Classical Liberalism in Finland in the Twentieth Century

Jens Grandell

As shown in my article on liberalism in Finland in the 19th century (Grandell 2021), liberalism had peaked there by the 1880s. As an ideology and a political movement, liberalism in Finland started to fragment as it came under growing pressure from competing political ideologies. That fragmentation became a defining feature of Finnish liberalism. The Liberal Party, founded in 1880, was short-lived, and one of the main liberal newspapers, *Helsingfors Dagblad*, ceased to exist in 1887. While the 1880s marked the end of the heyday of classical liberalism in Finnish history, the key ideas of the liberal creed were by now so deeply engrained in Finnish political culture that they continued to inform public discussion well into the 20th century, and still do today. In this second article, my focus is on the development of classical liberalism in Finland from the late 19th century to the late 20th century. This is to say I understand liberalism in the classical sense, as opposed to the social liberalism of the 20th century.

From the earliest stages of liberal thinking in Finland in the late 18th century, liberalism had been largely the province of the country’s Swedish-speaking minority elite. The reason for Swedish-language dominance in state affairs and intellectual life was that Finland had been a Swedish province from the Middle Ages up until 1809, when it became an autonomous grand duchy under Russia. In the 1880s, the liberals of the Liberal Party transferred an understanding of the freedom of the individual and the idea of free competition to the language question, which was becoming an ever more pressing issue. In short, the language question was whether the main political focus should be on raising the official status of the Finnish language in Finland. On one side of this issue, there were the Fennomans and, on the other, first the liberals and later the Svecomans.

The divide between Fennomans and liberals dated back to the time of the
Crimean War, but after 1863, during the period of reinstated parliamentary life, the gap split wide open. For the Fennomans, a term that indicates the prioritization of the Finnish language, the most important question was that of language. Using the catchphrase ‘one mind, one language,’ they held that Finnish had to become the official language of Finland. Only in this way would Finland become strong enough to remain internally independent and fight off a Russian threat to further incorporate Finland. The cause drew inspiration from romanticism, German idealistic philosophy and continental nationalism. In contrast, liberals regarded well-defined laws and constitutionalism as the most reliable bulwark against any threat from the east. It was their aim to conceptualize Finland as a self-contained polity as completely as possible and thus reduce its dependence on Russia. Concerning language the liberals were on the defensive, but when it came to economic thinking they represented the modern society of trade and commerce (Engman 2016, 119; Alapuro 2019, 232).

Understandably, the language issue, a distinctly Finnish problem, was not at the core of the Liberal Party’s philosophy. Most of the writings promoting liberal thought in the late 19th century were in Swedish, and the Liberal Party (formed in 1880) was Swedish-speaking. There was a sharp line of division, dating back to the 1850s, between the up-and-coming Finnish Party and the Liberal Party. The Finnish Party’s chief goal was to politically further the creation of a unified Finnish nation, which is to say it was dedicated to the Fennoman cause. The Liberal Party was less nationalistic in its outlook, and hence was seen as detached from the Finnish-speaking majority population and merely concerned about a small, well-off minority. As a result, the Liberal Party was unable to compete with the Finnish Party or with the Swedish movement promoting the cause of the Swedish-speaking population in Finland. Nor was it able to establish sufficient co-operation with Finnish-speaking liberals within the Fennoman camp. The Liberal Party soon left the political stage without achieving any real success—though it should be pointed out that in all this the term party is somewhat misleading, as the Finnish parliamentary system was far from democratic in the 19th century.

However, the end of the Liberal Party did not equal the end of liberalism in Finland. The once coherent Fennoman movement started to fragment in the late 19th century, as the younger generation, supporting ideas such as Darwinism, positivism, and liberalism, no longer felt at home within the traditional Fennoman movement, which emphasized the unification of Finland under one language. This development led to the birth of the Young Finnish Party, or the Constitutional-Fennoman Party, established in 1894 as a separate wing of the Finnish Party. The eventual reason for the breakup between the two political groupings was the Russification program of Emperor Alexander III and subsequently Nicholas II in the 1890s.
For most of the 19th century, the relationship between Finland and Russia had been comparatively harmonious, and Finland had been able to develop independently within the boundaries of the autonomous status granted to the country by the Russian emperor Alexander I in 1809. Things started to change in the late 19th century, when Russia adopted its new nationalist policy of Russification, with the objective of tying its border areas more closely to the Russian motherland. This policy was an infringement on the laws outlining Finland’s autonomy and the promises made by previous emperors of Russia. The two periods of Russification lasted from 1899 to 1905 and from 1908 to 1917 and prompted broad resistance in Finland, passive as well as active.¹

The main political opponents of Russification were Swedish-speaking liberals and liberal-minded members of the Young Finnish Party. Those two groups found further common ground in the concept of constitutionalism and formed a loose coalition (Kuisma 2013, 152). The rather tumultuous years of Russification had a significant impact on the history of liberalism in Finland because constitutionalism, that is, support of a Rechstaat or a state based on the rule of law, became the leading strand of thought among liberals, and still today remains at the heart of Finnish liberalism (Freeden 2015, 40).

From the Liberal Party onward

Finland has a long liberal tradition, but as David Arter and others have pointed out, division and discontinuity have also marked that tradition. Liberalism failed to embrace and unite the two national cultures—Finnish and Swedish. Accordingly, liberalism has appeared numerically weak in comparison to the number of people in liberal parties in other Nordic countries (Arter 1988, 327, 329).

Yet Finnish liberalism evolved from a linguistically purely Swedish project to adoption by the Finnish side. That development can be traced to the Finnish language cultural and political journal *Valvoja* (meaning ‘The Observer’), established in 1880 by liberally minded academics associated with the Faculty of Arts at the University of Helsinki. Just like the earlier liberals in Finland, the people behind *Valvoja* belonged to the Swedish-speaking elite, but they supported Fennoman ideals, including the promotion of Finnish language and culture. The rising Swedish cultural movement highlighting Swedish-language identity and an aspiration to safeguard the status of the language in Finland did not appeal to them ideologically, nor did they back the ambivalent attitude toward the Finnish language commonly

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¹ One of the most notable cases of active resistance to Russification was the assassination of Russian Governor-General of Finland Nikolai Bobrikov in 1904.
held by the Liberal Party. In general, they did not accept the Liberal Party platform. Rather, in their societal views, they were outspokenly ‘liberal’ and they saw the importance of discoursing in Finnish. Yet the Valvoja group also represent the drift in the meaning of ‘liberal.’ Contrary to the Liberals, the Valvoja group were to some extent in favor of state interference in order to fix problems they regarded as caused by unregulated economic conditions (Paaskoski 2002, 25, 33). On the other hand, they did not accept the state imposing the Finnish language as the national language of Finland. A measure like this would have gone against the values of liberalism (Rein 1890, 41).

Valvoja included many liberal themes in its political reasoning but also paid heed to another topical school of thought—conservatism. More precisely, some of its proponents sought to combine liberalism and conservatism, making a case for the importance of conserving what is already good and working in society. One example of this kind of reasoning was the conserving of already liberal laws. In a New Year’s article in Valvoja, Thiodolf Rein, one of the journal’s leading figures, sought to strike a balance between liberalism and conservatism and thus treat the two ideologies not as opposites but as complementing one another. Broadening the perspective one finds the same kind of realignment between liberalism and conservatism in the late 19th century on an international scale (Backman 2022, 33; Paaskoski 2002, 21–23; Laapotti 2018, 5; Rein 1890, 39; Vares 2000, 40–43; see also Rein 1915, 58; Vincent 1990, 144).

If Valvoja was one of the first expressions of liberal thought being brought into the Fennoman project, the second such event was the founding of the newspaper Päivälehti in 1889 by the prominent figures in Finnish public life Juhani Aho, Eero Erkko, and Arvid Järnefelt. This newspaper was the voice of the younger generation of Fennomans. Thus, the Young Finnish Party put forth its party program, “The Program of Päivälehti,” in the newspaper in the fall of 1894. In the first sentence of the program, the founders of the party state that the party would strive for the promotion of liberalism and democracy, which they considered the only true remedy to the threat posed by expanding bureaucracy. They also demanded tax reforms, freedom of press, civil marriages, and rights for Jews.

As mentioned above, the creation of the Young Finnish Party reflected the growing division between the old and the young generation within the Finnish Party. Many of the younger activists regarded the older generation as stuck in the past: overly cautious concerning Russia, and too obsessed with the language question. Their aim was to steer religious and cultural issues more firmly in a liberal direction. They also pointed to the importance of staying in tune with currents in European thought and international developments at large. One important factor in the building of the party was that many famous artists and cultural figures joined it. Some of the more prominent names were the authors Minna Canth, Eino Leino,
and Arvid Järnefelt, the painters Eero Järnefelt and A. Gallén, the poet J. H. Erkko, the writer Juhani Aho, and the composer Jean Sibelius (Paastela and Paloheimo 2006, 14–15; Vares 2000, 50; 2002a, 7; Leitzinger 1988, 13).

Many of the activists within the Young Finnish Party held positions in Finnish newspapers, helping them get their message across more effectively. Newspapers essentially in the hands of the party were Kaiku in Oulu, Keski-Suomi in Jyväskylä, Savo in Kuopio, Viipurin Sanomat in Viipuri, and the already mentioned Päivälehti in Helsinki. When members of the burgher estate (the Finnish diet was still divided into four estates) started to gather around the vocally classical liberal Young Finn lawyer Jonas Castrén (1850–1922), the power of the group grew within the broader Finnish Party, which the Young Finns still formally belonged to. In their political program, the Young Finnish Party demanded strong commitment to constitutionalism. In particular, the Young Finns stressed the importance of relying on the Finnish constitution in dealing with issues between Finland and Russia. In the mind of the Young Finns, the constitution was close to sacred.

The policy of the Finnish Party, on the other hand, was compliance, meaning that Russian demands were to be met, even though that meant intruding on the laws defining the Finnish-Russian union. Furthermore, the Young Finns promoted the broadening of enfranchisement until an equal right to vote for everyone was realized.

Broadly speaking, the party platform of the Young Finns can be defined as a turn toward the “New Liberalism” of L. T. Hobhouse (1864–1929) and J. A. Hobson (1858–1940), as opposed to the classical liberal view. The program also included sections on school obligation, progressive taxation, and laws to protect the working class, as well as religious toleration. The party supported the principles of freedom of trade, but its views were closer to the British school of ‘new’ or, later, ‘social’ liberalism.

The turn towards new liberalism was however not a complete 180-degree turn, as there were two competing factions within the Young Finnish party, one more socially liberal and the other more classically liberal. Later on, the split between the two groupings became even more apparent. Even though many of the Young Finns had differing views from the Liberal Party before them there were some commonalities, such as a tempered view on the language issue, constitutionalism, and, importantly, the fact that their base of political support was rather small in a mostly peasant society. Indeed, the fact that political liberals in Finland lacked a clearly defined voting bloc was one of their chief predicaments during most of the 20th century. In terms of class politics, support for the liberals was considered somewhat “too intellectual” (Paastela and Paloheimo 2006, 14–15; Vares 2000, 43, 50–52, 62–63; 2002b, 274; see also Borg 1965, 22–25).
Anders Chydenius (1729–1803), today considered one of the forerunners of liberal thought in Finland and Sweden, had been more or less forgotten during large parts of the 19th century. The main reason for this was probably that his writings were intended for his own time and therefore published as pamphlets easily destroyed or lost. Beginning with the years of the liberal breakthrough in the 1860s, however, journalists and historians started to bring Chydenius to the attention of the Finnish public, rather modestly at first but with more vigor in the following decade and onward.

Why the renaissance of Chydenius? Many of the liberals with ties to the Liberal Party had framed the events leading up to the Diet of 1863 as their defining moment—because during that time, the foundations for the party were laid and the newspaper Helsingfors Dagblad was founded. Thus, the Diet of 1863 came to be associated with the Liberal Party, and the younger generation of liberals, often with stronger sympathies for the Fennoman cause, had to turn to new sources for spiritual inspiration. One such source was Chydenius, previously not ‘used’ by any political grouping, and a fitting figurehead for the liberalism of the late 19th century, even though Chydenius himself was a figure of the late 18th century. Furthermore, there was an ideological demand for a thinker like Chydenius during the tumultuous years of Russian repression in the late 19th century and early 20th century. The values of freedom that Chydenius stood for were extremely valuable in the battle against Russian attempts to undercut the autonomy of Finland. Chydenius had written on and defended in parliament issues such as freedom of the press and freedom of trade. The most famous of Chydenius’s writings was The National Gain (Den Nationale Winsten), in which he put forth his liberal ideas in a concise way: private citizens as well as the whole nation benefit most from the economic life when it functions free from “artificial constraints” (Chydenius 1765, §4).

The first academic to publish the main political writings of Chydenius in new editions was the historian and politician E. G. Palmén (1849–1919). Palmén belonged to the Valoja group and supported the aim of making Fennoman politics more open and liberal. Palmén was already acquainted with the works of Chydenius from his thesis Historisk framställning af den svensk-finska handelslagstiftningen från Gustaf Vasas regering till 1766 (A Historical Exposé of the Fenno-Swedish Commerce Legislation
from Gustav Vasa’s Reign until 1766) (Palmén 1876). After completing his thesis, Palmén quickly edited two volumes of Chydenius’s political texts in 1877 and 1880. Furthermore, he wrote several publications about Chydenius that reached wide audiences.

Also significant in the rediscovery of Chydenius was a series of articles, “A Finnish Liberal from the Previous Century,” published by the liberal politician and journalist Robert Castrén (1851–1883) in the newspaper Helsingfors Dagblad in 1880–1881. The articles were a comment on the works of Palmén, in which Castrén enriched the knowledge of Chydenius based on original manuscripts made available to him.

The newly found interest in Anders Chydenius can also be observed in academic dissertations, as exemplified by the piece Anders Chydenius in Comparison to Contemporary Economists (Anders Chydenius i förhållande till samtida nationalekonomer), published by Axel Lille in 1882. In this work, Lille, who later would found the Swedish People’s Party, points to the fact that Chydenius was a precursor of Adam Smith. About three decades later, the historian Georg Schauman (1870–1930), son of the Finnish liberal forerunner August Schauman, published an extensive biography of Chydenius complete with 150 pages of Chydenius’s previously unpublished texts.

In their works, Palmén and Schauman highlighted different aspects of Chydenius. Palmén focused on freedom of the press; Schauman, the democratic and radical tendencies in Chydenius’s thought. Owing to the work done by these two historians, and with help from the Finnish news press from the 1870s onwards, Chydenius was brought to the attention of the broader public and given a rightful place among the ranks of great Finns (Karonen 2019, 142–143; Väisänen 2014). The recent scientific editions of Chydenius’s works published between 2006 and 2016 highlight his role as an originator of many ideas at the foundation of modern liberal societies.

**Economic associations**

The end of the 19th century marked a significant revival in the activities of economic associations—scientific associations dedicated to discussion and publication. There were several foreign examples to draw on, such as the Société d’Économie Politique (founded in Paris in 1842), the Verein für Sozialpolitik (Berlin, 1872), the Nationalökonomiska Forening (Copenhagen, 1872), the Statsökonomiska Forening (Oslo, 1883) and the Nationalekonomiska Föreningen (Stock-
The focus of the new organizations in Finland were far from purely scientific. More like the German Verein, they were a combination of a scientific discussion forum about economics, a research organization, and a social pressure group. As with most other forms of organization in Finland, the language issue formed a dividing line separating the different economic associations from each other (Heikkinen et al. 2000, 35; Björkqvist 1986, 521–527; Pipping 1944, 7).

The association with closer ties to the Fennoman cause was the Finnish Economic Association (Kansantaloudellinen Yhdistys), which dates back to 1884. When it started more formally in 1891, its first chairman was the leader of the Finnish Party, G. Z. Yrjö-Koskinen (1830–1903). The association also had other well-known intellectuals and politicians as members, such as J. R. Danielson-Kalmari, J. N. Lang, August Hjelt, and Agathon Meurman. The activities of the Finnish Economic Association reflected the thinking among Finnish-speaking intellectuals of the time. It incorporated nationalist ideology and interest in social policies aimed at improving the living conditions of the Finnish-speaking population. In combination, these factors led to support of an active role for the state in improving the material and cultural well-being of the nation.

The closest foreign role model for the Finnish Economic Association seems to have been the French Société d’Économie Politique, which Yrjö-Koskinen had gotten to know during a visit in Paris. Most of the social scientists in Finland at this time, however, were strongly inclined toward the German historical school, or ‘socialists of the chair’ (see Grandell 2021) in their methodological approach (Heikkinen et al. 2000, 36; Björkqvist 1986, 521–527; Pipping 1944, 7; Pekkarinen and Vartiainen 1993, 83–84).

The most active period of the Finnish Economic Association occurred in the first decade of the 20th century, after which its focus turned away from social policy to more conventional economic policy issues. On the Swedish side of the language issue, the corresponding economic association was formed in 1894, when Ekonomiska Samfundet i Finland (the Economic Society in Finland) brought together liberal intellectuals, businessmen, and politicians. Among the figures behind the society, one finds prominent liberals like Leo Mechelin (1839–1914) and Wilhelm Chydenius (1863–1926), who had a more cautious attitude toward the role of the state and emphasized the self-organizing potential of a market economy. In his opening speech, Mechelin said that the Economic Society was not founded to further the cause of any specific theory, but at the same time, he pointed to the successful practice of Adam Smith’s teachings in Finland since the 1860s and stated that any deviation from this path would be rather foolish. At least during its early years, under the aegis of Mechelin, the Economic Society of Finland made efforts to influence political decision-making by articles framed as open questions for the state apparatus. Thanks to the gravitas associated with Mechelin, it is very likely that
Diet circles took note of these articles. Seen from a broader perspective, the ideological divide between the linguistically Finnish and Swedish economic associations is a defining characteristic of Finnish and Swedish ‘liberalism’ in Finland up until the 1920s. The Finnish and Swedish economic associations thus had differing ideological frames of reference, the Swedish closer to the tradition of the Liberal Party and *Helsingfors Dagblad*, and the Finnish more in tune with the ideology of the Young Finns and a burgeoning social liberalism. As the language question gained prominence, however, the gap between the two associations grew smaller. One factor that remained constant was that the Swedish-speaking society attracted more businessmen, whereas civil servants were more common in the Finnish Economic Association. Still, given the overall drift of things in the first half the 20th century, the Economic Society in Finland remained true enough to its classical liberal roots to tend to be a force on that side of things; it continued its activity in the 20th century more or less on the same principles, with a few exceptions such as during the Second World War. The society was also part of the effort to bring back Anders Chydenius. One of its members, the previously mentioned Georg Schauman, gave a speech on Chydenius to the society. This spawned an initiative to raise a monument for Chydenius in his hometown of Kokkola for his 100 years’ celebration (Heikkinen et al. 2000, 36–37; Björkqvist 1986, 521–527; Vares 2000, 55; Pipping 1944, 8–9, 16, 20–21, 23–24, 32). The contrast between the two associations is instructive but should not be overstated.

**Partisan liberalism in Finland up until independence**

‘Liberal’ is notorious for its polysemy, and not everything a liberal party stands for or supports is by default liberal. Politics is after all politics. In Finland, several political parties invoking ‘liberalism’ have been identified with different stages in the state-building process (Leitzinger 1988, 2–3, 15; Arter 1988, 327; Paaskoski 2002, 21–23). As noted, as the 20th century approached, liberal thought had started to fragment along the lines of the two national languages of Finland and between classical and new liberalism, as social liberalism was referred to at the time. On the Swedish side, the legacy of the Liberal Party with its adherence to classical liberalism was still rather strong, while on the Finnish side the new social liberalism of the Hobhouse British type was growing in popularity, as demonstrated above.

In 1906, Finland introduced universal suffrage, becoming the first European country to recognize women’s right to vote. The number of people with the right
to vote increased by tenfold compared to before the reform. In addition, overnight Finland went from an extremely antiquated parliamentary system with four estates to showcasing one of the first systems in Europe with only one chamber. The 1906 reform meant a massive democratic overhaul as it opened up opportunities for organized political parties with popular backing. To its core, this was a liberal reform ending the old class society based on the four estates. Most notably the reform brought the recently founded Social Democratic Party to parliament as the largest party, right from the first elections in 1907.

At the time of the Finnish voting reform of 1906, the other political parties already had prepared for the first elections by renewing their party machinery and redrafting their party platforms. The Young Finnish Party was in haste to do the same. The 1906 reform had also brought with it the dawn of organized and programmatic party organizations in Finland. The Young Finns put emphasis on the rule of law and regarding the language question, the party positioned itself firmly on the Finnish side. In the party platform, one also finds references to the improvement of workers’ conditions, furthering municipal democracy, furthering women’s rights, and the introduction of compulsory education.

With this platform, the Young Finns went to the elections of 1907 and fared quite well. They became the third largest party with 26 seats out of 200, outflanked only by the Social Democrats with 80 seats and the Finnish Party with 59 seats. This balance remained in place in the Finnish parliament until 1917, the year of Finnish independence from Russia. On the other hand, the Young Finnish Party had split into two factions, one side led by Kaarlo Juho Ståhlberg (1865–1952) supporting a more social liberal policy and the other, led by the already mentioned liberal Jonas Castrén and Pehr Evind Svinhufvud (1861–1944) emphasizing classical liberalism and individualism. Both Ståhlberg and Svinhufvud were later to become presidents of Finland, demonstrating the general high regard for Young Finn politicians. The ideological divide within the party, certainly a strain as the two sides could not agree on much more than distaste for the policy of complying with Russia, was persistent until the party split up in 1918 (Paastela and Paloheimo 2006, 15–16; Vares 2000, 87, 89; Kuisma 2013, 153; Vares 2002b, 275; Luoto 1983, 254–255).

### Independence and the republican constitution

In the two or three years up to independence in 1917, liberal currents become
closely associated with two central political issues in Finland. First, there was constitutionalism and principled opposition to tsarist designs to reduce the basic rights of the grand duchy of Finland. Second, there was rural revivalism and Low Church opposition to a higher Lutheran clergy. The higher Lutheran clergy allegedly neglected their pastoral duties in favor of maintaining their privileged social status. David Arter (1988, 329) suggests that liberalism had achieved an identity by reference to the national question and the church question—issues of “high politics” rather than economic creed. This entailed a further step away from the classical liberalism of the Liberal Party and the Swedish liberals, although the core idea of constitutionalism and the rule of law still worked as a glue holding together different liberal groups.

A key event in Finnish history is the independence of 1917 and the country’s civil war, which ensued in 1918. The war, fought between the ‘red’ socialist side (whose supporters included the Social Democratic Party) and the ‘white’ non-socialist side, ended in white victory with the help of highly trained German troops. The war was a major test for the young nation and it left long-lasting marks on the common understanding of Finnishness. It was a national trauma, which had to be overcome during the following decades in order to keep the country together and to form a stable independent democracy. The efficient and rapid manner in which reforms were carried out after the serious societal crisis was significant although not unique in Finnish legal history (Kekkonen 1999, 66).

Independence in 1917 and the civil war in 1918 also had implications for party dynamics, as both the Finnish Party and the Young Finnish Party split up, and two new parties were founded to continue their legacy. Finnish independence meant that the so-called Russian question ceased to exist, which in turn implied that the main reason for division between Young and Old Finns was no more. However, new issues quickly arose.

One such issue was the question of which form of government the newly established state should adopt. The social liberals largely supported a republican constitution, while the majority of the Swedish Party and the conservatives within the Fennoman side held that monarchy, as in the other Nordic countries, was more fitting for Finland. They argued that the too-rapid democratic development of the early 20th century had caused Finland’s civil war of 1918. Even though many of the Young Finns under the leadership of Kaarlo Juho Ståhlberg, fiercely flanked by the Agrarian League and its leader Santeri Alkio (1862–1930), campaigned for a republic, they lost to the monarchists. An important reason for the defeat was that the Social Democrats, who also supported a republican constitution, were not allowed to take part in the work of the parliament because of the socialist revolution of 1918. The order of business was to pick a king for Finland, and a candidate thought suitable was found—in Germany (Paastela and Paloheimo 2006, 16–17;
Suvanto 1994, 220). But that was in early 1918, and as we know, Germany then emerged as the loser of the First World War, which implied that a German king was no longer a viable option for Finland. Germany’s defeat brought a swift end to the monarchic project in Finland. In 1919 parliament finally voted for a republican constitution with a robust presidency comparable to the United States and France (Kekkonen 1999, 63).

The matter of choosing a form of government had broad implications for the Finnish political field. The liberal grouping that had supported a republican constitution formed a new party at the end of 1918, the National Progressive Party (Kansallinen Edistyspuolue). Those who had supported monarchy within the Young and the Old Finns formed the conservative National Coalition Party (Kansallinen Kokoomus) on the following day; the National Coalition Party is still today one of the major political parties in Finland. In 1919, when parliament voted on the first president of Finland, it elected K. J. Ståhlberg, of the Young Finns, the spiritual leader of the republican front and the man behind the constitution of independent Finland (Paastela and Paloheimo 2006, 18–19; Soikkanen 2002, 223; Arter 1988, 331; Muukkonen 2005, 58; Väisänen 2002, 68).

The National Progressive Party
and interwar liberalism

In Finnish politics, the National Progressive Party played an important role as a flexible, mediating party. By the 1930s, among the parties in parliament that had held seats there since the start in 1918, the NPP had become the smallest. However, it can be argued that during the interwar period its impact was greater than its actual election successes. Many of the most well-known and popular politicians of the time were members of the party. These included K. J. Ståhlberg, Risto Ryti, Kaarlo Castrén, J. H. Vennola, Oskari Mantere and Rudolf Holsti. Its politicians held the post of prime minister on several occasions, and two presidents of Finland were members of the party. One of these politicians was Risto Ryti (1889–1956), who among other things was head of the Bank of Finland from 1923–1943 and 1944–1945, prime minister 1939–1940, and president of the Finnish republic 1940–1944.
Ryti was a lawyer who had started his career in the private sector and moved on to politics after the civil war in 1918. He supported the republican cause and adhered pragmatically to liberal ideas in the classical sense. His political mentor was the leader of the National Progressive Party, K. J. Ståhlberg. As minister of finance, Ryti succeeded in balancing revenue estimates and government spending reviews. As head of the Bank of Finland, one of his chief goals was to once again tie the Finnish currency to the gold standard, which according to him was the utmost monetary system in the world. Ryti is commonly regarded as a supporter of classical liberal economics, and as head of the Bank of Finland he held considerable sway on the economic policy of the country. As the governments tended to be short-lived in the tense years after the civil war, the role of the Bank of Finland as an economic policymaker was heightened. In accordance with the strongest economic current of the time, classical liberalism, Ryti opposed state intrusion in economics and held that the more the state interferes in the economy, the more damage it will do. Accordingly, Ryti had a distaste for socialist economics and especially its Soviet practice. Nor did he accept ‘socialism’ in the German ‘National’ variety. More broadly, Ryti had no love for German culture, and in his home country he opposed fascist movements of every kind. Above all Ryti was an ardent admirer of British civilization and culture and of American free enterprise (Turtola 2007/2000; Carlson 2016, 23–32; Pekkarinen and Vartianen 1993, 84).

The program of the NPP reveals how social liberalism had become a prevalent strand of liberalism in the early 20th century. In the thinking of Hobhouse, who was one of the inspirations behind the NPP’s political platform, the divide between public and private was still there, but he emphasized the ‘social’ side of individuals as central to their very being. Hobhouse advocated governmentalization of social affairs including a public right to work and a living wage, unemployment and health insurance, and universal old-age pensions. He would nonetheless say that the state was not there to compete with individual initiative but to facilitate it by redistributing material goods and hence life chances to those who were disadvantaged through personal misfortune or unfair social arrangements (Freeden 2015, 79).

When the National Progressive Party adopted its political program in 1918, it became the first Nordic party to implement a program of social liberalism. The NPP juggled both classical liberal concern for freedom from government and moderate favor for higher taxes, more restrictions, and bigger government. The platform adopted by the NPP bore the clear imprint of the lawyer and constitu-
tional theorist K. J. Ståhlberg. After the civil war, Ståhlberg stressed the importance of continuing the reform work interrupted by the war—the key issues were renewing legislation on religious freedom, taxation, and legal proceedings (Borg 2002, 32).

One of the key liberal themes also promoted by the NPP was realized in 1923, when Finland finally instituted a Freedom of Religion Act, which had been a demand in the platform of the Liberal Party as early as 1880. The law granted every individual the right to remain outside every religious group or to freely form new religious communities. Even though state and church were not separated, as the Social Democrats had demanded, the reform was a testament to the liberalization of social affairs (Luoto 1983, 268).

The political platform of the NPP does not mention liberalism or liberal principles. Speaking of liberalism in a Finnish frame of reference, one also has to take into account that the word ‘liberal’ was not commonly used in the Finnish language; to a large extent, it had been replaced with the domestic term ‘vapaamisyys’ or free-mindedness (Kolumäki 2013, 22). The term has its roots in the Swedish word ‘frisinne,’ something like ‘free sense’ or ‘freedom of spirit,’ which often was used in connection with liberalism during the 19th century. In its Finnish use it was mainly picked up in order to avoid the use of ‘liberal,’ which was seen as too closely linked to the Liberal Party and the classical liberalism it represented.

From the 1920s and forward, many NPP supporters viewed state interference with less skepticism because the Finnish government had won its sovereignty from Russia and because it was highly democratic. The NPP grew increasingly favorable toward governmentalization, corresponding to the general drift of the 1930s and the advent of Keynesianism. The party held that the welfare of the citizens was to be promoted by the state. This implied an active state role in the job market and issues concerning workers’ rights. In addition, a complete overhaul of the existing taxation system and the institution of a progressive income and wealth tax were on the program of the NPP. At the heart of the NPP’s ideology was what had become known as ‘new liberalism,’ as opposed to ‘old liberalism,’ which was commonly associated with the writings of Adam Smith and the Manchester school. The Swedish political economist Eli. F. Heckscher’s work Old and New Economic Liberalism, translated to Finnish in 1923, displays the dichotomy between these two liberalisms (K. L. 1923, 412).

The turn from classical liberalism to new liberalism, as contemporaries referred to it, was something that Zachris Castrén (1868–1938), a prominent member of the NPP, delved into in an article he published in 1930. He criticized classical

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liberalism for being too centered on the individual detached from society, and he saw the new liberalism as a course correction. Castrén stated that freedom was not only a natural right possessed by the individual, but was dependent on several conditions that established, within the individual, responsibility and a readiness to operate, which together constitute true freedom. “To combine freedom and social awareness, that is essentially the meaning and striving of new liberalism” (Castrén 1930, 236). This definition of sorts laid forth by Castrén speaks of how liberalism was conceptualized within the NPP, and more broadly of how social liberalism was seen as a modern liberalism replacing classical liberalism.

However, just as the earlier Young Finnish Party was divided on the lines of classical and new liberalism, so too was the ideological fabric of the National Progressive Party. Two of the more prominent supporters of classical liberalism within the party were the politician and prime minister T. M. Kivimäki (1886–1968) and the newspaperman and politician Eljas Erkko (1895–1965). Erkko was chief editor of the largest Finnish newspaper, Helsingin Sanomat, and as such held considerable sway over public discourse. In his newspaper, he was not only a sturdy champion for freedom of speech and defender of free markets but he also made a case against state interference in the economy, opposing all “artificial restrictions.” In the 1930s, Erkko laid out his position in Helsingin Sanomat as an explicit response to new liberalism and socialism. In one article, he wrote as follows:

…a healthy economy must be built on self-responsibility. Neither society nor the state is primarily responsible for the success of its members, but it is the responsibility of each person to take care of it. It is self-responsibility that forms a strong incentive for people to make an effort, and the more economic life is based on it, the more well-being it will cultivate. Solidarity and reliance on others leads to laxity….

Erkko continued his argument by illuminating the general consequences of state interference:

This leads to the deprivation of that natural incentive of economic entrepreneurship, which is included in the requirement that each individual must, above all, take care of his or her own subsistence and well-being…. What we mean to say is that the state must keep its patronizing and regulatory hand as far apart as possible from commercial as well as other economic entrepreneurship. (quoted in Kolumäki 2013, 112–113; see also Soikkanen 2002, 247)
The post-war years

The National Progressive Party was constantly aware of its shrinking support and uncertain future, as the party’s popularity declined in the interwar period. The leading political parties had developed into parties promoting the economic interests of specific groups, which is to say that the field for a more individual-centered party like the NPP was no longer sufficient. It had to find a specific societal group to carry the party, and so its leadership started to speak of safeguarding the economic position of the middle class. This tactic proved to be somewhat underwhelming and the Finnish electoral system, not favorable for smaller parties, worked against the NPP. Indeed, at the opening of the 1949 party conference, Akseli Nikula, chairman of the Progressive Party, held that “in this context, reference should also be made to a certain universal phenomenon…and this is the current weakness of the status of liberalism in most democratic countries.” Then there was also the internal split between more classically minded liberals and new liberals, which held back the party (Karimäki 2018; Rantala and Kolumäki 2014).

In 1951, the NPP drew the consequences of its weak election successes and ceased its activity. In the same year, leading figures of the NPP together with people from the minor party Itsenäinen Keski-kuokka (Independent Middle Class), a classical liberal party emphasizing negative liberty, created the People’s Party of Finland (PPF) (Suomen Kansanpuolue). The founding of the new party was not without its complications, as the self-described true liberals, representing the ideals of Ståhlberg, did not join the new party and instead founded their own party, Vapaamielisten Liitto (the Liberal League). The Liberal League took the place of the NPP in the liberal international organization Liberal International, founded in 1847 (Paastela and Paloheimo 2006, 20–21; Vares 2002b, 281).

In its party platform the People’s Party of Finland referred to itself as a liberal/free minded (‘vapaamielinen’) party and characterized its leading principles as follows: “The ideological foundation of the PPF is made up of a positive and constructive Finnish, liberal worldview, grounded in a Christian conception of life, a national and social overview, individual freedom and strong democratic principles” (link). The party pledged itself to speak for the middle class, just like its predecessor, and to espouse free enterprise (Paastela and Paloheimo 2006, 21; Arter 1988, 332).

Ideologically the PPF continued along the path of social liberalism already traveled by the NPP, but this time in a less pronounced fashion. Its economic thinking was much closer to classical liberalism than the NPP’s. The role of the state was toned down and bestowed with only minimal regulatory functions, while
considerable emphasis was put on free competition and free markets. As said, the party strived to appeal to the middle class, which it considered a socially underprivileged group.

As it evolved away from classical liberalism, the PPF became, in its policy tendencies, close to the Agrarian party and the Social Democrats—the two largest parties. In turn, these two parties had steered closer to social liberalism from the 1930s onward. The PPF looked to consolidate the welfare system, which meant health and unemployment benefits, better care facilities for the elderly and dispensations for invalids and war veterans. In this way, they sought to attract voters away from the Social Democratic Party. Where the PPF came closest to a classical liberal strain was in its opposition to statism and in economic enterprise. This is also where it paralleled the National Coalition Party, which in its economic views drew on classical liberalism. By and large, the National Coalition Party had turned more resolutely toward liberalism after the Second World War. The PPF proposed a minimal role for the state in production and in the overall handling of the national economy. The party’s program (link) stated: “the PPF stresses the importance of individual ownership and the spirit of free enterprise as the foundation of the economic system. Normal development should occur through free competition and the market” (Arter 1988, 345, 347–348; Vares 2002b, 294–295; Leitzinger 1988, 28; Rantala and Kolumäki 2014).

In the elections of the 1950s, the People’s Party of Finland managed to double its support over that of the NPP in the 1930s and ‘40s. In 1963, the PPF had 13 representatives out of 200 in parliament. Soon after, discussions about uniting the forces of the heirs of the old National Progressive Party began. The PPF had managed to solidify its position on the Finnish political stage and was regularly represented in government in the 1950s and ’60s. However, the appeal of the PPF had started to fade and it became relevant to put plans in action to unite the forces of the different liberal groups, which happened in 1965 with the founding of the Liberal People’s Party—only the second Finnish party since 1880 to use “liberal” in its name. In its first party program in 1965 (link), the LPP positioned itself as a “modern” liberal party, meaning a new/social liberal party. (As the decades since Hobhouse passed, ‘new liberalism’ no longer felt new, and the expression ‘social liberal’ became more common.) The LPP was regarded as in the center, between the left and the right (Paastela and Paloheimo 2006, 22–23). Thus, the LPP in general continued the ideological strand introduced by the NPP back in 1918, even though the LPP did not have a very strong classical-liberal profile (Ruoho 2005, 70).
The classical liberal heritage in party politics

In addition to the political parties carrying on the legacy of the Young Finns, there were other parties supporting classical liberal themes. Many of the former politicians of the Liberal Party from the 1880s jumped over to the Swedish People’s Party, as their mother party split up chiefly due to pressure from the language issue. One of the most notable was Leo Mechelin, the founder of the Liberal Party. This meant that liberal ideas were absorbed into the Swedish side, and, as an official party founded in 1906, the Swedish People’s Party of Finland was from the start a party with a sturdy liberal heritage supporting individualism and economic liberalism. Some of the most notable imprints left on the party by the liberals were a responsible concern for the good of the country as a whole, a respect for the constitution and constitutionally fixed rights, dislike for state intrusion on the economic life, and, compared with the Finnish Party, a more cautious attitude toward social reforms. Other clearly liberal traits were interest in furthering religious toleration, protecting the rights of Jews, and working for the realization of equality of the sexes. The party sought to speak to the entire Swedish-speaking population of Finland, meaning that it had to accommodate a broad political spectrum. In the words of one of its founders, Axel Lille, it had to cater to “conservatives as well as liberals.” From this followed a continuing tug of war between its different elements, with the positions shifting over time (Paastela and Paloheimo 2006, 27; Vares 2000, 55; Fagerholm 2016, 7–8; Bonsdorff 1956, 18, 225–227).

In the program adopted by the Swedish People’s Party in 1937—when fascism and antidemocratic fascist movements were on the rise throughout Europe—the party underlined its allegiance to liberal principles. In the perilous early years of the 1930s when rule of law came under threat from the Lapua movement, the Swedish People’s Party were aligned with the National Progressive Party, the Social Democratic Party, and the Agrarian Party in the defense of the ideals of the constitutional state (Kekkonen 1999, 77; Rantala & Kolumäki 2014). An article published in 1933 in the student journal *Ylioppilas* (‘The Student’) recognized that liberalism was largely being contested during this time and was not very popular, but also stated that the legacy of liberalism was especially important to cherish and foster in the midst of different anti-liberal movements posing easy solutions to the depression (L. L. 1933, 7). In another article published in the liberal newspaper *Helsingin Sanomat*, one writer defended the virtues of liberalism against the fascist Lapua movement, which had criticized the National Progressive Party for being unpatriotic. He wrote as follows:

Current Finnish liberalism grants freedom to every citizen and demands it for
itself. Freedom and independent thinking, not a straitjacket, is the most fruitful way to build the independent and free Finland that we all wish to maintain and to do one’s bit for the betterment of the shared culture of humankind up here in the North. (V. 1930)

Some of the objectives the Swedish People’s Party strived to advance were to defend the Western community founded on the rule of law, to highlight the sanctity of the law and the authority of the legal order, to object to dictatorial strivings and all sorts of activity that disrupts society, to safeguard freedom of speech and freedom of association, to further thriftiness in the state economy as well as lowering the direct as well as indirect tax burdens, to give confidence to trade and industry, which should be founded on free and healthy economic entrepreneurship, and at the same time to limit state business (Borg 1965, 263–264; Bonsdorff 1956, 227). This political program bears great resemblance to the liberalism proposed by the Liberal Party and the newspaper Helsingfors Dagblad in the latter part of the 19th century. Without a doubt, the troublesome years of the 1930s begged for more outspoken support of liberal ideas, and this is what we see in the program of the Swedish People’s Party of 1937. Opposition to 1930s fascism and communism also characterize the liberal National Progressive Party, which saw some positive election outcomes early in the decade. The violent and radical Finnish nationalist, fascist, pro-German, and anti-communist Lapua Movement pushed forward the constitutional liberalism of both the Swedish People’s Party and the Progressive Party, as they stood for legality against violence and dictatorial tendencies. Liberalism was now bestowed with the role of defending the system against threats from the radical left as well as from the fascists (Soikkanen 2002, 224; Arter 1988, 330).

From the 1960s, the ideological tug of war within the Swedish People’s Party has continued pragmatically. First, the party followed the left-leaning winds of the postwar period, and more recently it has turned to a more right-leaning classical liberalism (Fagerholm 2016, 8, 32). Today the party, with nine seats in parliament, presents itself as “the liberal party in Finland.” Also, the National Coalition Party, nowadays much more classical liberal than in the early 20th century, rests steadily on classical liberalism in its party program, highlighting individual capacity, the rule of law, democracy, the market economy, and respect for human rights. The National Coalition Party holds 38 seats in parliament. As is often the case, conservative parties have become more liberal since the 1970s, even though the term liberal usually has been avoided.

Apart from the parties mentioned above, the liberal-party heritage ended in 1982 when the Liberal People’s Party joined the Center Party as a member organization. This was a move that much of the party’s support basis frowned
upon. One reason for the LPP’s downfall was that the much more popular National Coalition Party had moved closer to liberalism and started to attract liberal voters as well (Niemeläinen 2005; Leitzinger 1988, 73, 76; Ruoho 2005, 67; Muukkonen 2005, 71). In 1994, Risto E. J. Penttilä made an effort to revive the liberal party tradition with the aptly named Young Finns. Even though it bore the same name as the liberal party from the beginning of the century, the new party was much closer to classical liberalism (link). However, this venture as well as other similar attempts at forming liberal parties have failed due to lack of popular support.

One common explanation for the general failure of liberal parties in Finland is that they do not accept the promotion of the interests of social groups or special groups (Vares 2002b, 274; Leitzinger 1988, 11). Liberals in Finland tend to vote for liberal politicians within the larger general parties like the National Coalition Party and the Swedish People’s Party.

Some remarks on liberalism in Finland today

In Finland, the respect for individual freedom is high, dating back to Swedish times and the free peasant, if not even longer. Today the foundation for a free society rests on constitutionalism centered on the individual, which in turn goes back to liberals like Leo Mechelin and K. J. Ståhlberg (Luoto 1983, 220; Inha 2002, 43). In the Human Freedom Index 2021 put together by the Fraser Institute, Finland shares sixth place. In the Economic Freedom Index by the same institute, Finland comes in at 21st place (Vásquez et al. 2021, 156–157). These numbers are also mirrored in a recent survey made by the Finnish think tank EVA (Elinkeinotöiden Valtuuskunta, or Finnish Business and Policy Forum).

According to the EVA study, 50 percent of Finns are positive towards ‘liberalism.’ Even though people have differing ideas of what liberalism stands for, what the survey shows is that ‘liberalism’ mainly has positive connotations among the Finnish population. This is also proven by the fact that certain political parties have started to refer to themselves as ‘liberal’ in recent years. What the study also shows is that the areas where the correspondents find freedoms most lacking are entrepreneurship and business. It also illustrates that conservatism and liberalism often go hand in hand, where conservatism highlights tradition and continuation and liberalism the freedom of the individual. According to the survey, this would reveal the real opposite of liberalism being totalitarianism or big government, not
conservatism (EVA 2020; see also Vares 2002b, 273). The notion is of course not a new one; in fact, it was noted in the beginning of this article in connection with the visions of the Young Finn Thiodolf Rein, who sought to combine liberalism and conservatism.

In party politics, the Swedish People’s Party is today the party closest to the liberal heritage of the 19th century, with a strong adherence to both individual and economic freedom. Although there is no large political party clearly stating its allegiance to liberalism, it is quite clear that Finland in general is a country with a sturdy liberal history and a country where principal tenets of liberalism are deeply engrained in the mentality of the people and in many of the political parties active today. Of the larger parties, the National Coalition Party, with roots partly in the liberal Young Finn Party, most notably adheres to classical liberal ideas. The two most notable liberal think tanks are Libera and Agenda, the former an independent and politically unaffiliated think tank and the latter with ties to the Swedish People’s Party.

The history of liberalism in Finland dates back to Anders Chydenius and the 18th century, when the winding path of the ideology began. The general trend has followed international developments from rather humble beginnings to the heyday of the late 19th century and the tug of war between classical and new/social liberalism during most of the 20th century.

Liberalism as an ideology is separable from liberal parties. Even though liberals were not able to maintain their positions in Finnish politics, their ideology has continued to influence societal views. In present times, the sturdy liberalism developed by the 19th century liberals continues to inform the public discussion, guaranteeing liberal ideas a place in Finnish political culture for now and, it is hoped, for the future to come.

**References**


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Jens Grandell holds a D.Phil in history from the University of Helsinki. He is a researcher at the Prime Minister’s Office working on a scientific edition of the works of the liberal statesman Leo Mechelin. From 2008–2022, he was editor of the historical journal Historisk Tidskrift för Finland and from 2022 of the journal Historiska och litteraturhistoriska studier. His most recent publication is Från ett årtionde i Finland: August Schauman, republikanism och liberalism 1855–1865 (Helsinki: Societas Scientiarum Fennica, 2020). His research is characterized by a biographical methodology and an interest in the individual as an exponent for political ideologies. His email address is jens.grandell@yahoo.com.