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Utopian past or persistent practice? The impact of financialisation on the Nordic model of welfare in the cases of Denmark and Norway (2008-2021)

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Citation

Dieke, T. (2024). *Utopian past or persistent practice?: The impact of financialisation on the Nordic model of welfare in the cases of Denmark and Norway (2008-2021)*.

Version: Not Applicable (or Unknown)

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Note: To cite this publication please use the final published version (if applicable).



Utopian past or persistent practice?

The impact of financialisation on the Nordic model of welfare in the cases of Denmark and Norway (2008-2021)

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Word count:	14,701
Date:	8 December 2023

Acknowledgements

Writing this thesis has been a process I thoroughly enjoyed. This has not in the last place been due to the continuous support I have felt throughout my research. The fantastic people at Statistics Denmark and Statistics Norway deserve a mention for their persistence in answering my endless stream of questions for months on end. Thea Senderud Kjerneth was incredibly helpful in sharing her insights on the political and economic history of Norway in the very starting phase of my research. Ola Innset went out of his way to provide me with a copy of his excellent book on the history of neoliberalism in Norway - which I can only recommend to anyone interested in the subject. Thijs Schilder deserves a mention for his meticulous proofreading.

Importantly, I would like to thank my supervisor, Dr. Jeff Fynn-Paul. From day one, he helped me to create a clear trajectory for this project, which has proven very helpful in structuring the workload of my research. Moreover, he was continuously available to help me re-orient whenever I felt like I was losing a sense of direction. For this I am very grateful.

This thesis, as everything I have accomplished in my life so far, has been enabled in large parts by my dear parents, Frenk and Monique Dieke. They never once complained when I started rambling on about the Danish system of taxation, or anything of the like, for which I can only express my deepest admiration and gratitude.

Alkmaar

December 8th, 2023

Abstract

In recent years, a discussion has emerged about the persistence of the Nordic model of welfare. A small but growing body of literature argues financialisation and related processes of marketisation and neoliberalisation to be at the core of the decline - or even the end - of the model. This thesis looks at the cases of Denmark and Norway between 2008 and 2021 in order to determine the extent to which we can still speak of a Nordic model of welfare. A set of indicators is introduced for each of three defining features of the model: universalism, decommodification and government commitment to full employment. Findings indicate that, though the system has weakened in some parts, it would be undue to speak of a strong decline of the Nordic model for the given period of time, let alone the end of it.

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Chapter 1: The Nordic model of welfare and financialisation

For a long time, the Nordic model of welfare has served as somewhat of a utopia for proponents of comprehensive social services for all (Ryner 2007; Andersson 2009). In the Nordic countries, an individual would be safe from falling down the socio-economic ladder in situations out of one's own influence, be it illness or redundancy. Combining an active working life with parenthood was enabled through months-long parental leave, fully compensated by the government.

Over the course of the last decades, the Nordic model has been subject to much economic volatility. The 1980s and early 1990s marked a period of crisis for the countries of the north. What followed was welfare retrenchment: social aid was limited in terms of both provisions and eligibility (Lindbom 2001; Ryner 2012). As around 25 years have passed, the question rises: what is left of the Nordic model today? This question becomes particularly pressing as history has proven the 2000s and 2010s to not have been much calmer financially. Scandinavian countries were affected by both the Global Financial Crisis of 2007 to 2008 (GFC) and, to a lesser extent, the European Sovereign Debt Crisis of 2009 to 2014 (ESDC). Belfrage and Kallifatides (2018), Skyrman et al (2022) and Hoppania et al (2022) point at the phenomenon of financialisation to explain how developments starting in the 1990s and escalating in the 2000s and 2010s have led to the fall of the Nordic model. Work by Ahnland (2017) and Gallagher (2018) refutes this. They see the late 1990s and early 2000s as a period in which Nordic countries have effectively rejuvenated their welfare systems for the long term, following a brief intermissionary period of retrenchment. This thesis follows this second perspective, seeking to find an answer to the research question:

Is the Nordic model of welfare still a distinctive type of welfare system, in spite of developments of financialisation, based on the cases of Denmark and Norway between 2008 and 2021?

1.1. Defining the Nordic model of welfare

Before engaging in the debate proper, it is important to clearly define the Nordic model. The concept of the Nordic model is popular, contextually adaptable, and often used interchangeably with related but different notions, such as the Scandinavian model or the

Swedish model (Kuisma 2017; Byrkjeflot, Mordhorst and Petersen 2022). Without any additional adjectives, ‘the Nordic model’ refers to a type of political economy which combines extensive welfare services with capitalist free market elements, typical to the countries of Northern Europe (Esping-Andersen and Korpi 1986; Andersson and Mjøset 1987). This thesis focuses on the strong social service elements associated with this system. ‘The Nordic model’ thus, in this case, refers to the Nordic model of welfare, rather than the overarching Nordic model of political economy.

In defining the Nordic model of welfare, standard reference work *The Three Worlds of Welfare Capitalism* by the Danish sociologist Gøsta Esping-Andersen (1990) serves as an obvious starting point. In this book, Esping-Andersen describes a Scandinavian, social-democratic model of welfare as one of three distinct types of welfare organisation. Three features he deems of a particular importance in guiding this Scandinavian model. Firstly, there is the “reigning principle” (75) of universalism. Scandinavian welfare states are based on universalism in that every citizen is eligible to receive social payments if they find themselves in a position of need. A second staple of the model is a high degree of *decommodification*, a term which Esping-Andersen newly introduces in his book. It refers to the idea that no individual should feel the economic necessity to participate in the labour market if they, for some reason, regard themselves unfit to do so. The combination of universalism and decommodification is bound to result in a large and therefore costly welfare system. To uphold this, the state is heavily incentivised to try to achieve full employment. This government commitment thus forms the third component of Esping-Andersen’s Scandinavian model.

As *The Three Worlds of Welfare Capitalism* was first published over thirty years ago, much has changed. Several authors have made efforts to complement Esping-Andersen’s work. He first speaks of the Scandinavian model, for instance. A scholarly consensus has been reached since the publication of the book that Finland fits the criteria too, and we should therefore speak of a Nordic model (Arts and Gelissen 2002). Emphasising its continued relevance, Emmenegger et al (2015) discuss the significant criticism Esping-Andersen’s work has been subject to. Examples of points of contention are his conflation of welfare regimes and political ideologies, and the rigidity of the tripartite division looking at countries initially not researched by Esping-Andersen. As Powell, Yörük and Bargu (2019) indicate, however, there has not been a consensus on how to model welfare states since. Thus, though

acknowledging its limitations, this thesis does work with Esping-Andersen's conception of the Scandinavian model, though Nordic rather than merely Scandinavian.

1.2. Defining financialisation

If the Nordic model has been influenced by financialisation - then what is financialisation? Since the 1960s, finance has gained an increased influence in the overall workings of economic interactions worldwide (Foster 2007). Different explanations for the emergence of what has come to be known as financialisation exist. Part of the literature points at initiatives of liberalisation and deregulation that have marked Western economies over the last fifty years (Davis and Kim 2015; Gallagher 2018). Given this timeframe, financialisation is often associated with different, but related phenomena such as (subversive) neoliberalism, globalisation and marketisation (Belfrage 2011; Klimek and Bjørkhaug 2015; Hoppania et al 2022). As with these concepts, many interpretations of the exact definition of financialisation exist (Bayliss, Fine and Robertson 2017). Davis and Kim (2015) define it as “the increasing importance of finance, financial markets, and financial institutions to the working of the economy” (203). More comprehensively, Aalbers (2016) understands financialisation to mean “the increasing dominance of financial actors, markets, practices, measurements and narratives, at various scales, resulting in a structural transformation of economies, firms (including financial institutions, states and households)” (2).

Both definitions consider financialisation a process in which finance expands relative to the entire economy, with finance referring to external funding for the sake of future returns. The main difference between the two conceptions lies in the extent to which this happens. Davis and Kim speak of the *importance* of finance. The fact that Aalbers refers to a *dominance* implies that he detects an impact of financialisation beyond financial institutions. Van der Zwan (2014) emphasises how cultural economists would, in this context, employ the notion of “the financi[s]ation of the everyday” (102). It is one of three approaches to financialisation he distinguishes. The second one considers it a regime of accumulation. It is grounded in the belief that gains from financial endeavours have replaced trade as the most important source of profit in an economy (Krippner 2005). A third group of scholars perceive financialisation as the increased presence of shareholder value. Transcending the accumulation approach, it seeks to point out how “financial markets exert pressures on

non-financial corporations” (Van der Zwan 2014: 107), in doing so promoting shareholder value outside of a sheer economic scope. In some sense, it could thus be considered to fill the gap between the accumulation approach and the financialisation of the everyday.

The many definitions and approaches associated with financialisation have led Bayliss, Fine and Robertson (2017) to accuse it of being a “scholarly buzzword”. They even go as far as to call it “in danger of becoming a conceptual fall guy for the legion of inadequacies of contemporary capitalism” (357-58). To prevent this thesis from falling into such a trap, it is thus important to be clear on both the definition of financialisation and the approach to it of which will be made use. This thesis makes use of Aalbers’ aforementioned, broad definition of financialisation, whilst employing the financialisation of the everyday approach. This is motivated by the fact that engagements between state and citizen through welfare fall outside of a scope that solely focuses on financial actors.

1.3. A persistent Nordic model

The 1980s and 1990s were a time marked by economic downturn throughout the Nordic area. In Denmark, unresolved issues from the 1970s oil crisis led to structural problems of unemployment and inflation. Both Norway (1988-1992) and Finland (1991-1993) suffered from banking crises associated with deregulations in the sector in the years prior. Similar problems arose in Sweden, which saw its housing bubble burst, launching the country into the Swedish Financial Crisis of 1990 to 1994 (SFC). Limits in state spending were part of the approaches to resolve crises in each of the Nordic countries (Kiander 2004; Bergh 2004). The extent to which one can speak of welfare retrenchment for this period is, however, up to debate. A small body of literature particularly vocal in this discussion focuses on the case of Sweden. Lindbom (2001) acknowledges how social spending has been limited in the aftermath of the SFC. At the same time, he refutes the assumption that one can speak of welfare services as being “dismantled” (187). Generosity and universalism remain at the centre of Sweden’s social security provisions, Lindbom claims, later on concluding the Nordic model of welfare is “still an option” (189).

Bergqvist and Lindbom (2003) revisit Lindbom’s original effort, paying particular attention to the persistence of universalism. Their understanding of welfare state retrenchment exceeds mere cutbacks in spending, also including a decline in access to

welfare services and significant privatisation efforts. As they only detect these factors to a limited extent in Sweden, universalism is argued to have stood firm. Indeed, social security and childcare are even said to have become more universal. Similarly, Anxo and Niklasson (2008) detect more than just a survival of the original Swedish welfare state post-SFC. They find a return to high taxation, wage moderation and Keynesian labour policies, associated with the Swedish welfare system between the 1950s and 1970s. Their effort does not directly address the persistence of the Nordic model as such. That said, the renewed presence of counter-cyclical labour policies described by Anxo and Niklasson, suggest an effort to achieve full employment regardless of the economic situation in the country. This is one of the three core features of Esping-Andersen's Nordic model.

Up until the mid-2010s, much of the literature focuses on how the Nordic model has developed under the influence of crises, liberalisation and deregulation. Towards the end of the GFC, several scholars find associations between the Nordic model and a different phenomenon: financialisation. Stenfors (2014) looks at the case of Sweden and how their political economy has changed since the 1980s under the increased influence of finance in the economy. He acknowledges that financial transactions have significantly increased as a percentage of the entire economy. At the same time, Stenfors sees commonalities between the “old’ Swedish model” and the current financialised system, as he finds that both are “rooted in pragmatism and consensus” (57).

Gallagher (2018) assesses the political economic history of Denmark and Ireland since 1982, extensively addressing the role of financialisation. Finance increased significantly in importance in Denmark during the early to mid 2000s, resulting in a housing and real estate bubble which would later burst during the GFC. Institutional barriers within the Danish political economy meant that the smaller banks in which this bubble centred were loosely connected to bigger banks, holding a majority of Danish capital. Moreover, international capital had relatively few opportunities to engage in the Danish market due to existing regulations. This prevented further growth of the existing bubble as compared to other countries in similar situations, such as Ireland (Gallagher 2018, 215). It was thus the existing structures in Denmark that prevented the worst of negative externalities associated with financialisation. The crisis that broke out after the housing bubble burst could be considered relatively mild. Looking at the case of Sweden, Ahnland (2017) goes one step further than Gallagher, revealing a link between welfare state expenses and the wage share in the

long-term. He concludes that it is the welfare state specifically which has functioned as a bulwark against financialisation in some regards. The Nordic model would not have been negatively affected by financialisation, but instead, an opposite trend would be discernible.

1.4. Financialisation as the end to the Nordic model

Over the course of the past fifteen years, criticism on the supposed continuation of the Nordic model has increased in magnitude. Features of universalism, decommodification, and full employment would have either significantly declined in influence, or disappeared altogether (Kvist and Greve 2011; Schnyder 2013; Béland et al 2014). The reason for this, a small but growing body of literature proposes, is the increasing presence of finance in Nordic political economies.

Like their intellectual opponents, many of the scholars who claim the Nordic model to be on the decline employ the aftermath of the SFC as a starting point for their research. Particularly manifold in this light is the work of political scientist Claes Belfrage, who seemingly shifts from one side of the debate to the other side throughout his texts. Belfrage (2008) looks at the impact of the 1998 Swedish pension reform, finding a perpetuation of both decommodification and redistribution efforts, which suggests a continuation of the Nordic model. He does emphasise how financialisation has taken on an increased role in the Swedish political economy, and how this development is in need of more extensive research. Not focusing on financialisation as such, Belfrage and Ryner (2009) do take on a more sceptical perspective with regard to the Nordic model as they acknowledge neoliberal trends of deregulation and privatisation within the Swedish pension system. At the same time, they place their findings into perspective by calling the Swedish system distinct enough to withstand being pulled into the subprime mortgage crisis in the United States “unfolding at the time of writing” (279).¹ Belfrage (2011) signals a switching of sides within the debate, albeit somewhat hesitant. Looking at the same 1998 Swedish pension reform, he detects shifts in provisions from being determined on the basis of income to being determined on the basis of capital. This example would serve to show that finance has not just come to play an

¹ This prediction has proven false. Sweden fell into a recession by early 2008, being one of the first countries in Europe to have been affected by what has since come to be known as the GFC (OECD 2023b).

increasing role in the economy, but one could effectively speak of financialisation of the Nordic model itself.

Schnyder (2013) looks into the sustainability of the Nordic model in the case of Sweden. He shows that wage solidarity proved unsustainable for the country in the 1980s, as more productive workers had to settle for a lesser income to compensate for less productive workers. The fundament upon which the Swedish welfare state based itself was thus undermined, adding to the emergence of the SFC. Though Schnyder emphasises a return of wage solidarity after the crisis, he detects a new basis for “normative dissonances” (1127), which have the potential to undermine Swedish welfare once more. As such, he expresses his doubts on the sustainability of the renewed Swedish welfare system in the long-run. Béland et al (2014) add to Schnyder’s work by not just highlighting the case of Sweden, but also including Denmark. Focusing on pensions, they find a “relative decline” (751) in universalism for both countries after the 1990s. They do, however, acknowledge a persistence of universalism in welfare policies as compared to two liberal, Anglosaxon welfare states.

Both Schnyder and Béland et al remain hesitant to address the role of liberal economic trends in analysing political and economic developments in the Nordics. Kvist and Greve (2011) diverge from this. Looking at the case of Denmark, they predict that the country’s welfare services will lose their universalist tendencies if ongoing trends of privatisation of welfare will persist. Similarly, Skyrman et al (2022) consider the privatisation of welfare in their study of the Swedish economic rebuild post-SFC. Looking at employment in welfare services, they observe a gradual process of deconstruction of the Swedish welfare state. Briefly addressing the main subject of this thesis, Skyrman et al recognises the role of “the ongoing financi[s]ation of the Swedish welfare sector, where companies are continuously bought and sold on and outside of the stock market” (20). Hoppania et al (2022) lay their focus on marketisation in explaining the decline of universalism in Nordic eldercare services, whilst also mentioning the role of financialisation. They do not see the decline of universalism as absolute, instead arguing values of transparency and democracy to be the main victims of current developments towards more liberalised welfare systems in the Nordics.

Belfrage and Kallifatides (2018) and Tranøy, Stamsø and Hjertaker (2020) go beyond aforementioned efforts in placing financialisation at the centre of their work on the Nordic model. Where some scholars argue that existing economic structures provide a barrier against

financialisation, Tranøy, Stamsø and Hjertaker detect the opposite. The welfare state would have an escalating effect on the negative externalities of finance. Looking into the case of housing, successful decommodification leads to generalised creditworthiness, feeding trends of inflation. Following from this, housing prices rise too, making homeownership less achievable for those who rent. Efforts to stop this process, such as tightening credit regulations for buying a house, will hamper the house-buying opportunities for tenants as well. It leads Tranøy, Stamsø and Hjertaker to speak of a paradox in which increased equality leads to increased inequality.

Tranøy, Stamsø and Hjertaker do not directly address the persistence of the Nordic model of welfare, unlike Belfrage and Kallifatides. Their assessment of the impact of financialisation on the Swedish welfare state can be considered the most outspoken in current literature. Belfrage and Kallifatides are highly critical of scholars who argue that the Nordic model persists, rejecting their perspectives for being “too optimistic about the condition and prospects of the reformed Swedish model” (877). According to the authors, the GFC accelerated an existing trend of financialisation in Sweden. Shortages in the lower segments of the housing market developed as a consequence of this debt-led model of economy. Importantly, Belfrage and Kallifatides also detect a shift away from the traditional government focus on full employment. Being one of Esping-Andersen’s three core features, this would effectively mean the end of the Nordic model.

1.5. Methodology

In seeking to answer the research question, this thesis employs secondary source literature research for two case studies: Denmark and Norway. Sweden has been opted out of this research as it is already the focus point of a majority of contemporary literature on financialisation of Nordic welfare states. The exclusion of the cases of Finland and Iceland in favour of Denmark and Norway have been decided upon largely based on practical grounds, given the linguistic limitations on the part of the author. For the case studies, current literature will be assessed for each of three core features of the Nordic model as defined by Esping-Andersen (1990), these being universalism, decommodification, and full employment. Following from this, a number of indicators will be looked at to compare the literature with practical developments. These practical developments are assessed in the form of both

statistical measures, and laws and regulations, all coming from public sources such as ministries, statistical bureaus, and research institutions. This thesis focuses on a timeframe running from 2008 and 2021. The reason for this is twofold. From a practical perspective, public data for this period is sufficient to produce a comprehensive analysis of developments for the two case studies. More substantively, the time frame enables taking into account the impacts of the GFC, the ESDC, and the aftermath of both of these crises.

Chapter 2: The development of the Nordic model in Denmark (2008-2021)

The budgetary limits of the Danish welfare state became evident throughout the 1980s. In order to offset part of the costs, welfare services were slimmed down. Despite being led by both centre-left and centre-right cabinets during the 1990s and early 2000s, Denmark proved relatively consistent in terms of welfare policies for this period. Initiatives were aimed at achieving a robust social safety net for all, whilst at the same time, prioritising getting users of benefits to work or do any other form of activity. Particularly after the turn of the century, government commitment to this “workfare ideology” (Jakobsen and Jørgensen 2012, 24) was further strengthened. Retrenchment was limited and promises were made not to increase taxes, but, concomitantly, welfare services did become more conditional on either labour or education. Whilst these developments took place in the Danish welfare state, finance took on an increasing role in the Danish economy as a whole (Gallagher 2022). The extent to which this has negatively impacted the Danish welfare state, too, is what this chapter sets to find out.

2.1. Does the Danish welfare state remain universal?

In essence, a policy is universal if it applies equally to anyone of the same group. With regards to welfare, this means that, in a situation of optimal universalism, every member of a certain group is eligible to receive a particular benefit, regardless of circumstances (Anttonen et al 2012). This group usually consists of citizens of a state. To Anttonen and Sipilä (2014), universalism is more than just universal inclusion. They emphasise the importance of universal allocation. This means that the welfare benefit has wide, evenly spread availability for all members within the group, and is also used as such. In practice, tax money should thus simultaneously help the economically challenged as well as aid individuals who are not necessarily in financial need. Maintaining such a system requires high public support, which is present in at least part of the Nordic countries (Andersen 2011; Frederiksen 2018). Other than universal inclusion and universal allocation, universalism implies that eligibility for the benefit is legally established (Kristensen 2007; Andersen 2012).

Though different perspectives exist on the development of universalism within the Nordics in general, there exists a broad consensus in the literature on the case of Denmark. Over the last fifteen years, the popular claim that the universality of welfare policies are in decline in the country has mainly been approached in light of the integration of migrant populations into the system. Kristensen (2007) argues Denmark to have evolved into a “two-tier society” (58), as migrants would have less access to welfare services otherwise known as universal. It leads Kvist and Greve (2011) to predict “an erosion of the universal Danish welfare state” (158) if trends continue. Whether or not this assessment is admissible depends on one’s definition of universalism. Important to remember here is the group to which universalism applies. As briefly mentioned, this group usually consists of citizens of a state, a group to which newly arrived migrants do not belong in every case. Whether or not one sees these findings as proof of a decline in universalism is thus highly dependent on the definition of universalism that is employed.

Universalism is not a measure in and of itself. Various efforts have singled out one or multiple components of welfare to determine the development of universalism. An example of a widely discussed subject is state pensions. As Bergh (2004) argues, a state pension system gets more universal the larger the income bracket to which it applies. From 1956 onwards, every Danish citizen was eligible for receiving *folkepension*, or public pension, when reaching pension age (Anderson 2019). Changes were made around the turn of the century: if an individual of pensioners’ age earns 62,700 DKK a year from work, this individual will not immediately receive the pension, but gets the possibility to defer it (European Commission 2023). As this number amounts to nearly 1.5 times modal Danish income, the group that loses their immediate right to a public pension is negligible (Anderson 2004, 301). The Danish pension system is multi-layered in that many individuals decide to top up their existing pensions with private pension schemes (Belfrage and Ryner 2009; De Deken 2011; Jakobsen and Jørgensen 2012; Béland et al 2014). Both the presence of private pensions and the system not formally being fully universal, do not withstand the fact that the universality of Danish state pensions shows persistence between 2008 and 2021.

Based on renting fees, the number of individuals living in a household and the total income of these individuals, some households in Denmark are eligible to receive *boligstøtte* (housing benefits). As this benefit is means-tested, a welfare state becomes less universal as more people make use of it. Christophers (2013) looks into developments in the housing

markets of Denmark, Norway and Sweden. He notes that, in Denmark, social housing has been prevented from being fully privatised, as has been the case in Sweden. Bruun (2018) paints a different picture. Focusing solely on Denmark, she finds that housing reforms in the country have enabled finance to take up a major role within the Danish housing market as a whole. As in other free market economies, existing mortgages of people who lacked solvency to finance their mortgages were repackaged and resold (Abildgren 2012; Gallagher 2022). This is a vital part in the explanation of the escalation of the GFC in Denmark and beyond.

Financialisation most directly impacted those owning property, but the trajectory of the number of households receiving housing benefits suggests a possible impact on tenants, too. Between 2008 and 2009 a minor downfall from 20.44% to 20.03% can be witnessed. This was followed, however, by a sustained rise to 22.11% in 2019. A fall to 21.59% the year after was largely compensated by an immediate restoration to 21.96% in 2021. Overall, the share of households receiving housing benefits increased slightly between 2008 and 2021.

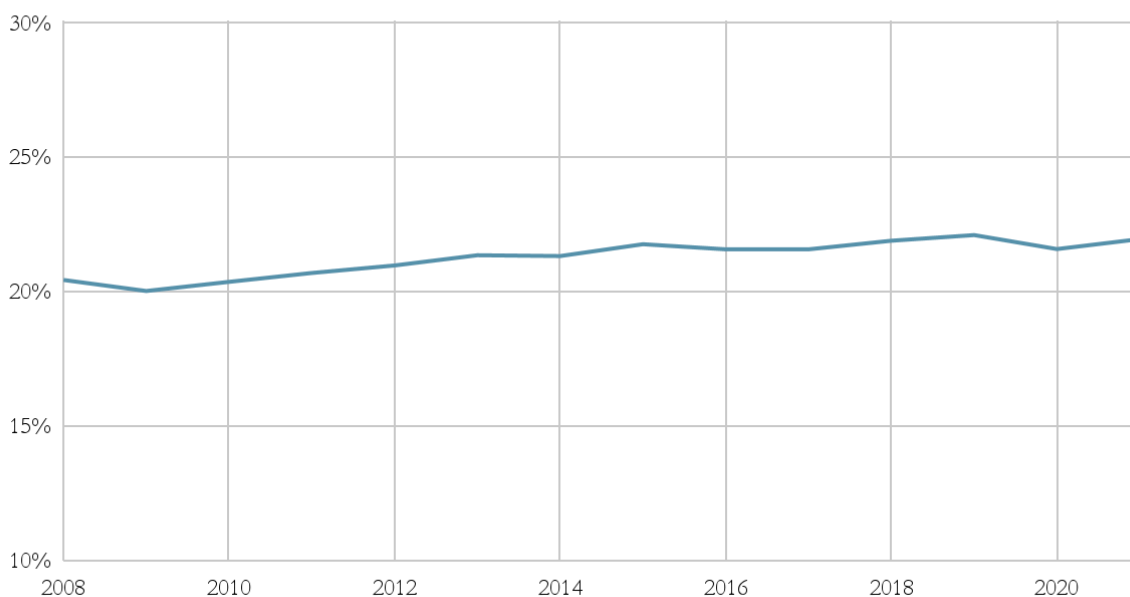


Figure 1 Share of households receiving housing benefits in Denmark (2008-2021). Data by Statistics Denmark (2023a; 2023b).

The commodification of properties for monetary gain has significantly narrowed the renting market, thus adding to higher renting fees (Danmarks Nationalbank 2022). This would explain the increase in the number of households requiring housing benefits. The development of the number of recipients of housing allowances for the period between 2008 and 2021 suggest a fall in universalism within the Danish welfare state. With its big influence on the market for property, financialisation could be pointed at as an indirect cause for this.

In his study on the development of universalism in Sweden, Bergh (2004) also points at the income tax system as one of his indicators. For the system as a whole, universality is high if the tax burden is relatively evenly spread. Following from this, in a fully universal welfare state, 100% of the working age population would pay a proportionally even amount of tax. Efforts to address the impact of taxes on universalism in the Nordic model have been lacking in contemporary literature since Bergh's effort.

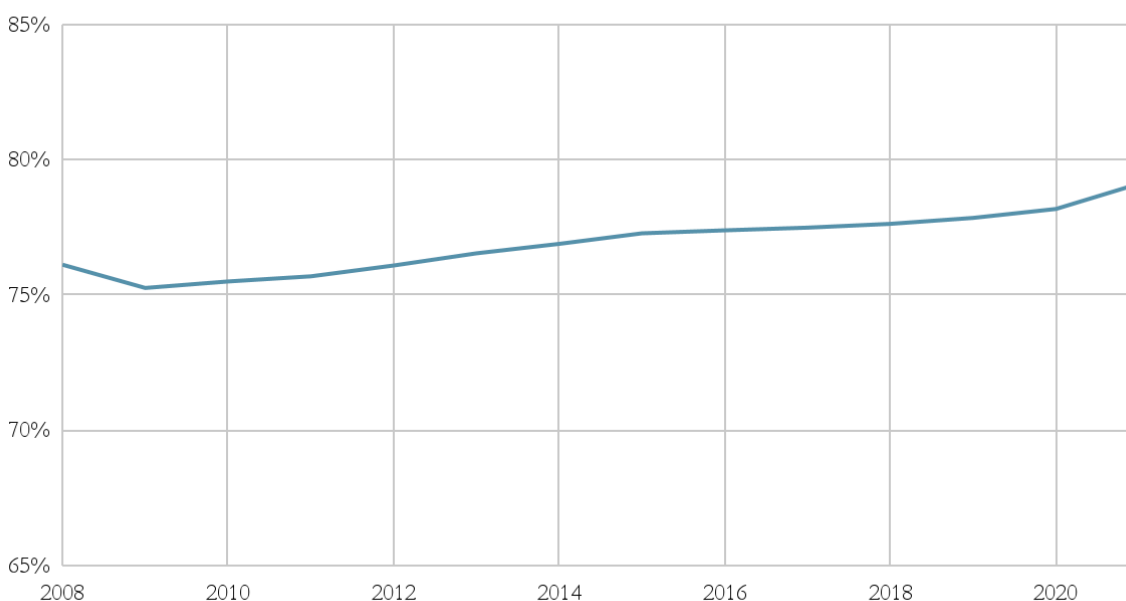


Figure 2 Share of the population that pays income tax in Denmark (2008-2021). Data by Statistics Denmark (2023a; 2023d).

Between 2008 and 2021, the number of income taxpayers increased from 76.12% to 79.11%, after an initial fall to 75.26% in 2009. The system of income taxation in Denmark is complicated by the fact that tax rates are individualistic. Place of residence, total income and other factors related to personal economy determine the total income tax percentage of an

individual. Apart from a minimum percentage of 12.09% and a maximum percentage of 52.07%, this has the practical effect that there are de facto no tax brackets in Denmark. This means the system is, in essence, relatively progressive, though not completely. In theory, an individual from the Danish countryside may have to pay less tax than an individual from Copenhagen whilst earning a slightly higher salary.

Between 2008 and 2021, three different tax reforms were implemented in Denmark. In the spring of 2009, the *Folketing* (Danish parliament) agreed on the adoption of the *Forårspakke 2.0* (Spring Package 2.0). The Spring Package had as its primary object “reducing the relatively high top marginal personal income tax rates” (OECD 2010, 111). An example of another implemented measure would be the abolition of a 6% intermediate tax for incomes slightly above modal income. The package was foreseen to have a positive impact on the Gini coefficient: inequality would increase in Denmark because of it (OECD 2010, 111). This suggests that the Danish tax system has become more proportional because of it.

Though perhaps less conspicuous than in 2009, the 2012 reform, too, is likely to have made the Danish system more proportional. Tax rates for the employed were decreased as compared to tax rates for the unemployed, a group more likely to earn a relatively low income (Statsministeriet 2012). The raising of the minimum income to qualify for the highest tax bracket meant that, for individuals with an above-average income, the tax rate came closer to the mean tax rate. This will have also had a positive impact on proportionality.

Lastly, the 2018 reform saw the standard tax rate being lowered by 0.02% for all, not affecting the proportionality of the system (Regeringen 2018). The same cannot be said of a 4.5% tax deduction for the employed, again benefitting relatively higher income groups vis-à-vis the unemployed.

In sum, taxes were not increased between 2008 and 2021. Whenever they were lowered, this mainly benefited higher income groups, thus moving a relatively progressive system towards more proportionality. Moreover, the number of people paying tax slightly increased. Both of these factors indicate an increase in universalism for the given period.

2.2. Does the Danish welfare state remain decommodified?

Esping-Andersen (1990) introduces the notion of decommodification as “the degree to which individuals, or families, can uphold a socially acceptable standard of living

independently of market participation” (37). In other words, if a welfare state is fully decommodified, it is up to an individual to determine whether or not they deem themselves fit to be active on the labour market. If this is not the case, they will still be able to provide for their livelihoods through welfare benefits and other government-related funds and subsidies. Esping-Andersen provides a large set of indicators for decommodification focusing on three parts of welfare provision: unemployment benefits, sickness benefits, and state pensions. For each of the former two parts, he looks at replacement rates, qualifying period, waiting days, duration of the benefit, and coverage ratio. His indicators for the decommodification of state pensions include minimum replacement rate, standard replacement rate, qualifying period, contribution ratio, and coverage rate.

The debate on the state of decommodification in the Nordics in general, and particularly in Denmark, is limited. Highlighted previously, Tranøy, Stamsø and Hjertaker’s (2020) work on financialisation within Nordic housing markets does touch upon the concept. Briefly reiterating, decommodification indirectly diminishes public access to owning a house, as demand for property increases in part due to the safety net the Danish state provides in terms of housing.

Bambra (2006) speaks out critically on the methodology behind Esping-Andersen’s decommodification index based on data from 1980. Bambra’s data from 1998 and 1999 leads her to relegate Denmark from the top category of decommodification to the middle category. This suggests a decline of decommodification in Denmark throughout the 1980s and 1990s. What it does not do, is say much about its current state. Indeed, a number of studies suggest decommodification has followed a contrasting trajectory in Denmark in recent times. Dingeldey’s (2007) effort is relatively modest: her comparison between Denmark, Germany and the United Kingdom leads here to call out Denmark as having “the highest level of decommodification” (834). As both Germany and the United Kingdom fall in the middle category of the index though, Dingeldey’s findings do not necessarily clash with Bambra’s. The same cannot be said of research by Israel and Spannagel (2019), who compare decommodification efforts throughout Europe. Based on unemployment, social assistance and health provision, they conclude Denmark to possess the highest level of decommodification in Europe. Higher than, for instance, Norway and Sweden, countries which Bambra places in the top category of the index in her effort. This suggests decommodification in Denmark either to still be present or to be present once more.

Importantly, Esping-Andersen's index is focused on discerning cross-national rather than longitudinal variations (Pintelon 2012). More practically, only a number of the fifteen indicators to determine the degree of decommodification are available via public sources. As an alternative, this research looks at social assistance as an indicator for decommodification. A truly decommodified welfare state will provide a social safety net that goes beyond distress experienced by an individual in the short term. Looking at the development of the prerequisites for the least preconditioned and most basic form of welfare is thus considered appropriately indicative for the state of decommodification.

In Denmark, the primary form of social assistance is *kontanthjælp* (cash benefits). Its mere existence suggests the presence of a certain degree of decommodification, though this is not absolute: cash benefits are bound to a number of preconditions. Under current legislation, an individual needs to have experienced a "social incidence" which has left them "unable to adequately provide for [themselves] or [their] family" (Life in Denmark 2023). Moreover, one should not be financially supported by others in order to be eligible.

The exact preconditions of cash benefits have been highly variable over time, though mostly in terms of details (Müller 2017). The period between 2008 and 2021 saw one substantial culmination of rule changes with the 2013 *kontanthjælpsreform* (cash benefit reform). Particularly impactful was the replacement of cash benefits with *uddannelseshjælp* (education benefits) for under 30 year olds, meant to encourage re-integration into the education system - and eventually the job market (Beskæftigelsesministeriet 2013). If deemed unfit to follow an education in the short term, the under 30 year olds remained eligible for cash benefits as they participate in activities preparing them for education.

As with taxation, the cash benefits system between 2008 and 2021 reveals a clear continuation of the workfare ideology of the 1990s and early 2000s. Unlike with universalism in taxation, decommodification is not clearly on the increase. The opposite might be suggested looking at the 2013 reform, as it meant decreased access to cash benefits specifically for young people in education (Beskæftigelsesministeriet 2017). Importantly though, a replacement scheme was introduced in the form of education benefits. The reform can thus not be concluded to have clearly impacted the state of decommodification in Danish welfare.

2.3. Does the Danish government remain committed to full employment?

According to Esping-Andersen (1990), the Nordic model of welfare is “entirely dependent” (28) on achieving full employment. The more expansive a welfare system, the more expensive it becomes, too. Individuals that are employed bring money to the system via taxation, rather than taking money away from it through benefits (Kristensen 2007). There has been some discussion in the literature about full employment in the Nordic countries over the course of the past thirty years. Rather matter-of-factly, Ryner (2007) speaks of “a high degree of public commitment to employment-promoting policies” (62) in the Nordics. According to Kiander (2004) this has not changed in spite of “the hardships” (2) endured during the ending decades of the 20th century. In fact, the countries of the north have successfully maintained their welfare states, preventing the underemployment that struck other parts of Europe, he argues.

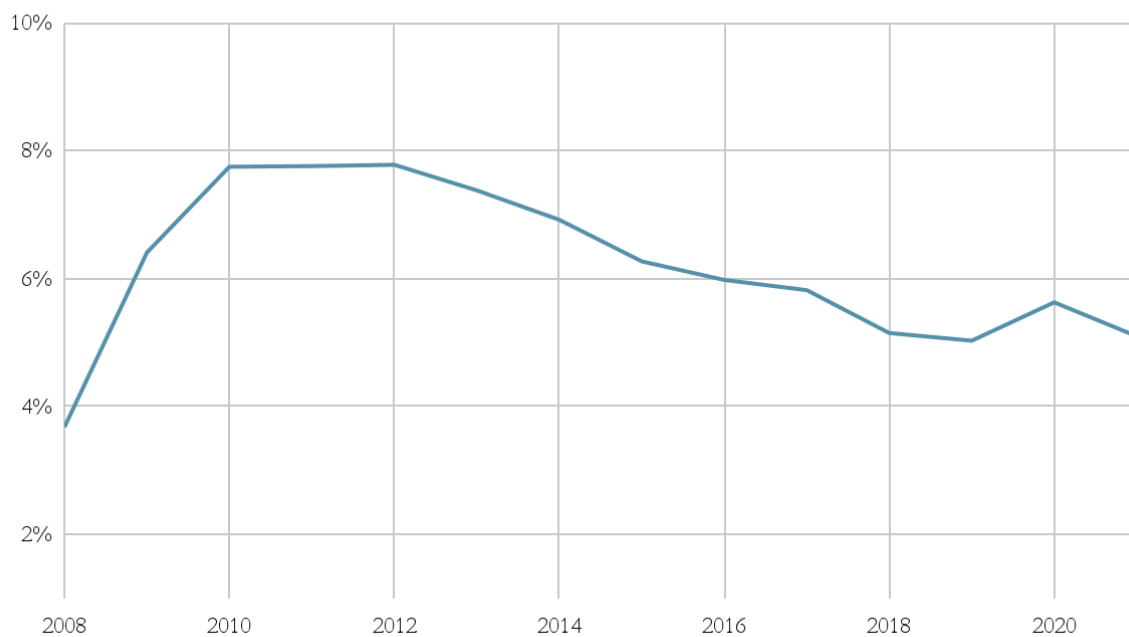


Figure 3 Number of unemployed people as a share of the labour force in Denmark (2008-2021). Data by the OECD (2023c) and The World Bank (2023b).

Starting at a relatively low 3.68%, unemployment increased by over 100% between 2007 and 2009, which is to be explained by the GFC. To combat the crisis in general, Hansen

and Mailand (2013) argue that Denmark has mainly focused on reversing recent reforms, which mostly meant the introduction of cutbacks in practice. The rise in unemployment numbers would not only be a result of the crisis itself, but rather an accumulation of effects of the crisis, earlier reforms, and changes in the demographic build-up of the country. Looking at the development of unemployment for the years following the scope of Hansen and Mailand's research, a continuous fall from 7.78% in 2012 to 5.03% in 2019 can be witnessed. For 2020, unemployment slightly increased to 5.63%. This can be explained by the increased number of redundancies due to the COVID-19 pandemic (Overgaard Hansen 2021). What followed was a minor fall to 5.1% in 2021. This did not prevent the unemployment rate from having increased by nearly 1.5 percentage points since 2008, at least suggesting efforts for full employment to have lessened in effectiveness.

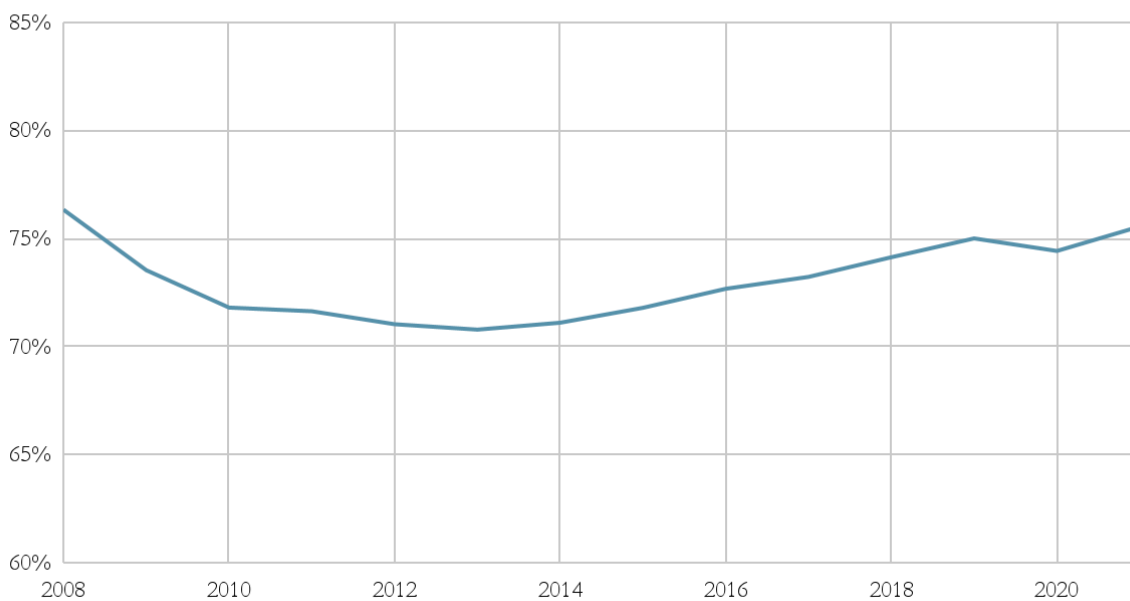


Figure 4 Share of the population between 15 and 64 years old that are employed in Denmark (2008-2021). Data by Statistics Denmark (2023a) and the OECD (2023a).

The unemployment rate is, of course, not the only indicator that relates to the development of government efforts for full employment. The employment rate reveals how many people within working age are actually in a job. It is relevant to consider besides unemployment, as the unemployment rate does not take into account individuals who are not actively seeking to participate in the job market (OECD 2023c). Employment in Denmark

between the ages of 15 and 64 experienced a tumultuous trajectory between 2008 and 2021. Employment fell from 76.33% in 2008 to 70.78% in 2013. This development is to be explained by the GFC and subsequent ESDC, negatively impacting employment throughout the continent (OECD 2023a). A near continuous rise to 75.55% in 2021 follows. The exception to this is a slight fall from 75% to 74.42% between 2019 and 2020, which, again, reflects the negative impact of the COVID-19 pandemic on the economy as a whole. Overall, Denmark experienced a slight fall in the employment rate between 2008 and 2021.

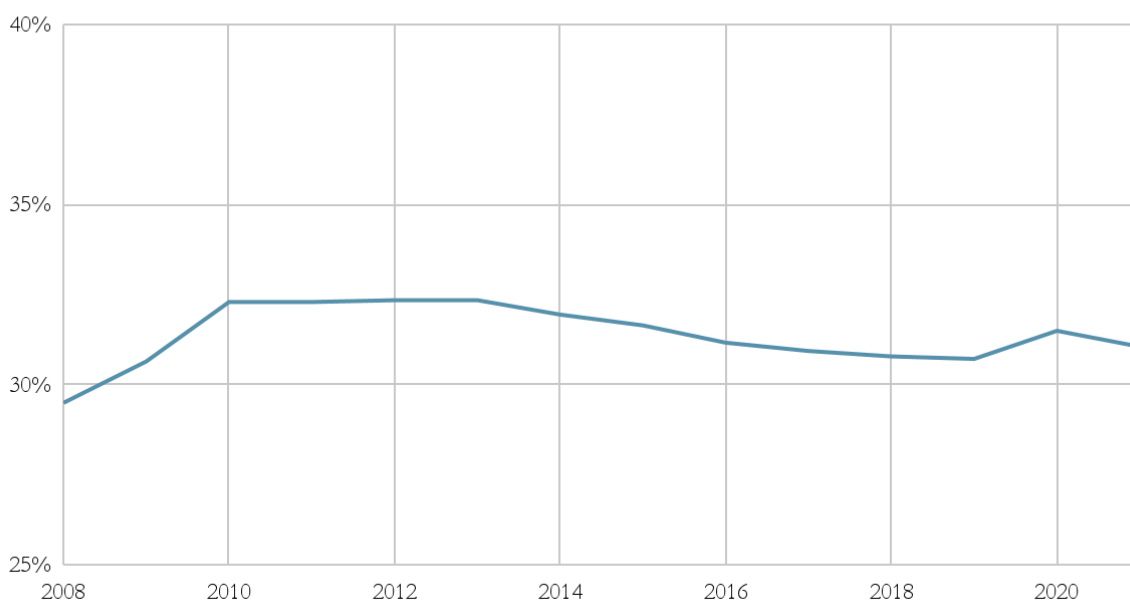


Figure 5 Number of people employed in the public sector as a share of the total number of employed people in Denmark (2008-2021). Data by Statistics Denmark (2010; 2023a; 2023d).

Public sector employment is the most direct way in which governments can impact total employment. It can thus be argued one of the clearest measures to determine a government's commitment to full employment. Employment on one of the three levels of public administration in Denmark - national, regional or municipal - has been stable between 2008 and 2021. An initial rise can be witnessed from 29.49% of total employment in 2008 to 32.34% in 2012. As mentioned, however, employment as a whole significantly fell during this period due to the GFC. In fact, public sector employment fell too in absolute terms, be it a relatively small decline (Hansen and Mailand 2013, 5). After the peak of 2012, a decrease to 30.71% in 2019 followed. Again, this figure reveals more about the increase in private

sector employment as the economy recovered from its state of crisis, rather than about the government's commitment to full employment. Similarly, the subsequent increase to 31.49% is explained by the effects of the COVID-19 pandemic, leading to redundancies in private sector jobs in "tourism, hospitality, food services, transport and retailing" (Marinov 2020, 5), in particular. For 2021, public sector employment lay slightly lower than 2019 at 31.05%, though higher than in 2008. Financialisation has previously been argued to play a part in the Danish public sector in the form of outsourcing (Mori 2015). The public sector employment rate between 2008 and 2021 provides no clear indication for a continuation of that trend. It does not necessarily imply a rise in the government's commitment to full employment either, however. Changes in this statistic are mostly explained by the conjunctural development of private sector employment rather than employment within the public sector itself. Moreover, the percentages for the entire period remain within a 2.5% range of the 30% norm which Esping-Andersen (1990, 149) introduces as typical to the Nordic model. This suggests a continuation of the government's commitment to full employment.

2.4. Discussion

In the case of Denmark, the statistical indicators relating to the key features of the Nordic model paint a mixed picture. In terms of universalism, different trends can be noticed. As the system of state pensions has not gone through rigorous changes between 2008 and 2021, the state of universalism can be argued to have shown persistence from this regard. The amount of households receiving housing benefits experienced a slight increase, which suggests a decrease in universalism. In this development, the financialisation of the housing market has been suggested to have played an indirect part. The system of taxation reveals a contrasting image. The favouring of high income groups through tax reforms and the increased number of taxpayers indicate more proportionality and thus a more universal Danish system of taxation. As there is a strong variety in results between the indicators, it is impossible to speak of a decline in universalism in Denmark due to financialisation based on the findings, however.

The development of decommodification in Denmark has been looked at through the lens of social assistance - cash benefits specifically. The assessment provided for the period

between 2008 and 2021 does not reveal any conclusive evidence for a change in the degree of decommodification in Denmark for said period.

In terms of the government's commitment to full employment, employment in general has fallen slightly, whilst unemployment has increased. This would suggest that those who believe that the Danish government has been less committed to full employment in recent years have been right. At the same time, shifts in these relative numbers can easily be explained by crises and other forms of economic turbulence endured by Denmark between 2008 and 2021. The most direct indicator, public sector employment, shows continuity for the given period at a rate associated with the Nordic model. This suggests that the government's commitment to full employment has stood firm in Denmark.

Based on the findings presented here, the Nordic model cannot be concluded to have disappeared in the case of Denmark, nor can it be expected to soon do so. There are some indications that financialisation has impacted parts of the Danish welfare state, but it would be premature to speak of a detrimental impact on the system based on this research.

Chapter 3: The development of the Nordic model in Norway (2008-2021)

3.1. Does the Norwegian welfare state remain universal?

Though perhaps not as dominant as in other parts of the Global North, a process of financialisation in Norway, too, developed from the 1980s onwards. Under the initiative of national bankers, the Norwegian economy was re-regulated in a way that enabled the creation and complexification of financial instruments (Innset 2020, chapter 5). At the very same time, even within the Nordic region, Norway has traditionally been distinguished as “an ideal type of social democratic welfare state” (Duerr Berrick and Skivenes 2013, 423) - including a high degree of universalism. Partially given in by the process of financialisation, there has been some debate about the state of universalism in the country in recent years, however. As was the case for Denmark, it is the impact of migrant populations which has dominated recent literature on universalism in Norway (Reisel, Hermansen and Kindt 2019; Mehrara 2020; Mehrara and Young 2020). Jönsson and Kojan (2017) speak of a violation of the principle of universalism as education and health care for migrant populations is by-and-large outsourced to private companies. In this sense, the situation in Norway transcends that of Denmark, as the fall of universalism in light of immigrants can directly be associated with financialisation.

As was the case for Denmark, however, the state of universalism in Norway can be more comprehensively traced by looking at a number of concrete indicators, including state pensions. Norway possesses the vastest fund for state pensions in the world (Myhre 2020). This enables the government to offer a pension to every individual who has lived in Norway for at least five years. There are formal differences in terms of which type of pension one is eligible for depending on labour history (OECD 2021). This does not withstand the fact that, in principle, the Norwegian pension system is highly universal by nature. No significant changes have taken place with regards to this between 2008 and 2021.

Housing is a topic that is closely associated with financialisation - not in the last place because of the GFC. Historically, the housing market in Norway has been relatively privatised in terms of ownership compared to neighbouring Sweden (Christophers 2013). This does not withstand the fact that the housing market has traditionally been characterised by a high degree of universalism, as housing subsidies were available for middle income groups, too, as Stamsø (2009) emphasises. That said, she also describes how a process of

deregulation has taken place in the Norwegian housing sector since the 1980s. Examples of this include repealing maximum rental rates for tenants and the organised phase out of a number of housing cooperatives, opening up properties for the market (Poppe, Collard and Jakobsen 2016). The phasing out of a number of subsidies leads Stamsø to argue Norwegian housing policy to have turned “liberal” (216) by 2005, in comparison to its earlier social-democratic outlook. The degree to which a similar trend can be witnessed for the following years can be assessed by looking at the development of housing allowances for that particular period. In the years for which data is available - from 2015 to 2021 - the number of housing allowances experiences a mostly downward trend. Starting at 4.56%, 2019 forms the lowest point at 3.18%. A small increase to 3.45% the year after is followed by a minor decline to 3.42% for 2021. The slight decrease in use of housing allowances suggests an increase in universalism in terms of housing.

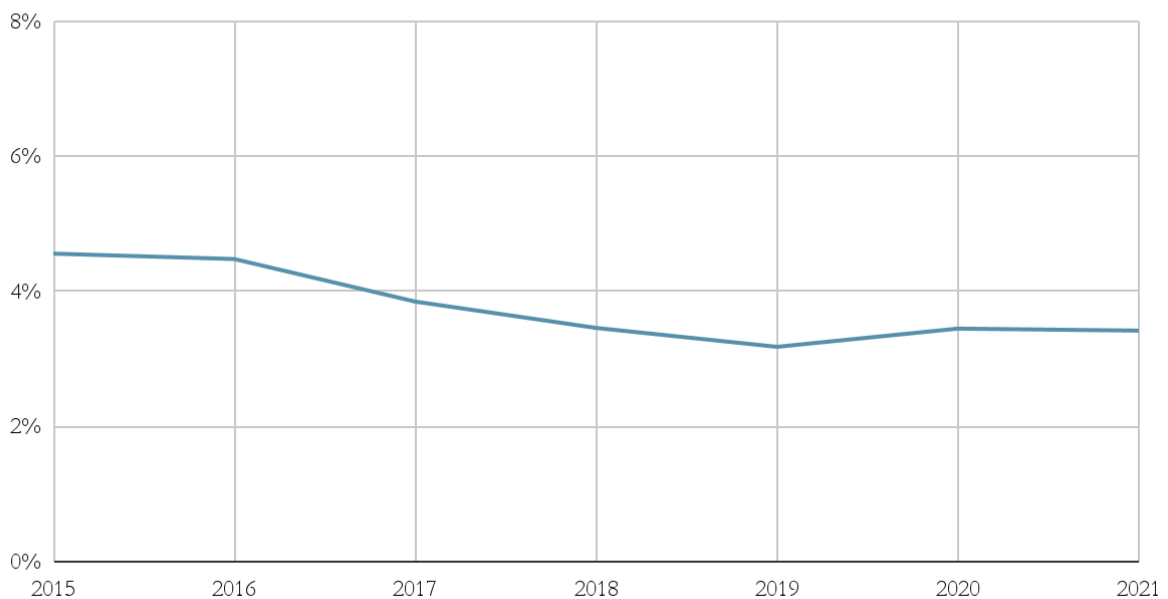


Figure 6 Share of households receiving a housing allowance in Norway (2015-2021). Data by Statistics Norway (2023a; 2023b; 2023d).

Between 2008 and 2021, the number of income taxpayers as a share of the population experiences a near continuous rise. Just one minor decline can be witnessed - from 84.87% in 2019 to 84.66% the year after. In total, the number of income taxpayers increases by nearly

3.5 percentage points, indicating a more even spread of the cost of the Norwegian welfare state over all its citizens for the given period.

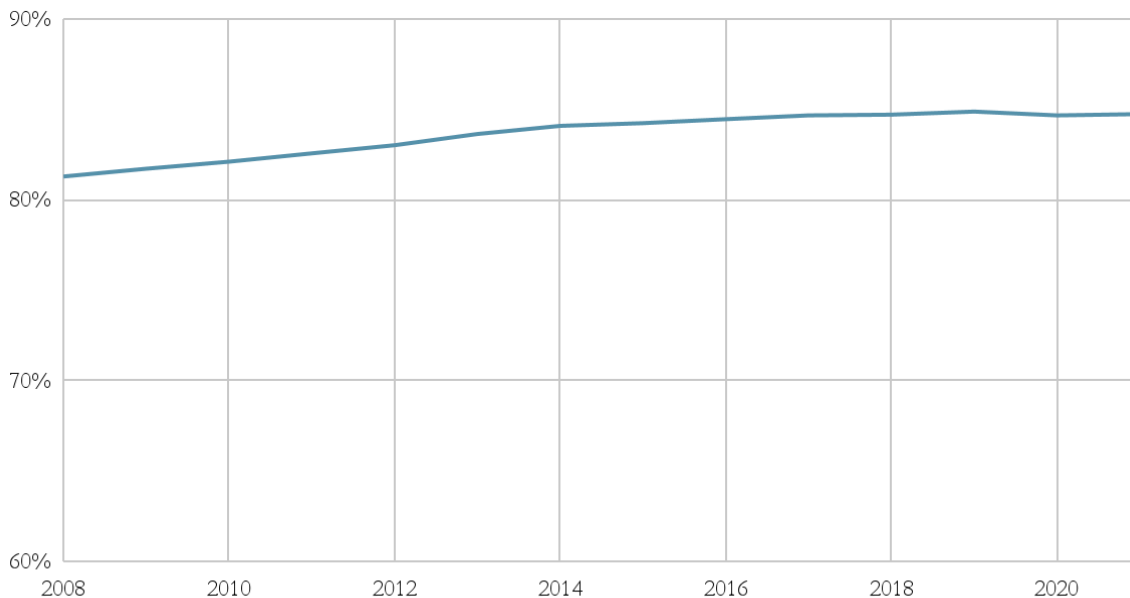


Figure 7 Share of the population that pays income tax in Norway (2008-2021). Data by Statistics Norway (2023e; 2023f).

The last major tax reform in Norway took place between 2004 and 2006. This reform predominantly focused on income from capital for companies rather than personal income tax (Reiersgård and Røtvold 2012). Since the reform, minor changes in income taxation have been implemented on a continuous basis through the yearly state budgets. Different developments can be distinguished. The income threshold for which the top tax rate applies was initially lowered in 2008, but increases followed in both 2012 and 2015. As the number of individuals paying the average tax rate rose, the system became more proportional, and thus more universal. A 2015 decrease in the maximum marginal tax rate also suggests an increase in the universality of the Norwegian tax system. High income earners paid a tax rate closer to the average tax rate as compared to the year prior, further benefiting the system's proportionality and consequently its universality. Not all policy changes point at an increase in universalism, however. In 2009, taxes were increased for higher incomes, whilst taxes were decreased for lower incomes in 2009 and - more extensively - in 2012. Both developments positively impacted the progressivity of the tax system, as such negatively impacting universalism. Lastly, for the period between 2016 to 2020, a trend of reductions on

the basic tax rate for income from labour can be witnessed, from 27% to 22%. As every individual profits from this relatively equally, universalism is not affected. Where statistical data thus supports the idea of an increase in universalism in Norway between 2008 and 2021, the same cannot be conclusively argued from a legal perspective.

year	policy change	impact on universalism
2008	threshold for top tax rate decreased	decrease
2009	tax increase for high incomes	decrease
	(minor) tax decrease for low incomes	decrease
2011	increase in tax deductions	no clear impact
2012	tax decrease for low incomes	decrease
	threshold for top tax rate increased	increase
2015	decrease in maximum marginal tax	increase
	increase in minimum deduction	decrease
	threshold for top tax rate increased	increase
2016	tax decrease on general income	no clear impact
2017	tax decrease on general income	no clear impact
2018	tax decrease on general income	no clear impact
	additional tax decrease on general income for Northern provinces	no clear impact
2019	tax decrease on general income	no clear impact
2020	tax decrease on general income	no clear impact

Figure 8 Major changes related to income tax introduced in the yearly state budget, and their impact on universalism (2008-2021). Data based on Regjeringen (2007; 2008; 2010; 2011; 2014; 2015; 2016; 2017; 2018; 2019).

3.2. Does the Norwegian welfare state remain decommodified?

Whether or not Norway's image as being highly decommodified is deserved is a subject of debate. Where Bamba (2006) relegates Denmark to the middle group of countries in terms of decommodification, the updated index does not bring differences for Norway. As was the case for 1980, Norway is still considered one of the countries with the highest degree of decommodification looking at late 1990s statistics, according to Bamba. Her finding stands in heavy contrast with Israel and Spannagel (2019), who place Norway as twelfth out of 29 European countries in terms of decommodification. Important to consider here is the way in which they measure decommodification - based on unemployment benefits, social assistance benefits and healthcare provision. Norway scores relatively poorly in terms of unemployment benefits, which are measured by how high benefits are as compared to the median income. A relatively low score for Norway could be explained by the fact that the country has a median income much higher than a large majority of the states involved in this index (Our World in Data 2022). If one is to use data for 2022, the median income before tax in Norway stood at 609,480 NOK (Amundsen 2022), which would mean an unemployment benefit of 245,011 NOK based on data used by Israel and Spannagel. This means that the unemployment benefit lies significantly above the minimum subsistence level for single individuals at 124,944 NOK (Statens Innkrevingsentral 2023). Somewhat similar to unemployment benefits being measured relative to mean income, social assistance is looked at in relation to average income, which too is significantly higher than in most European countries (The World Bank 2023a). Given these limitations, it is difficult to conclude a fall in decommodification in Norway based on Israel and Spannagel's effort.

As with Denmark, the development of the requirements for the most basic form of social assistance may indicate changes in the level of decommodification for Norway. Those who are unable to provide for themselves are eligible to receive *økonomisk sosialhjelp* (financial assistance). From 2006 to 2011, the biggest ever public sector reform in Norway took place (Nes 2012). The so-called *NAV reform* meant the unification of three separate institutions in charge of welfare programs, aimed at increased efficiency as well as enabling more users of benefit schemes to be active on the labour market (Bach and Roness 2010; Røysum 2013). The impact of the NAV reform on financial assistance has been discussed by some authors (Løvvik 2012; Aakvik, Monstad and Holmås 2014). Kristofferson and Ødegård

(2009) initially detect a decline in user satisfaction for financial assistance in light of the reform. They do, however, emphasise that the satisfaction curve tends to move upwards the longer NAV offices are in operation. Based on both interviews and data on the use of financial assistance, Nes (2012) finds that the number of users of financial assistance has gone down, whilst satisfaction among users has, eventually, increased.

Neither Kristofferson and Ødegård nor Nes relate to the development of decommodification - be it directly or indirectly. Large, direct changes in the requirements for financial assistance have been scarce between 2008 and 2021. In principle, financial assistance is a program available for every individual unable to provide for their own livelihood, with eligibility being based on legal residence in Norway. It is meant for general living expenses, health costs, housing costs and electricity bills. The amount of financial assistance to which an individual is entitled depends on multiple factors, such as household composition and municipality of residence. Differences in the exact amount of assistance one is entitled to do not affect decommodification. Merely the ability to provide for one's livelihood whenever one feels unable to work is assessed, not necessarily the extent to which this is the case. It does not consider differences between the extent of this ability, as is the case with universalism. Importantly, financial assistance is, by law, temporary. In principle, an individual would receive financial assistance for a maximum period of four years. That was, until a 2018 reform lowered this term from four to three years (Van der Wel 2019). As before, the assistance can be prolonged if circumstances require so. The impact of it on the state of decommodification can thus be concluded to have been very limited at most. Based on the development of financial assistance, there is no indication of a significant decline of decommodification in Norway between 2008 and 2021.

3.3. Does the Norwegian government remain committed to full employment?

As Duerr Berrick and Skivenes (2013) emphasise, achieving full employment for all, regardless of sex, stands at the very core of the Norwegian organisation of both labour market and welfare state. For the 2010s, Sila and Hemmings (2020) detect a fall in employment among both young and middle aged men. In earlier times, Norway would intensify their state employment programs in order to compensate for such trends - maintaining a high level of public sector employment. To assess whether or not this commitment has stood firm between

2008 and 2021, it is important to first paint a comprehensive overview of how factors of unemployment and employment have developed, before assessing public sector employment as such.

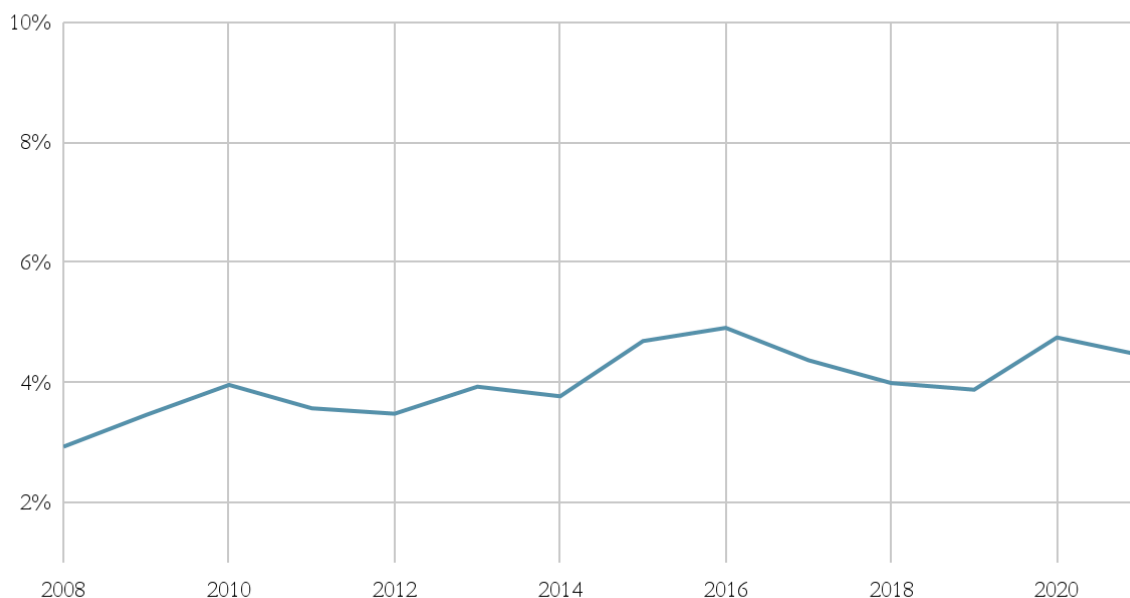


Figure 9 Number of unemployed people as a share of the labour force in Norway (2008-2021). Data by the OECD (2023d).

From the late 2000s until the early 2020s, the number of unemployed people in Norway experienced a highly volatile trajectory. Between 2008 and 2010, unemployment rose from 2.93% to 3.96%, a small increase mirroring the impact of the GFC, though the effects of this crisis in Norway should not be overstated (Grytten and Hunnes 2014; Lipková and Hovorková 2018). Until 2014, the unemployment rate fluctuated between 3.5% and 4%, before rising substantially to 4.69% in 2015 and 4.91% in 2016. Academic research on this development lacks, but mass lay-offs in the petroleum industry due to price falls may be argued to have played a part, as the sector represented about 6% of total employment in Norway in 2021 (Jacobsen and Skonnord 2016; Norsk Petroleum 2023). A fall to 3.88% in 2019 followed. The subsequent rise to 4.75% in 2020 is to be understood in light of the COVID-19 pandemic, and the increased number of redundancies associated with lockdowns and other such measures (Ingelsrud 2021). The unemployment rate for 2021 was 4.46%,

which is substantially higher than the 2.93% of 2008. This would suggest a decrease in the government commitment to full employment.

Between 2008 and 2017, the employment rate in Norway experienced a near continuous fall from 77.95% to 74%, with the exception of a minor increase from 75.3% in 2011 to 75.75% in 2012. What followed was a rise to 76.3% in 2021, over 1.5 percentage points lower than in 2008. As with unemployment, changes in employment in Norway for the given period are to be considered in light of changes in the economic conjuncture.

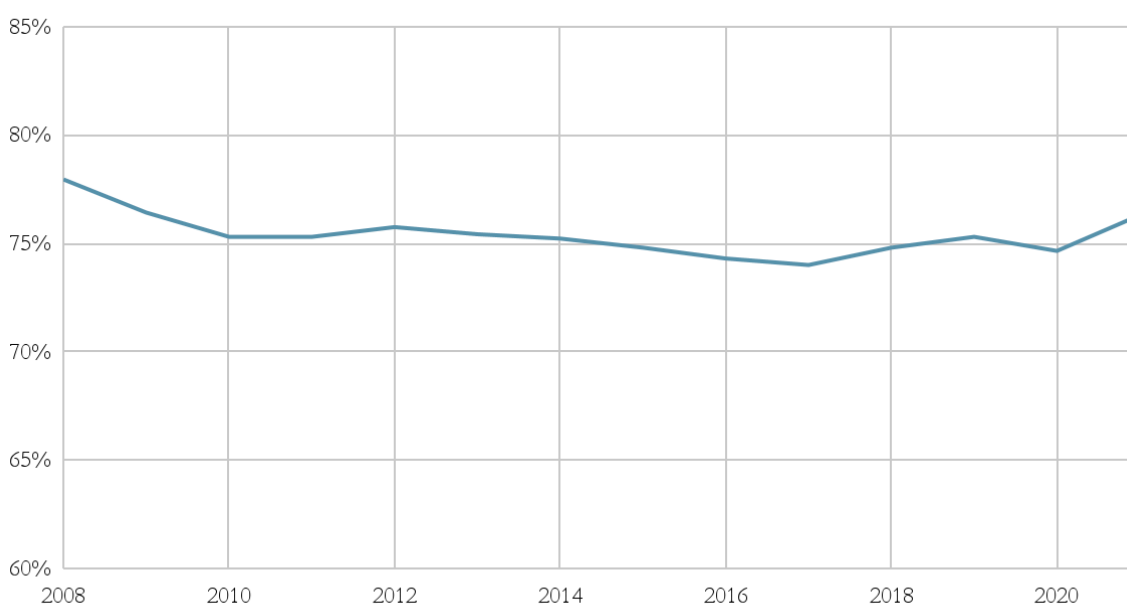


Figure 10 Share of the population between 15 and 64 years old that are employed in Norway (2008-2021). Data by the OECD (2023b).

In terms of public sector employment, a pattern of layered growth can be distinguished in Norway between 2008 and 2021. After an increase from 34.04% to 35.16% in the first year, public sector employment plateaus between 35.1% and 35.4% until 2014. A subsequent rise to 35.89% in the year after was followed by a minor decline over a number of years to 35.44% in 2019. For 2020, the public sector employment rate rose to 36.16%, ending at 35.65% in 2021. As was the case for Denmark, increases in relative public sector employment mostly mirrored decreases in overall employment due to recessions or other economic setbacks, as private sector employment policies tend to be more reactive to such trends. All in all, public sector employment increased by 1.5 percentage points as a

percentage of total employment in Norway between 2008 and 2021. This suggests an increase in government commitment to full employment.

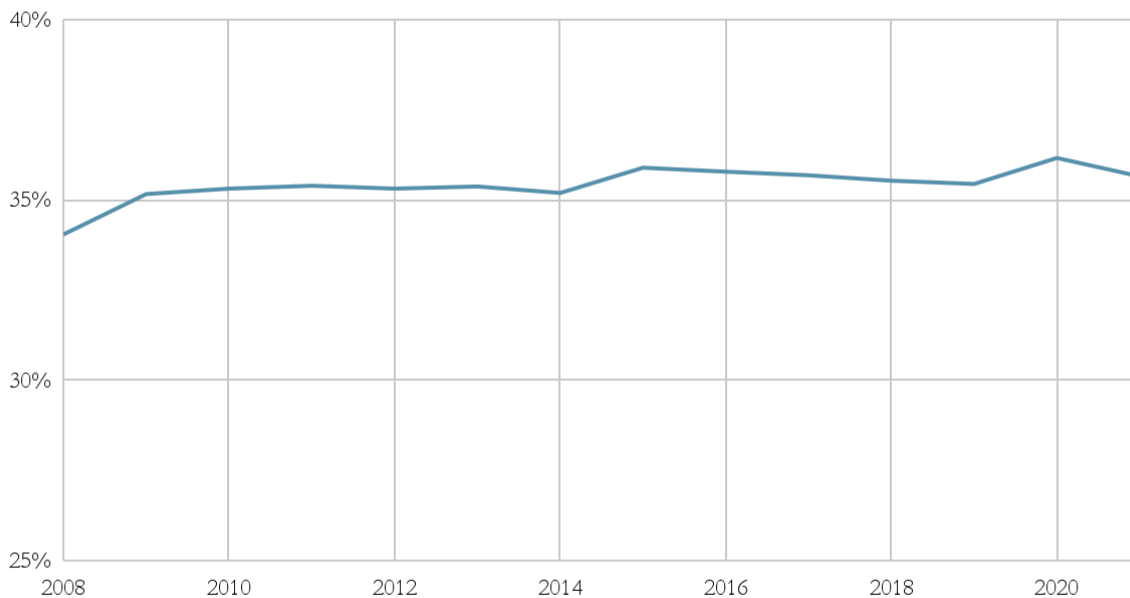


Figure 11 Number of people employed in the public sector as a share of the total number of employed people in Norway (2008-2021). Data by Statistics Norway (2023c).

3.4. Discussion

In the case of Norway, indicators of universalism do not suggest a congruent development. The state pension system continues to be present, thus not affecting the state of universalism. The same cannot be said of housing: financialisation has had a notable impact on the Norwegian housing market. At the same time, the number of households receiving a housing allowance has been on the decline between 2015 and 2021. This suggests an increase in universalism, but attention should be given to the limited database upon which such a claim would be based. Though reforms have taken place in terms of taxation, neither the proportionality of the system nor the number of taxpayers have significantly changed, which means universalism has persisted from this perspective.

Though some requirements for financial assistance have changed with the NAV reform and in the period thereafter, the impact on decommodification can be described as

insubstantial. Based on the findings, there is no indication to speak of a decline of decommodification in Norway between 2008 and 2021.

Unemployment has been on the rise in Norway in recent years, whilst employment has fallen. This would indicate a fall in government commitment to full employment. Importantly though, changes in the two factors can be explained by the economic downturn Norway experienced between 2008 and 2021 in the form of the GFC, the ESDC, the 2010s oil glut and the COVID-19 pandemic. Moreover, Norway experienced an increase in public sector employment as a share of total employment. This suggests an increase in government commitment to full employment.

Based on the findings presented here, the Nordic model cannot be concluded to have disappeared in the case of Norway, nor can it be expected to do so soon. In terms of housing in particular, and in terms of employment and unemployment to an extent too, a decline may be witnessed. The impacts are, however, too limited to speak of an indisputable, complete decline of the Nordic model in Norway.

Chapter 4: Conclusion

Much has been written about the persistence of the Nordic model. In terms of universalism, developments in Denmark and Norway show a large overlap. In both countries, state pensions remain firmly universal. The increased presence of private pension schemes does not impact this. For taxation too, a persistence of universalism can be detected. In Denmark, tax reforms at the benefit of high income groups have even made the system more proportional - and thus more universal. Only in terms of housing, a fall in universalism can be detected in the case of Denmark. More households make use of a housing allowance, whilst social housing and low rents have lessened in frequency for several decades prompted by the financialisation of the housing market, among other developments. One can thus not conclude that universalism has shown complete persistence in Denmark in particular. In Norway, there is no indication for a decrease in universalism of housing, but as has been noted, the database upon which this finding is based is relatively limited. Importantly though, universalism cannot be claimed to be on the decline in all facets of Nordic welfare.

For decommodification, the state of social assistance in Denmark and Norway has been assessed. Though impactful reforms have taken place, accessibility to subsidies of last resort to provide for one's livelihood has not clearly deteriorated for either of the countries. Decommodification has stood firm in both Denmark and Norway between 2008 and 2021.

Looking at government commitment to full employment, both unemployment and employment shares have fallen in Denmark and Norway between 2008 and 2021. These changes can largely be explained by external factors relating to economic conjuncture - the GFC, the ESDC and the COVID-19 pandemic to be precise. The governments of Denmark and Norway have, in fact, shown their persistent dedication to achieving full employment by way of public sector employment. Relatively to total employment, continuity can be witnessed for Denmark, whilst Norway has seen a rise in public sector employment. Taking everything into consideration, the governments' commitment to full employment can best be typified as showing continuity based on the findings presented.

So, where does that leave the Nordic model? Following from the indicators assessed, speaking of a decline of the Nordic model - or even of the end of a Nordic model - would be highly premature. A picture of relative persistence emerges for all three of Esping-Andersen's key features of the Nordic model: universalism, decommodification, and government

commitment to full employment. This does not mean that the Nordic model is inalterable. As is often the case with models in general, the Nordic model has evolved and will continue to do so over time. If the Nordic countries want to maintain their distinct form of political economy and welfare, particular attention should be given to the universality of their respective housing sectors. As of today, however, the Nordic model does persist.

This thesis is inevitably bound to some limitations. The year 2008 does not signal the start of processes of financialisation in the Nordic countries, for instance. As mentioned, the time frame, ending in 2021, was in part decided upon based on practical considerations concerning the availability of data. Another limitation relates to terminology: the Nordic model is more than Esping-Anderson's definition of it. Though still widely cited, his conceptualisation has been the subject of criticism which this thesis has only been able to engage with to a limited extent (Bambra 2006; Emmenegger et al 2015). Focusing on universalism, decommodification and government efforts for full employment has been a conscious decision, but an argument could be made that these three terms do not fully do justice to the complexity of the Nordic model. An effort has been made to include a wide array of indicators for each of the three components of the Nordic model. This does not withstand the fact that not all facets of welfare have received equal attention. Healthcare would, for instance, be addressed more extensively in a fully comprehensive discussion of Nordic welfare. In looking at a number of indicators, the impact of reforms has been addressed by looking at their aims. Ideally, these aims would be tested based on the actual impact of policies in practice. This would require field research on a scope deemed unfeasible for this particular effort. Limitations in terms of word count were, moreover, pivotal to the decision of eliminating the case study of Finland. Lastly, presentation matters. This thesis makes use of a total of eleven figures. For all of these, well-considered judgements have been made on the scales of the axes to present the data in as neutral a manner as possible. Awareness about the impact of presentation of data on the interpretation of the data is, nevertheless, of importance.

The limitations described leave ground for further research. More extensive efforts should make use of a larger package of indicators to provide a broader picture of the development of the Nordic model, as well as assessing more of the Nordic countries as case studies. Where, in this research, focus lies on longitudinal rather than comparative data, efforts to analyse differences in the development of the model between the Nordic countries

are encouraged. Relevant to assess in particular is how financialisation relates to different forms of association with the European Union, given the substantial body of literature that argues the European Union to have positively impacted financialisation (Belfrage 2008; Vachon, Wallace and Hyde 2016; Barradas 2017).

The Nordic model of welfare is still up and running. At the same time, financialisation and related processes have had their effects, and are likely to continue to do so. Where this will leave the model in the years to come, remains to be seen. At this point in time, however, indicators do not warrant acute fear about the durability of the model.

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