and solidarity in accidents. The needs of co-operation have been regular and widely shared.²

² Ability to cooperate has been a major means of survival for mankind since the very early phases of history, from gathering, hunting and fishing to nomade cultures and learning cultivation of land and breeding cattle in agricultural societies (cf. Kaltenborn, 2016; Wright, 1999).

2. Finland as part of Sweden (crusades -1809)

2.1. *Christinity and the role of the Church*

The Finnish tribal communities were joined to the Kingdom of Sweden between the 12th and 14th centuries. Finns were slowly converted to Christianity by Roman Catholic priests, partly voluntarily, partly forced by the sword of the conqueror. Contacts with the eastern Orthodox religion were characterised by recurrent border disputes between Sweden and Novgorod (Russia). In time, the wealth and political power of the Catholic Church of Sweden grew and led to power struggle between the State and the Church. King Gustav Vasa turned to reform the Church according to Central European reformatory ideas. In 1527 The Assembly of the Estates accepted the king's proposition, according to which Lutheran faith was to be preached in the whole Kingdom. Instead of Pope, King became the head of the Church in non-religious things. In Finland reformation meant, most importantly, translation of religious texts into Finnish. Bishop Mikael Agricola wrote the first Finnish ABC book for primary learning in 1543. For next centuries, the clergy got an important task to promote literacy among the common people.

2.2. *Resettlement and land ownership*

Swedish laws came into effect in Finland, like landowning rights to peasants, protecting them against misuse by big landowners, clergy and nobility. Populating of Finland from western and southern coasts towards large forest areas in east and north was strongly extended during 16th -17th centuries. The crown was interested to expand the realm's frontline and get more tax-payers from standing settlers. Forests were cleared for cultivation, and markets were opened to transport tar from far forests along the rivers to be exported for sailing ships. The majority of the country remained rural. Cities were established on the shore for military and administrative needs and trading purposes. Early ironworks colonies were established in rural areas.

Peasants got own land to clear for growing. Different kinds of cultivated village fields were gathered into plots and divided between peasants as parallel parcels so that everybody in the village got his or her part of better or worse land to cultivate. This practice led to a need of coordinating agricultural season's works, using common tools and work inputs. Forests, lakes and pastures around the villages were used

as *commons*. Those areas, owned by the crown were utilised by the village families together e.g. for their cattle, pigs and sheep. In eastern parts of Finland, settlement structure developed more dispersed because of the usual burn-clearing agriculture, meaning dividing of new cultivated land plots more separately by the families.

Creation of sustainable communities, and involving peasants into the State institutions meant different kinds of duties, pushing people to organise themselves, e.g. to maintain collectively roads and bridges, or caring of State or Church officials' travelling and lodging needs. There was a separate kind of tax paying introduced in 1620's to recruit and maintain reserve army. Peasants were organised in small groups responsible to equip and resettle one to couple of soldiers for reserve forces, called allotments (*ruotujakolaitos* in Finnish, *indelningsverket* in Swedish). This allotment system was enforced in stages in different parts of the country.

The Church relied on cooperative practices used by common people accompanying the secular power. The clergy had, e.g. primary responsibility on the teaching of literacy for the people. Parishioners were required to hold literacy learning circles jointly. Especially the meaning of work, diligence and love of fellow men as protestant civic virtues were instilled into the minds of common people. Seeds and tools for conscious national identity were sown already through these shared civic duty exercises.

New technologies were slowly changing collective agricultural practices. Modern methods, like horse shoeing and using iron made ploughs for plowing instead of wooden tools made possible to cultivate bigger plots faster. Individual aims of those eager to apply modern tools and practices met used-to-be ways of getting work done or crop reaped together. Shared spirit of conformity as cultural lag made diffusion of individualistic innovations slow in the villages.

2.3. *Towards modern land reform*

The crown was interested to increase food production to get more tax revenues and, in addition to export incomes, needed to fund growing administration needs, including high costs of the maintenance and rearmament of the army. Big crown manors and Church owned estates became pioneers of new agricultural practices and means to distribute innovations among peasants. Traditional ways of working changed, however, slowly. Land reform laws, implemented in 1742, gave means for a fundamental change to reconstruct rural settlements. Now each

farm was allowed to collect all its land plots around its own farm house, instead of leaving its fields as parcels among several joined field areas.

Implementing of the land reform took a long time, and in addition to changing borders between physical properties it had far-reaching consequences for the Finnish rural society during the 19th century, connected with turning from subsistence economy to money economy. It meant the disappearing of many traditional forms of rural cooperation, too, and creating motives and ways to several new forms of cooperation at the same time, however.

Traditional village life, dominated by the collective interests of producers and based on subsistence economy, could be called "*local social economy*" of those times. The land reform of 1742 cut the dependency of farm units to follow traditional village practices and organising work and planning planting collectively. The role of the clergy and nobility as estate owners was emphasised as model farmers to disperse new technologies and cultivation methods among peasants.

3. The era as a Grand Duchy of the Russian empire (1809-1917)

The map of Europe was re-drawn by the Napoleon wars during early years of the 19th century. This had epoch-making consequences to Finland, too. Napoleon agreed with Czar Alexander of Russia on military alliance against his enemy Gustav IV Adolf, King of Sweden. This led to Russian attack on Finland in 1808. After the war between Sweden and Russia, Finland was departed from Sweden and became part of Russia in 1809.

3.1. *From local subsistency to market exchange*

Until the late 19th century more than 90 % of Finns were living in the countryside. Equipment needed in agriculture or households was mostly prepared in village workshops by craftsmen or peasants themselves. In towns, people owned small plots to grow food and take care of cows, pigs or hen to ensure their daily food and livelihood. The small number of town people did not provide ground for economic growth, and poor peasants did not have money to modernise agricultural production.

Agricultural practices of rural villages adapted to the needs of economic change through land reforms. Transition from natural economy to monetary economy meant eradication of many previously flourishing cooperative practices. At the end of the 19th century, while markets were liberated, the peasants were left unprotected against the arbitrary

power of purchasers of timber and agricultural products. Rural poverty escalated to societal problems requiring solutions. Improving the situation of small farmers was seen as a task that could be influenced by means of economic cooperation.

The road from self-sufficient subsistence economy towards market economy accelerated in Finland from the 1870's on. Industrial production was fed by newly opened markets of sawmill products to Western Europe and increasing demands of food products to Russia. The size of factories grew and big companies surpassed handicraft workshops compared by productivity, not so much because of their capital outputs but their increasing workforce. Income streams from timber and foodstuff export sales found their ways into rural communities as money incomes from milk production and logging. This meant intertwining of export, industrial production, agriculture and forestry into market economic exchange, delivering work and income as small streams to the regions, occupational groups and social needs. The emerging market economy contributed to keeping the whole country inhabited while benefitting of this also itself.

3.2. *State and civil society*

Under Russian power, the autonomous Grand Duchy of Finland established during the 1800's its own Assembly of Estates, got own money, and Finnish was regarded as official language beside Swedish. An act of primary schooling came also into force. National identity was strengthened in the fields of higher education, literature and arts. Adult education was developed in the spirit of popular enlightenment in different schools around the country. This was especially important for recruiting committed leaders to later established agricultural and cooperative extension and development organisations.

During the late 19th century, numerous popular movements mobilised people, like religious revivalist movements, sports, temperance movement against corruption of morals, etc. Charitable associations were organised by socially conscious educated people. Cells of trade unions among industrial workers came into existence. The socialdemocratic party of Finland was established in 1899, followed by the Agrarian Party in 1907 and other political parties (like Finnish and Swedish Parties) were also organised during the first decades of the 20th century. The Assembly of Estates was replaced by a democratically elected parliament in 1906. The growth of popular movements on broad fronts gave birth to vital developments of the Finnish civil society and

social economy. It meant a quite natural response to re-organise social interaction on broader regional and popular basis, following the widening of everyday interests of people from local community affairs towards larger regional and social interests.

3.3. *Social question and birth of the modern Finnish cooperative movement*

In the beginning of 20th century, rural poverty, especially the hard situation of the landless people, was the most severe social problem of the country. Several statistical studies and empirical investigations were made, and reforms were prepared by officials, e.g. to improve the position of crofters. Reforms did not, however, come in force before the Civil War in 1918, shortly after the country had got independence.

The idea of farmers' cooperatives came to Finland just in the right time through researches made of some European experiences by Hannes and Hedvig Gebhard. They belonged to the front row of pioneering reformists pushing land reform, cooperation and organising of small-scale peasants. Hannes Gebhard suggested establishment of a central organisation as an economic association to take the responsibility of promoting the cooperative idea and caring for advice and coordination for established cooperatives nationwide. Pellervo Society was founded in 1899. It became the central organisation in first hand for agricultural producers' cooperatives, but was soon supplemented by the fast growing consumers' movement SOK (The Central Finnish Cooperative Society). Followed by the establishment of sectoral cooperative unions there began a boom of establishing cooperative bank associations, retail shops, dairies, slaughterhouses as well as agricultural small cooperatives in machinery, purchasing of equipment etc. Rural electricity, telephone and water cooperatives were also furthered by local communities, and forest owners organised timber sales and their own forestry industries cooperatively. Leaders of cooperative organisations came usually from peasants' associations. The first Finnish cooperative law was enacted in 1901. Inspired by popular enlightenment, practical lessons of cooperation were learned and spread by innovators around the whole country. (Kuisma *et al.* 1999).

4. **Independent Finland (1917-)**

Finland declared independent in December 1917, in the whirlwinds of the Russian revolution. The First World War meant fundamental

changes in the foreign trade and international relations of Finland. After the war and independence, important exporting markets to Russia had to be compensated by trade relations to the West.

In 1918 Civil War broke out in Finland because of the sharpening of political power struggle into armed clashes between “White Guards” of the bourgeoisie and “Red Guards” of socialists. Almost 40 000 people died due to the cruel war: as soldiers in the battlefields, executed or victims of terrorism, and because of diseases or undernourishment in the war-prison camps after the war.

4.1. *The role of cooperatives*

Built on the traditional rural cooperation, cooperative societies had a fruitful ground to grow in independent Finland. Modern cooperatives were an entrepreneurial innovation, but also socioeconomic change agent. Besides Pellervo Society, Swedish speaking cooperatives were organised in 1919 under own central union, Finlands Svenska Andelsförbund (FSA). In the first decades of 1900’s cooperative shops competed hard with private ones. The cooperative win-win idea was in the economy a conscious opinion-leader as a counter-force to the big firms of the investor ownership based competitive economy. Cooperatives became an influential group in Finnish economic life.

The memories of the Civil War were not easily forgotten in the Finnish society. This was the case also in the cooperative movement. Dividing cooperation into two competing groups took place actually already in 1916 by establishing the Central Union of Consumer Cooperatives (KK) by the leftist cooperatives and thereby cutting their membership in Pellervo Society and SOK. Dividing of the Finnish cooperative movement into non-political Pellervo group and progressive/leftist E-cooperatives will not be described further in this article. However, both groups continued their work on the same international cooperative principles. They also participated in Nordic forums of cooperatives as well as were members in International Cooperative Alliance. Today, “the leftist camp” of cooperatives have returned to Pellervo Society (now Coop Centre Pellervo), making Finnish cooperation again strong while united in diversity.

4.2. *Rural industrialisation*

In independent Finland, the main ethos behind agricultural policy remained the promoting of small peasant farming. This included work

in forestry for men and household work connected with milk-cows employing women.

Industrialisation of Finland has been claimed to have been slow due to the domination of agricultural interests. Prominent industries of Finland were, however, rural sawmills, pulp and paper factories as well as local dairies, slaughter houses, grain mills and small-scale metal workshops. Those were established decentralised in different parts of the country, along traffic connections. Factories were built near waterways, on river banks to get waterpower for their working processes and producing electricity also for surrounding settlements. The settlement map of Finland was enriched by an "archipelago" of forest industrial communities surrounded by sparsely settled rural areas.

Factories participated in the daily life of their communities actively. They took care of several social needs of their workers participating in organising of health care and social aid, even establishing schools and libraries. Peasant families earned incomes from delivering wood to forestry industries and from milk, meat and cereals processed and marketed by agro-food industrial cooperatives. This network from primary production to processing, transportation and marketing created ground for growing rural and industrial localities all around the large country. In fact, especially forestry industries in Finland developed closely connected with rural settlements, benefitting of raw-material producers' presence, infrastructure building and workforce availability in rural settlements. Industrialisation got indirect economic political support from rural development measures in Finland and contributed that way to the goal of keeping the whole country inhabited and developed.

4.3. *Wars and reconstruction*

During hard times like ecological crises, famine, deceases and wars, cooperation may grow in importance as a means to survive. Finland was drawn into a war twice by Soviet Union, alone in 1939-40 ("Winter War") and again together with Germany in 1941-44 ("Continuation War"), followed by the "Lapland's War" in 1945 to throw German troops out of Finland as a requirement included in the peace agreement between Finland and the Soviet Union/Allied Forces. After the Finnish Civil War in 1918 the relationship between opposing parts of the conflict remained critical because of the bitterness felt by the defeated red ones and threatening takeover by extreme rightists wanting to complete the victory of the whites by force. The moderate majority

was, however, working for normalising political and social life, leading e.g. to a political coalition government including agrarian and other moderate center parties and socialdemocrats. The attack of Soviet forces in 1939 joined the entire nation to fight against the common enemy. This was realised by so-called unanimity of the Winter War between soldiers fighting side by side on the front. The same unanimity was realised at the home front by voluntary civil society actors organising delivery of food, collecting clothes and other kinds of materials needed by soldiers on the front.

During the "Continuation War" 1941-45 the survival of the home front was possible only by the mobilisation of the traditional means of cooperation and community spirit, called *talkoot* in Finnish (cf. English bee). Joint efforts of voluntary organisations were carried out nationwide, launching *Suomen talkoot* (Finnish bee) and *Suurtalkoot* (Great Bee) campaigns for collecting recycling raw-materials to industries, like waste metal, rags, recyclable paper, glass etc. Food supply belonged to joint *talkoot*-efforts in all possible ways, gathering of ears of corn on the fields, berries, mushrooms etc., everything useable or substitute to recompense the dwindled imports and diminished domestic production. *Talkoot*-cooperation was mobilised during rush seasons to help farms left to be taken care by women, children and old men. In 1942, as an example, more than three million voluntary work hours were estimated to be done in spring works in the fields and 12 million hours in harvesting works by those participating in *talkoot*-cooperation. Special campaign to obtain firewood by *talkoot*-works in 1942 produced 1,4 million cubic meters firewood. After the war thousands of women who took part in voluntary work campaigns in factories and offices during the war, having learned new skills, did not turn back home but applied for work outside the home after the war. This meant significant consequences changing the gender division of labour after the war. (Jermo, 1974).

Near half million people were evacuated from Karelia and several northern districts of Finland taken by the Soviet Union. 220 000 evacuees came from farm families. They were resettled by massive government programmes to open up land for farming. Farmers of the host municipalities were obliged to surrender land for this purpose. Solidarity was needed, as well as cooperation, like *talkoot* in all possible forms to run the programme through. War-veterans were also given special help to get land and build homes in rural as well as urban settlements. Cooperative banks got an important task in the funding of the settlement programmes. The role of cooperative enterprises as deliverers and processors of basic foodstuffs remained strong after the wars.

The role of machinery cooperatives and farmers' associations was significant in mechanisation of the small farm-dominated agriculture. The reconstruction time following the wars meant dynamic development for rural communities through villages, like building schools for rising numbers of children and employing people in services needed by developing economic activities. The time of rural growth and prosperity remained short, however (Kuisma *et al.* 1999).

4.4. *Urbanisation and rural revival*

Structural change towards urban growth accelerated in the 1960's. The model of small farm based agricultural policy got in troubles because of surplus of agricultural products and collapse of the belief in the viability of small-farming. Policy aims were turned towards rationalisation and increasing the size of the farms. Forecasts for small farms became dark, and working-age people moved from rural areas in record numbers for employment to southern centres in Finland, or directly to Sweden. This meant also big changes of the social life in villages: self-made village activities were replaced by mass entertainment of TV screens, many local repair-workshops closed down and professional services moved to regional service centres of big business units.

Objections towards local passivity, central bureaucratic trends and rural exodus grew strongly among rural people during the late 1970's, however. First village committees were established. The example was followed around the country and furthered by action research groups of university students and researchers. Village committees and other associations invited all villagers to *talkoot*, to work together for their common needs, like repairing the village house, fighting for the maintenance of local services or introducing entrepreneurial activities for the village.

Administrative programmes and practices connected with rural development needs were traditionally identified in Finland strongly with agriculture and forestry policies. In the 1980's rural development was understood as a more holistic approach, meaning more exchange of information across sectoral borders in governance, and coordinating measures dealing with rural development in different administrative institutions. A national campaign, "Living Countryside" led by the government was organised in 1985 to arouse common consciousness among public opinion, local and regional policies to recognise the importance of rural development measures. An intersectoral advisory board for rural policy was established to prepare a standing national

rural policy programme. Since 1990 the executive board of rural policy as an advisory body for sectoral policy measures has been composed of representatives of line ministries, members from the Finnish local authorities' union, interest organisations, village movement and research organisations. Its role has been important as programme innovator and funding initiator for hundreds of development projects, including co-ordination activities of rural development programmes of the funds of the EU.

4.5. *Renovation of cooperative practices*

During the 1990's, established big cooperatives in Finland had to reorganise their business structures according to radical changes of their operational environment. There are both success stories and hardships: bankruptcies of the big farmers' supply cooperative Hankkija (Pellervo group) and consumers' E-cooperative (former KK group). On the other hand, agricultural dairy cooperatives and slaughterhouses survived quite successfully through the changes of agricultural policies and internationalisation due to the accession of Finland to the European Union. Radical restructuring took place also in the big consumer cooperative S-group (SOK) and the co-operative bank OP group. During the deep depression in early 1990's they survived better than their hardest competitors. This was, most interestingly, made in parallel with innovative modernising of their services according to the needs of Information and Communication Technological development, and putting focus on their traditional responsibilities of local needs and participation of the members (Kuisma *et al.* 1999).

Cooperative enterprises have been established in Finland also in new fields, having provided innovative contributions both to the changes of labour markets and to the emerging service needs. The emerging of new multipurpose worker's cooperatives across Finland during the deep depression of early 1990's was most important beginning to a wave of establishing different kinds of cooperatives and making cooperatives recognised by the public and authorities. Co-operatives have also been able to combine diverse know-how with successful businesses, establish local energy production or water supply and sewerage cooperatives, open up work for unemployed and prevent social exclusion (Kuisma *et al.* 1999).

Both established old and emerging new co-operatives have met challenging operational environment: depression of the early 1990's in

Finland, membership of Finland in European Union as of 1995, world-wide stock market crash in 2008 and long recession thereafter, including unpredictabilities of globalisation, not to mention Covid-2019 and Russian attacking on Ukraine since 2014. In spite of that, the saldo has been positive for the Finnish cooperatives as a whole. Explaining their success is summarised in **Table 1**: (Köppä 2015).

Table 1

Explaining the success of cooperatives in Finland since 1990

-
- *Confidence* of the membership in focus: *S-group (Finnish consumer cooperatives)*
 - Benefits of membership visible: innovative/participatory means of returning surplus, promoting regional employment and investments
 - *Economic crises: survival* of cooperative banks
 - Responsibility of funding local people and industries: Cooperative banks more reliable than their commercial competitors
 - Innovative new cooperatives of the 1990's (e.g. workers' co-operatives of unemployed), opening markets for small and middle-sized cooperatives
 - Motivation of doing *meaningful work*
 - Team entrepreneurship, combining high performance with enjoyment and fellowship
 - "Neo-traditional cooperation"/analogical to Finnish *talkoot*
 - Internet, open source, social media
 - "Alternative economy cultures" (cooperatives, participatory economy, commons, peer-to-peer (peer funding/production, mutual exchange of work etc.)
 - *Filling gaps of democracy* in social and health care
 - E.g. social cooperatives in Italy
 - In Finland: not recognised choice; ***need for new social policy.***
-

4.6. Looking for core characteristics of cooperative activities

The importance of *talkoot* in national interests of Finns as described above, deserves attention also in the recent conditions, where

claiming competitiveness and private incentives are stressed as primary means of survival. *Talkoot* represent collective, shared interests, arising from consciousness of the group and its survival. Historical evidence of successful applications of *talkoot* is multitude. That could easily be used to prove Nobel Laureate Elinor Ostroms theses right, concerning the ability of people to manage cooperative organisations rationally and successfully (Ostrom 1996). Among the mainstream economists, misconceptions like “the tragedy of commons” —theories, still prevent to bring cooperation into picture as a useful means and acceptable aim for economic policy issues,

Talkoot as grass-root practices have been the core of Finnish applications of cooperation from ancient times. The practices became so common and sustaining, that *talkoot* can be called an institution. The ability to organise *talkoot* has been learned deeply by Finns, and a little bit exaggerated, everybody can initiate this kind of joint action. *Talkoot* has survived through the centuries, and is still alive in Finland, both in rural and urban environments. Interests of the collective are in the very core of this model of cooperative evolution (Table 2).

Table 2

Charasteristics of *talkoot*

-
- Getting together for joint work efforts, based on voluntary participation and collective rewarding through hospitality and enjoying of the shared work performance.
 - Temporary or occasional needs of united action (seasonal works in agriculture, assistance in constructing houses, roads, bridges, community festivals, later also material resources or fund-raising campaigns).
 - Mutual aid between equals (smaller or bigger, more or less stabile *talkoot* circles).
 - Assistance without direct reciprocity, shared responsibility of neighbours/ community towards its weakest members (in case of a burnt house, lost crop, getting sick, death of spouse, etc.).
-

5. By way of conclusion: Rethinking market economy, turning towards a win-win world

There is a treasury of information concerning cooperatives in different social and economic conditions in Finland, covering thousands of years, from Stone Age on. Ethnographic, geographic and social anthro-

pological research has been made based on huge amounts of archeological investigations, written documents and oral traditions.

Unraveling the roots of cooperation may give additional perspectives to look at the role of cooperation today, in the context of the era of globalisation, digitalisation and uncertainties of the future. Is it time to re-evaluate the relationship between cooperation and competition, aiming at a renaissance of cooperation in all fields of economies: public, market and social economy?

It is interesting to look at the manifestations and roots of human cooperation, and explain the whys of its continuance and transformation. I want to go even further, asking the meaning of applying evidence of past experiences of cooperation to future oriented developing and recognising shortcomings in present day conditions. There are a lot of contextual differences, important to take into consideration, of course. The key to make ancient wisdom of cooperation interesting and useful today is imagination. There may be features and characteristics in cooperation that are relevant even today (Paterson, 2010).

The most interesting common element to make comparisons meaningful might be the rationality of cooperation. The essence of cooperation is win-win gaming, not selfish profit seeking but altruistic sharing and participating in something common. I regard this as the origin of the forms of *social economy*. Social economy comes historically before governing by authority and use of delegated power (public economy). Cooperation as win-win gaming has always belonged to economic exchange. Its function has been to maintain the group and community (Ostrom, 1996). Selfish win-lose gaming could not be possible without at least minimum of consensus of the collective existence. This has not been recognised by economists and economic policy decision makers and actors of globalisation. Company laws define profit-making for investor-owners as the aim and purpose of the firm. In the digital platforms, speculation with future values and applying operations to buy and sell virtual money, programmes are skewed towards win-lose games resulting in the winner gets all markets. This is a real danger to international and national financial systems. Regulation is needed, and win-win principles should be found to save the market economy. It is time for developing market economy towards cooperative common markets recognising *social economy*. Business legislation belongs to the agenda, meaning that in our common world the only purpose of the firm cannot be selfish gaming for accumulating wealth.

Following the history of cooperation as idea and practice, the information society seems to favour platforms based on sharing and open relationships instead of lonely riders. The Finnish philosopher Pekka

Himanen recognised the enthusiasm of the young open source programming pioneers in his visionary book *Hacker ethic and the spirit of information age*. He refers to the process of developing the open source software Linux. According to Himanen, the inspiration and motivation typical of the platforms of the digitalisation age rise from participation, acting and learning together, getting access to meaningful good-doing, creating collectively something new and sharing the benefits as “establishing commons”. In other words, our future will be saved by *talkoot* (Himanen *et al.*, 2001).

The welfare state was developed in Finland by a broad political consensus. Today, the perspectives of saving the positive development of the welfare state are challenging. The new public management has replaced old criteria of good governing by cost-efficiency instruments, based on digital means of evaluation. Correction measures are needed to restore the clients and professionals into the picture as real participants and co-producers of services to be taken care by public institutions.³ The economic rationality and historical function of Finnish cooperatives has been to correct failures of the markets, like establishing agricultural producers’ cooperatives and consumer cooperatives in the early 1900’s. Similarly, cooperatives could be established in social and health care services as correcting the public failure. There is an urgent need to organise actors of public health care and social services according to common interests instead of private profit or bureaucratic control. The lacking spirit of win-win solutions between actors of social and health caring means also a failure of Finnish social policy, having forgotten cooperation as representing customers and as potential coordinating actor to introduce co-production between service producers.

Cities can’t survive without a vibrant countryside in the future. Reconstructions of ancient predecessors of cooperation are still inherent in some rural forms and rationalities of work and sharing practices, like *talkoot* and *commons*. Learning new cooperative win-win solutions combined with diffusion of technological innovations was inherent in rural societies for hundreds of years. It was possible because of communication between equals, exchanging information directly from producer to user, without middlemen. Already now, but much more in the future, digitalisation and

³ Interesting research of co-ownership as a potential means to introduce cooperation in public services deals with the Japanese health-care cooperatives. Experiences of co-producing have been applied by cooperatives to integrate members as users into the organising of services, as well as activate employees to participate on the planning of their work. The method could also be applied to integrate public and private providers of services cooperatively to implement services. (Pestoff 2021).

AI systems can operate in principle like this, too. Diversity of the market economy could become more empowering by various forms of win-win games, meaning cooperatives, social enterprises, public-private partnerships, and local as well as virtual platform networks. Development based on bottom-up initiatives and horizontal cooperation means a shift from private profit-making towards taking care of the concern for community.

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