



Life in Norway today: the comprehensive welfare state heading for an uncertain future?

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Telemark University College

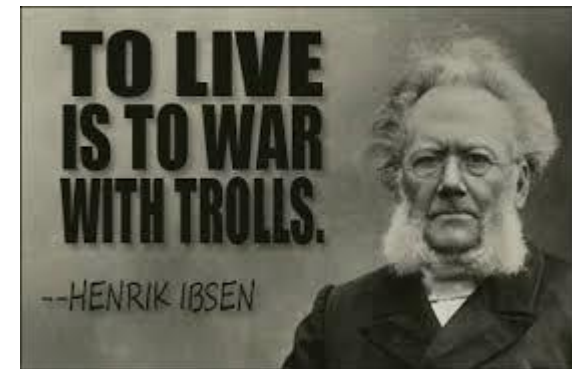


A little about Norway



- 5,1 mill. inhabitants, 19 counties, 428 municipalities
- 14 % immigrants, (Europeans 55%, Asia 29%, Africa 12 %)
- Monarchy, parliamentary democracy
- EU – EEA, NATO
- Highest GDP in Europe – and the most expensive country in Europe
- Oil, public services, trade, industry are the main contributors to GDP

A little about Telemark



TELEMARK



A brief overview of welfare benefits in Norway

- Parental benefits: 49 weeks at full* pay, or 59 weeks at 80 % pay; both parents at least ten weeks each
- Education: free tuition also at university level, state grants and loans to students. Books, computer, housing is to be paid by the student
- Work life: 37,5 hours working week, 5 weeks vacation with full pay per year, retirement age 67 years (with many exceptions), sickness leave for up to one year with full* pay.
- Unemployment 3,9 % (March 2015) – slowly rising. Unemployment benefits approx 63 % of income for up to 2 years, several schemes to return to work are activated
- Old age pension; approx. 900.000 people receive this from the age of 62, both a flat rate and earnings related
- *: Full pay is a max of 6G (national insurance basic amount), p.t. NOK 530.000, approx € 65.500 pr. year



How do we pay for all this?

- Taxation
 - Direct (personal and companies)
 - Indirect (VAT, special taxes (alcohol, tobacco, petrol))
- Pension schemes financed by employers as well as employees
- Oil money (and some other profitable sectors)

The Nordic welfare model

”From cradle to grave”





A Nordic welfare state

1. Comprehensive public welfare policies to secure basic needs
2. Strong public participation – a legitimate government
3. Universal system
4. Income security based both on flat rate basic security and earnings related benefits
5. Public transfer of income and tax financing – redistributive effect
6. Service provision by public authorities on local level – local democracy
7. Relatively low differences in income levels
8. Strong emphasis on gender equality and labour market participation

(Kautto et al (eds): *Nordic Social Policy, Changing Welfare States*, Routledge London and New York, 1999)

Other types of welfare states

- Bismarck
 - Access to services according to participation in the labour market, pension schemes based on contributions
- Beveridge
 - Universal services, tax financed, strong presence of voluntary work and informal care, especially from women
- Latin model
 - Individual responsibility, use of family and voluntary work, strong presence of church organisations, low level of public services

(Abrahamsson, 1999)

The financial crisis of 2008 hit Europe hard – a Nordic way of dealing with it?

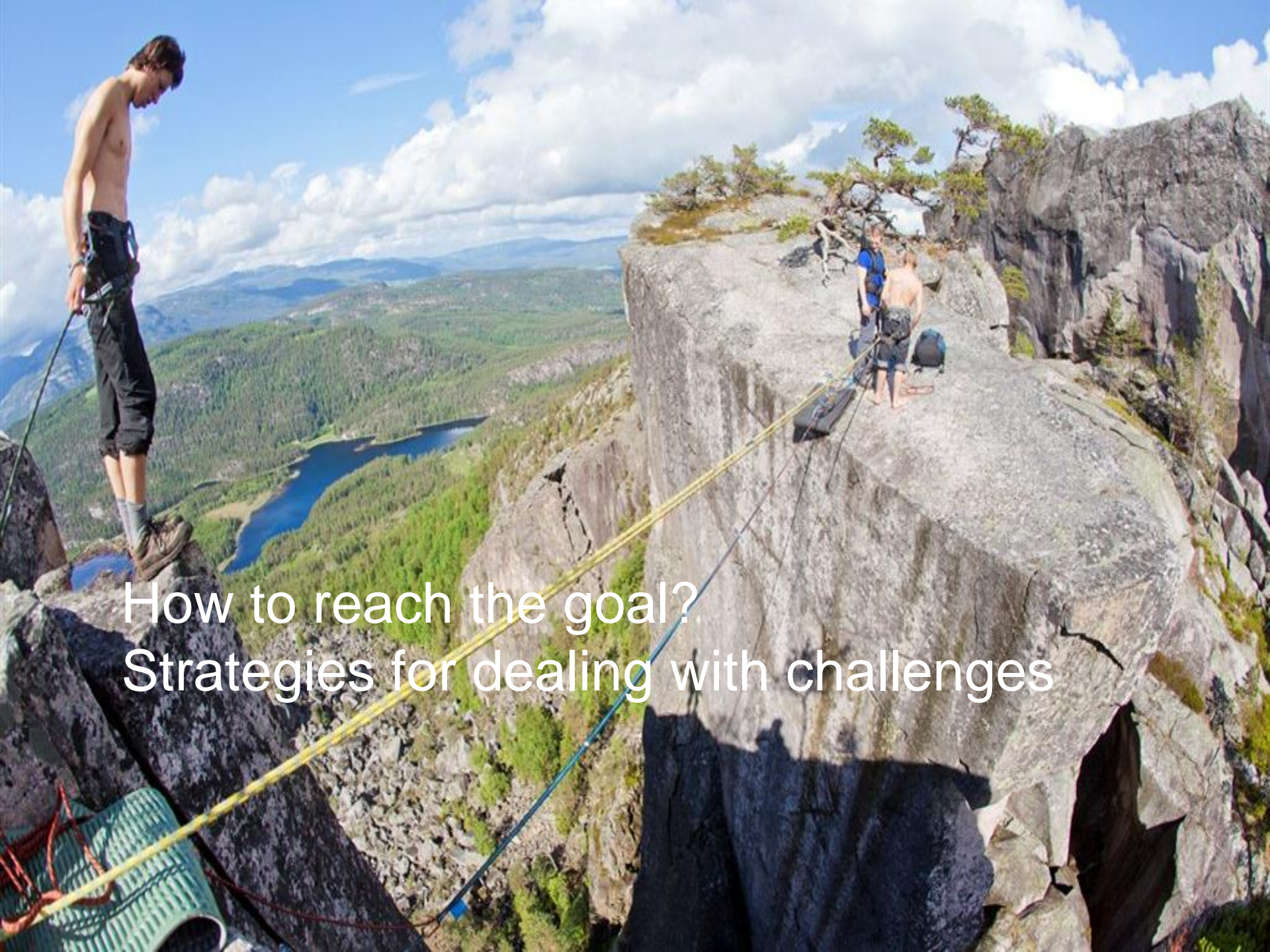
- Persistently high levels of unemployment
- Cuts in public spending
- Economic recession
- Increasing levels of national – and private – debts
- A strong need for innovation; finding new ways and activating new actors to answer social needs



norden

Nordic Council of Ministers

[Nordic government cooperation](#) :



How to reach the goal?
Strategies for dealing with challenges



In Norway

- Reduce dependency on oil related economy – develop other fields of activity (fish/aquaculture, green technology)
- Increased use of voluntary organisations and private companies in the provision of welfare services
- Welfare reforms (pension schemes, increased labour market participation, emphasis on using part time jobs in stead of full time disability pensions)
- Encourage creation of innovation and entrepreneurship in service and product development
- Continue a strict policy of national budget dicipline



The Nordic countries

1. Education and work for welfare

- Keeping participation in the labour market high
- Increase mobility across sectors and borders
- Entrepreneurship and innovation

2. Research for welfare

- Social inequality in health and welfare
- Closer Nordic co-operation
- Develop welfare sector jobs to meet demographic changes

3. Infrastructure for welfare

- Increased co-operation across borders on registers
- Nordic studies and specialised treatments
- Welfare technology

In short:

«Keep in close touch, adjust national and Nordic measures to each other»



Conclusions

- A comprehensive welfare system creates security for its citizens
- A comprehensive welfare system is based on solidarity and equality, and requires a legitimate system of government
- Represents a challenge for professional social work; defining roles, creating trust, combating social exclusion, strengthening resources and networks, openness to new solutions and perspectives
- A welfare state is also a political creation; it can be influenced and changed. This makes it strong – and weak.



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Coping with the
challenges:

It can work –

If we dare!