

## CHAPTER 46

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# THE NORDIC COUNTRIES

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## INTRODUCTION

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THE notion of a distinctive Nordic or Scandinavian welfare state is old, born long before Esping-Andersen (1990) proposed his general claim that advanced welfare states cluster around qualitatively different regime types. After the Second World War, at a time when Europe was divided by the Iron Curtain, the Scandinavian countries, in particular Sweden, were already frequently mentioned—in both domestic and international policy debates—as epitomizing a successful ‘Third Way’ compromise between unregulated capitalism and state socialism. Within comparative welfare state research, the distinctive nature of Scandinavian social policies increasingly came into focus from the early 1980s as functionalist convergence theory was challenged by proponents of the power resources school (Korpi 1980; Stephens 1979) emphasizing the role of class politics as a driver of the institutional variation of welfare states. Still today, the idea of a Nordic model serves as an important reference in both political debate and for comparative welfare state research.

Literature about the Nordic welfare model tends to involve different sets of questions that are varyingly addressed: what are its defining characteristics, to what extent does it exist as an empirical reality, are its features and outcomes distinct and enduring, and looking forward, can it survive given the pressures for change? In this chapter, we will address the premises and characteristics of the Nordic welfare model, as well as discussing continuity and change within Nordic welfare states.

In Chapter 45 of this Handbook, the existence of a distinctive Nordic type of welfare state appears to be the least controversial of all the model attributions. Yet, while it may appear that the case for the existence of a Nordic model is strong, there is no consensus on the precise specification of the features that define the model. Research conclusions depend on policy areas, characteristics, methods, and the time periods used in the analysis. For a long time, the notion of a Nordic model referred to an active state, a large public sector, and a broadly conceived public responsibility for the social welfare

of citizens. Favourable outcomes and broad citizen support complemented such institutional aspects. However, welfare states change rapidly and, in recent debates, a range of other aspects and attributes has been stressed as important, even constituent components of the Nordic model. At the same time, older features are called into question, for example, the increasing emphasis on workfare or privatization of public services do not easily fit earlier characterizations (e.g. Greve 2007).

The idea of a distinctive Nordic model has always had strong prescriptive overtones—most often as an example to be followed by other countries, but also occasionally as a dystopia to be avoided. The appeal of the model stems from its institutions' alleged ability to produce desirable social outcomes (e.g. Ólafsson 2013), while at the same time maintaining economic competitiveness and full employment (Kangas and Palme 2009). Indeed, in international statistics and comparisons, the Nordic countries consistently rank high both in economic performance and well-being. While beneficial social outcomes are widely appreciated, criticism of the model has mainly been focused on sustainability. High levels of public expenditure, the negative incentive effects of generous social protection, and above all, high tax rates, have been criticized as economically unsustainable and—in the long run—incompatible with economic growth (e.g. Lindbeck 1997; Andersen et al. 2007). Doubts about the model's sustainability probably continue to persist, although a recent broad survey by a group of economists concluded that, after poorer performance, all the Nordic countries have proved capable of reform and experienced a return to higher levels of employment and stronger sustainability (Valkonen and Vihriälä 2014). Measures improving sustainability have, in turn, led to more critical discussion of the effects of resilience and adaptation measures on equality and social rights.

## COMMON ROOTS AND HISTORICAL TRAJECTORIES

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The concept of a Nordic 'model' does not suggest that the Nordic welfare states were created and adjusted according to a common, preconceived masterplan. Each Nordic welfare state has its own long history and unique policy path. They are the result of political bargaining, step-by-step reforms, imperfect implementation, and redesigns. In other words, they are the result of processes of political evolution, rather than intelligent design.

As elsewhere, early welfare state developments in the Nordic countries were related to industrialization and the associated series of social, demographic, and political changes: urbanization and the birth of the working class, nation building, and the breakthrough of political democracy (Pierson 1991). While paths of course differ, in many respects the circumstances in which these developments occurred in Scandinavia set them apart from the rest of Europe. Comparative historical accounts have pointed towards

a specific Scandinavian route to the welfare state (see e.g. Baldwin 1990; Alestalo and Kuhnle 1987; Esping-Andersen and Korpi 1987; *Scandinavian Journal of History* 2001, vol. 26, no. 3).

First, the Reformation and conversion to Lutheranism changed the division of power between church and state and paved the way for the public sector's role. The responsibility for poor relief was transferred from the church to local civil authorities (municipalities), who were delegated the task of taking care of those who could not support themselves. This laid the foundation for a strong role for local public authorities in the management of welfare policies, in close cooperation with the central authority. Over time, these responsibilities and powers came to be increasingly funded from taxation, also contributing to citizen activity and grass-roots democracy. The strong powers of Nordic local authorities are still underlined in comparative research; taxation rights, broad responsibility, and legislated autonomy are especially referred to as distinctive.

Second, the pattern of land ownership in Scandinavia was also distinctive, giving a relatively strong and autonomous position to the peasant population. Family-run small farms were the basic units of production. Due to the late onset of industrialization, farmers remained an important part of the population and a powerful political force in their own right, in contrast both to the United Kingdom, where the peasantry had long been assimilated into the working class, and those other parts of Europe in which feudal arrangements still prevailed. Independent farmers became one cornerstone of the Scandinavian tripolar class structure, with the working and upper classes (Alestalo and Kuhnle 1987). This distinctive class structure affected party and interest group organization, as well as political support for the welfare state project. It may also suggest why ideas of citizenship and equal rights found support amongst both farmers *and* workers, enabling cooperation and consensus. Social policy was not just a 'workers' question', but also included concern for the big rural population, helping to craft universalistic solutions.

Third, there is the distinctive role of (leftist) politics, the *leitmotif* of both the classical power resources school and Esping-Andersen's regime theory. When social democratic parties, in alliance with agrarian and/or social liberal parties, came to power in Sweden, Denmark, and Norway in the 1930s, they implemented important reforms in social protection that contrasted sharply with Bismarckian social insurance thinking and, at the same time, departed from the existing tradition of discretionary poor relief (Stjernø 2004). In the first decades after the Second World War, the social democratic parties in Sweden and Norway achieved an almost hegemonic position, from which they were able to effectively control the expansion of welfare policies—in close cooperation with a powerful trade union movement. In Denmark, the social democratic party was comparatively strong, but more dependent on collaboration with a liberal coalition partner. In Finland and Iceland, however, social democratic parties were significantly weaker and hence arguably less pivotal in the design and implementation of welfare reforms (Christiansen and Markkola 2006).

Fourth, the Nordic countries and their populations appear to share social structures and cultural values that are conducive to egalitarianism. Their populations were

rather homogeneous in many senses. Women's position in society, the form and content of social policy, and gender equality issues have intertwined. Women have had a uniquely important place in the development of Scandinavian welfare states. Women achieved suffrage relatively early in all the Nordic countries and the active role of female reformers may help explain why even early social policy legislation reflected the interests of women. Most families had two earners and they appreciated social protection and help from public services. Individual benefit entitlements, the early introduction of transfers to single mothers, and child allowances paid to the mother were among the features that distinguished the Nordic countries from other advanced countries at the time (Lister 2009; Esping-Andersen 2009).

Incorporating the role of ideas is a fifth candidate to include among the possible causes for Nordic distinctiveness. It has been argued that the Nordic societies are characterized by a particular passion for equality (Graubart 1986). Kildal and Kuhnle (2005) have posed the question of whether it is the institutions or the moral commitments behind them that matter most. They argue that welfare programmes are essentially expressions of moral conceptions and values, in which ideas like 'universalism', 'public responsibility for welfare', and 'work for all' play an important role. Also, Nordic citizens have had greater trust towards institutions. Such values and attitudes do not change quickly. Research based on the European Social Survey showed remarkable similarities between the Nordic countries' citizens, both in their attitudes towards the welfare state and more broadly (Ervasti et al. 2008).

While the relative weight of these factors, the timing of changes, and the form that new responses took were different in the various Nordic countries, it is important for discussion of the model that a number of structural factors point towards common ground and experience in the Scandinavian countries. They share reasonably similar structural conditions, have parallels in political mobilization and class-based politics, and stress the importance of public responsibility in decision-making and administrative structures, at both central and local levels. Such similarities between the countries also favoured close contacts, the diffusion of ideas, and mutual learning (see Kettunen and Petersen 2011). As a result, the Nordic countries bear some 'family resemblance', especially when viewed in a broader comparative framework (Castles 1993).

## CHARACTERISTICS OF THE NORDIC MODEL

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It has been said that the complexity of historical developments and causal dynamics require us to treat all cases as unique (e.g. Baldwin 1996). Adopting a critical tone towards typologies and regime analysis, Kasza (2002) argues that, for various reasons (the cumulative nature of welfare policies, the diverse histories of policies in different welfare fields, the involvement of different sets of policy actors, variations in the policy-making process, and the influence of foreign models), national welfare systems fail to show the internal consistency that would be appropriate for the regime concept to have

real explanatory power. Historical research has an eye for differences; thus, it is perhaps not surprising that the most recent historical reappraisal assessed the Nordic model as one with 'five exceptions' (Christiansen et al. 2006). It has also been argued that, rather than a single uniform Nordic model, we have several Nordic models (Mjøset 1986), or different Nordic routes (e.g. in relation to the development of pension schemes, Salminen 1993).

Whereas historical studies and detailed intra-Nordic comparisons point to differences, comparative welfare state research has tended to focus upon similarities in institutional design. By the mid-1980s, there was considerable evidence that the Nordic welfare states had developed a 'distinctive welfare state model' (see Erikson et al. 1987; Esping-Andersen and Korpi 1987; Esping-Andersen 1990; Kolberg 1991; Hansen et al. 1993). Comparative welfare research has also drawn attention to the design of social insurance schemes, the role of services, and the functioning of the labour market (Christiansen et al. 2006; Kautto 2002; Greve 2007).

The extensive role of the state and the wide scope of public policies, most generally evidenced in Sweden's high levels of social spending, were already widely commented on in the 1950s and 1960s. As the focus of research shifted in the 1970s and 1980s to consider how the welfare state operates, the scope and role of public policies were further underlined as the power mobilization school showed that the power of leftist parties was related to the expansion of legislated social rights. In relation to social security benefits, most social insurance schemes across Scandinavia also had an earnings-related component, which applied universally to all workers. In contrast, other groups of countries were dominated by flat-rate basic security or occupational schemes, and coverage criteria and social security patterns were different. This made these schemes stand out as being uniquely 'encompassing' (e.g. Korpi 1980; Palme 1990; Kangas 1991). Palme (1999) has argued that by establishing a model of social protection, in which uniform basic benefits and services based on residence were combined with earnings-related social insurance programmes, the Nordic countries took a distinctive path.

In both Esping-Andersen's regime typology (see the discussion in Chapter 45) and other approaches based on the power resource perspective, the emphasis was placed upon social insurance and cash benefits, in terms of their coverage, structure of financing, and compensation rates. In Esping-Andersen's social democratic welfare type, to which the Nordic countries come empirically closest, universal and generous social security benefits provide a high degree of decommodification for citizens, while at the same time mitigating social inequalities and status differences (Esping-Andersen 1990). One way to pinpoint the uniqueness of the Nordic model is to focus upon its combination or configuration of welfare state characteristics. Korpi and Palme (1998) set out to account for what they call 'the paradox of redistribution', arguing that social policies targeted at the poor turn out to be ineffective in abolishing poverty. Instead, their analysis shows that encompassing or inclusive welfare states achieve more equal income distribution and lower rates of poverty. Korpi and Palme (2004) have further noted that the Nordic strategy of redistribution is characterized by generosity and broad coverage of transfers, combined with a strong emphasis on free or heavily subsidized

service provision. Taken together, these necessitate higher social expenditure, but lead to a lower degree of income inequality. Abrahamson (1999) argues similarly that what matters in the Nordic case is not just the way cash benefits have been designed, but the whole pattern of welfare provision (including services). Cross-national comparisons offered institutional characteristics of welfare provision as reasons why the Nordic welfare states achieved lower income inequality, lower poverty rates, smaller differences in standards of living, and more pronounced gender equality (e.g. Fritzell 2001).

Gender equality and women's position in society and the labour market are further distinctive features often linked to the Nordic model. Helga Hernes (1987) has pictured the Scandinavian welfare state as woman-friendly, giving women autonomy and allowing them the possibility of acting autonomously in politics, in the labour market, and in the family as working mothers. While the role of caring services is often—and rightly so—highlighted as beneficial for gender equality, the woman-friendliness of the Nordic welfare states is not just a result of extensive provision of child and elder-care services. It also stems from the early introduction of individual taxation and choices that define the rights to participation, social insurance, and services. Citizenship as a core entitlement principle, combined with individual rights and personal needs assessment in practice, have helped to reduce the dependence of women upon their spouses. The Scandinavian welfare states have developed into dual-earner societies with high female labour market participation (Lewis 1992; Siaroff 1994; Sainsbury 1999).

Kohl (1981) was one of the first scholars to point to the extent of public provision of services as a distinguishing characteristic of the Nordic countries in expenditure-based comparisons. Since the 1990s, this insight has deepened as cross-national comparisons of service provision have become more prominent in welfare research (Alber 1995; Anttonen and Sipilä 1996; Lehto et al. 1999; Daly and Lewis 2000; Kautto 2002; Castles 2009; Sirovátka and Greve 2014). The prevalence of local, publicly funded and produced health and social service provision, to cater for the diverse needs of the entire population, is one of the distinguishing characteristics of the Nordic welfare model (Sipilä 1997).

Finally, we need to stress the close relationship between social policy and labour market policy. A special feature of the Nordic model is the positive interplay between the unique nature of industrial relations (i.e. high union density and collective wage bargaining) and welfare state development (Scharpf 1991; Christiansen and Markkola 2006; Barth and Moene 2016; Hassel 2015). Importantly, the Nordic countries have always had relatively high employment rates, both for men and women, and also among older workers. Nordic social policies were designed as trampolines that would allow the unemployed to 'bounce back', favouring risk taking and job mobility in dynamic labour markets through active labour market policies and, more generally, social investment policies. Social investment policies—that is policies that invest in human capital development and help to make efficient use of it—were pursued in the Nordic countries long before the notion of social investment came onto the political agenda of the European Union (EU) (Morel et al. 2012; van Kersbergen and Kraft 2017). Investments in social policy were seen as worthwhile, provided they led to a higher level and more egalitarian

distribution of welfare, while contributing to the maintenance of full employment and economic growth. Arguably, the generosity of social policy in the Nordic fashion is only fiscally sustainable, provided that a large proportion of the population participates in the labour market, and reliance on income transfers is short-lived among the working-age population. This helps to explain why publicly financed social investment and activation, understood as an investment in people's skills and employability, have been so prominent in the Scandinavian context.

Given this background, the notion of Nordic distinctiveness could hardly have been regarded as earth-shattering news when Esping-Andersen's *Three Worlds of Welfare Capitalism* was published in 1990. Given also what was already known about the Scandinavian model, it was the identification of Esping-Andersen's other two regime types, and the theoretical insights arising from these, that struck the research community and explain the continuing interest in welfare state typologies. For Nordic scholars at least, the corporatist-conservative and liberal regimes provided useful references for establishing what was distinctive about Nordic social policy.

## THE NORDIC MODEL: AN EMPIRICAL ASSESSMENT

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Esping-Andersen and other proponents of the power resource perspective have offered strong arguments for using institutional data to capture essential differences between modern welfare states. Different welfare states may resemble each other in their expenditure levels, but policy design, coverage of schemes, and benefit rules can be markedly different. Welfare regime approaches are thus based on the argument that it is the content of policies that matters more for outcomes than spending per se. Whilst this is true, we may note that the kind of social policy delivered in Nordic countries could hardly be achieved with low expenditure and that expenditure-based measures, if used in a sensitive manner, can be used as indicative measures. In fact, welfare regimes differ empirically even more clearly in terms of the spending emphasis on different types of welfare programmes than they do in terms of institutional features (Castles 2009; Kuitto 2011, 2016). In addition, welfare states cluster along socio-economic outcomes related to social policies.

Tables 46.1, 46.2 and 46.3 summarize our empirical account and highlight the diversity and development of key social policy indicators from the mid-1990s to the mid-2010s. First, we assess the overall scope of the public sector by looking at levels of taxation and public social expenditure measured as a proportion of gross domestic product (GDP). Second, we use expenditure for welfare services and social investment policies, measured as a proportion of total social spending, to indicate welfare policy orientation. Third, the Gini coefficient, measuring income inequality and poverty before and after social transfers, serves as an outcome indicator. In order to track potential changes in

**Table 46.1 Public social expenditure and tax revenue in the OECD countries, 1995–2015**

	Public social expenditure, % of GDP				Tax revenue, % of GDP			
	1995	2005	2014 <sup>a</sup>	$\Delta^b$	1995	2005	2015 <sup>a</sup>	$\Delta^b$
<b>Nordic</b>								
Denmark	25.5	25.2	29.0	3.5	46.5	48.0	45.9	-0.6
Finland	28.9	23.9	30.2	1.3	44.5	42.1	43.9	-0.6
Iceland	14.7	15.9	16.7	2.0	30.5	39.7	36.7	6.2
Norway	22.5	20.7	22.4	0.0	40.0	42.6	38.3	-1.7
Sweden	30.6	27.4	27.1	-3.4	45.6	46.6	43.3	-2.3
<i>Mean</i>	24.4	22.6	25.1	0.7	41.4	43.8	41.6	0.2
<i>SD</i>	6.3	4.5	5.5	2.6	6.6	3.4	3.9	3.4
<i>Mean without Iceland</i>	26.9	24.3	27.2	0.3	44.2	44.8	42.9	-1.3
<i>SD without Iceland</i>	3.6	2.8	3.4	2.9	2.9	2.9	3.2	0.9
<b>Continental</b>								
Austria	26.0	25.9	27.9	1.9	41.4	41.2	43.7	2.3
Belgium	25.2	25.3	29.2	4.0	42.6	43.2	44.8	2.2
France	28.3	28.7	31.9	3.6	41.9	42.8	45.2	3.3
Germany	25.2	26.3	24.9	-0.4	36.2	33.9	37.1	0.8
Netherlands	22.3	20.5	22.7	0.3	37.7	35.4	37.4	-0.4
<i>Mean</i>	25.4	25.3	27.3	1.9	40.0	39.3	41.6	1.7
<i>SD</i>	2.1	3.0	3.6	1.9	2.8	4.3	4.1	1.4
<b>Southern</b>								
Greece	16.6	20.4	26.1	9.5	27.8	31.2	36.4	8.6
Italy	21.0	24.1	29.0	8.0	38.6	39.1	43.3	4.7
Portugal	16.0	22.3	24.5	8.5	29.3	30.8	34.6	5.3
Spain	20.7	20.4	26.1	5.4	31.3	35.1	33.8	2.5
<i>Mean</i>	18.6	21.8	26.4	7.8	31.7	34.1	37.0	5.3
<i>SD</i>	2.6	1.8	1.9	1.8	4.8	3.9	4.3	2.5
<b>CEE</b>								
Czech Republic	16.1	18.1	19.9	3.8	34.7	34.5	33.3	-1.4
Estonia	15.2	13.0	16.0	0.8	36.0	30.0	33.9	-2.2
Hungary	20.9	21.9	21.4	0.5	40.9	36.7	39.0	-1.9
Latvia	14.3	12.2	14.2	0.0	-	-	-	-
Poland	21.8	20.9	19.5	-2.3	37.7	33.0	32.4	-5.3
Slovak Republic	18.4	15.8	19.3	0.9	39.6	31.3	32.3	-7.3
Slovenia	22.0	21.4	23.1	1.1	38.4	38.0	36.6	-1.8
<i>Mean</i>	18.4	17.6	19.1	0.7	37.9	33.9	34.6	-3.3



Table 46.1 Continued

	Public social expenditure, % of GDP				Tax revenue, % of GDP			
<i>SD</i>	3.2	4.0	3.0	1.8	2.3	3.1	2.7	2.4
<b>Liberal</b>								
Australia	16.9	16.7	18.7	1.8	28.2	29.9	28.2	0.0
Canada	18.4	16.1	16.8	-1.5	34.8	32.2	32.0	-2.7
Ireland	17.5	14.9	19.2	1.6	31.7	29.4	23.1	-8.6
Japan	14.1	18.2	23.1	9.0	25.8	26.2	30.7	4.9
New Zealand	17.9	17.8	19.4	1.5	35.6	36.1	33.0	-2.5
Switzerland	16.1	18.4	19.3	3.2	25.4	26.5	27.7	2.3
UK	18.3	19.4	21.6	3.2	29.8	32.9	32.5	2.7
US	15.1	15.6	18.8	3.8	26.5	25.9	26.2	-0.2
<i>Mean</i>	16.8	17.1	19.6	2.8	29.7	29.9	29.2	-0.5
<i>SD</i>	1.6	1.6	1.9	3.0	4.0	3.6	3.5	4.2
<b>Other OECD</b>								
Chile	11.0	8.7	10.5	-0.5	18.3	20.7	20.5	2.2
Israel	17.0	16.3	16.2	-0.8	35.4	33.7	31.3	-4.2
Korea	3.1	6.1	9.7	6.6	19.1	22.5	25.2	6.0
Luxembourg	19.7	22.4	23.0	3.3	34.8	37.8	36.8	2.0
Mexico	4.1	6.3	7.5	3.4	11.4	12.1	16.2	4.8
Turkey	5.6	10.3	13.5	7.9	16.4	23.4	25.1	8.7
<i>Mean</i>	10.1	11.7	13.4	3.3	22.6	25.0	25.9	3.3
<i>SD</i>	7.0	6.4	5.6	3.6	10.1	9.3	7.4	4.4
<b>OECD mean</b>	<b>18.5</b>	<b>18.8</b>	<b>21.1</b>	<b>2.6</b>	<b>33.4</b>	<b>33.7</b>	<b>34.1</b>	<b>0.8</b>
<b>OECD SD</b>	<b>6.4</b>	<b>5.7</b>	<b>6.0</b>	<b>3.2</b>	<b>8.5</b>	<b>7.7</b>	<b>7.3</b>	<b>4.1</b>

Source: OECD.Stat SOCX and OECD Revenue Statistics.

Notes:<sup>a</sup> Or the latest year available; <sup>b</sup> Change from 1995 to the latest data available (2013/2014/2015).

past decades, the data stems from the Organisation for Economic Co-operation and Development (OECD) and is displayed for the years 1995, 2005, and 2015 (or the latest year available, respectively). Countries have been grouped into what are seen as distinctive groups of welfare states according to the welfare regime typology literature.<sup>1</sup> Comparing the Nordic countries with other welfare regimes allows not only for better assessment of their intra-group coherence, but also for estimating their distinctiveness

<sup>1</sup> Classification of countries according to Esping-Andersen 1990, Castles 1993, Ferrera 1996, Kuitto 2016.

**Table 46.2 Expenditure in services and social investment in the OECD countries, 1995–2015**

	Expenditure in services, % of total social expenditure				Expenditure in social investment, % of total social expenditure			
	1995	2005	2013	$\Delta^a$	1995	2005	2010	$\Delta^a$
<b>Nordic</b>								
Denmark	40.2	46.7	46.1	5.9	58.1	60.6	59.0	0.9
Finland	27.3	35.3	36.9	9.6	40.0	44.6	40.2	0.3
Iceland	57.3	64.8	58.8	1.5	20.5	29.3	22.1	1.6
Norway	38.3	45.1	47.9	9.6	61.3	57.1	54.6	-6.7
Sweden	40.8	46.3	51.2	10.3	47.5	52.6	55.9	8.4
<i>Mean</i>	<i>40.8</i>	<i>47.6</i>	<i>48.2</i>	<i>7.4</i>	<i>45.5</i>	<i>48.8</i>	<i>46.4</i>	<i>0.9</i>
<i>SD</i>	<i>10.7</i>	<i>10.7</i>	<i>8.0</i>	<i>3.7</i>	<i>16.3</i>	<i>12.4</i>	<i>15.4</i>	<i>5.3</i>
<i>Mean without Iceland</i>	<i>36.6</i>	<i>43.3</i>	<i>45.5</i>	<i>8.9</i>	<i>51.7</i>	<i>53.7</i>	<i>52.4</i>	<i>0.7</i>
<i>SD without Iceland</i>	<i>6.3</i>	<i>5.4</i>	<i>6.1</i>	<i>2.0</i>	<i>9.8</i>	<i>6.9</i>	<i>8.3</i>	<i>6.2</i>
<b>Continental</b>								
Austria	26.0	29.3	30.8	4.8	26.6	28.6	30.7	4.2
Belgium	27.6	34.1	35.4	7.8	21.7	32.6	31.6	9.9
France	37.0	37.9	36.1	-0.8	31.5	30.3	27.8	-3.7
Germany	36.1	36.3	42.2	6.0	28.6	26.4	31.4	2.8
Netherlands	31.3	43.8	44.8	13.4	33.4	43.4	42.2	8.8
<i>Mean</i>	<i>31.6</i>	<i>36.3</i>	<i>37.9</i>	<i>6.3</i>	<i>28.3</i>	<i>32.3</i>	<i>32.7</i>	<i>4.4</i>
<i>SD</i>	<i>4.9</i>	<i>5.3</i>	<i>5.6</i>	<i>5.2</i>	<i>4.5</i>	<i>6.6</i>	<i>5.5</i>	<i>5.4</i>
<b>Southern</b>								
Greece	30.8	34.2	26.6	-4.2	-	-	-	-
Italy	24.9	30.6	27.3	2.5	24.3	24.3	20.5	-3.7
Portugal	29.1	33.0	26.0	-3.1	33.6	29.1	28.5	-5.1
Spain	27.7	34.7	31.1	3.4	26.3	31.5	30.2	3.8
<i>Mean</i>	<i>28.1</i>	<i>33.1</i>	<i>27.8</i>	<i>-0.4</i>	<i>28.1</i>	<i>28.3</i>	<i>26.4</i>	<i>-1.7</i>
<i>SD</i>	<i>2.5</i>	<i>1.8</i>	<i>2.3</i>	<i>3.9</i>	<i>4.9</i>	<i>3.7</i>	<i>5.2</i>	<i>4.8</i>
<b>CEE</b>								
Czech Republic	36.6	38.3	34.9	-1.6	34.6	31.4	27.8	-6.8
Estonia	33.2	33.6	33.9	0.7	-	-	-	-
Hungary	36.2	37.5	31.4	-4.8	25.6	36.0	36.1	10.5
Latvia	22.7	32.5	26.0	3.3	-	-	-	-
Poland	19.8	23.3	27.9	8.0	25.3	30.0	31.3	5.9
Slovak Republic	33.1	37.5	36.9	3.8	31.0	32.5	27.9	-3.1
Slovenia	31.1	31.9	30.6	-0.5	-	32.1	29.9	-

Table 46.2 Continued

	Expenditure in services, % of total social expenditure				Expenditure in social investment, % of total social expenditure			
<i>Mean</i>	30.4	33.5	31.6	1.3	29.1	32.4	30.6	1.7
<i>SD</i>	6.5	5.2	3.9	4.2	4.5	2.2	3.4	8.0
<b>Liberal</b>								
Australia	38.3	48.4	49.3	11.0	43.9	46.4	46.7	2.8
Canada	38.4	44.4	47.2	8.9	40.4	35.4	37.7	-2.7
Ireland	32.1	42.6	36.3	4.2	39.0	42.8	46.7	7.8
Japan	44.6	45.0	46.3	1.7	32.0	30.6	27.7	-4.3
New Zealand	35.2	45.3	49.0	13.9	37.4	41.7	44.7	7.3
Switzerland	33.7	38.1	42.9	9.1	43.0	42.1	38.1	-4.9
UK	43.5	49.0	49.9	6.5	37.5	39.9	42.4	4.9
US	45.8	50.4	50.2	4.4	38.7	38.9	35.8	-2.9
<i>Mean</i>	38.9	45.4	46.4	7.5	39.0	39.7	40.0	1.0
<i>SD</i>	5.2	4.0	4.7	4.0	3.7	4.9	6.5	5.3
<b>Other OECD</b>								
Chile	24.5	40.8	52.2	27.7	-	-	-	-
Israel	45.6	44.4	45.4	-0.2	-	-	-	-
Korea	49.9	59.4	56.7	6.8	-	-	-	-
Luxembourg	29.0	35.0	34.4	5.4	-	-	-	-
Mexico	71.8	65.0	63.2	-8.6	-	-	-	-
Turkey	33.5	36.8	33.5	0.0	-	-	-	-
<i>Mean</i>	42.4	46.9	47.6	5.2	-	-	-	-
<i>SD</i>	17.4	12.4	12.0	12.3	-	-	-	-
<b>OECD mean</b>	<b>35.8</b>	<b>40.9</b>	<b>40.6</b>	<b>4.8</b>	<b>35.3</b>	<b>37.3</b>	<b>36.4</b>	<b>1.4</b>
<b>OECD SD</b>	<b>10.2</b>	<b>9.3</b>	<b>10.1</b>	<b>6.6</b>	<b>10.3</b>	<b>9.4</b>	<b>10.2</b>	<b>5.6</b>

Source: OECD SOCX, OECD Education Statistics, own calculations.

Notes: <sup>a</sup> Change from 1995 to 2015; Social services: all expenditure for benefits in kind; Social investment: expenditure for child care services, family, and elderly care services; education; active labour market policies; and social exclusion.

as a specific type of welfare model. As Iceland is a small country, the Nordic means and standard deviations are also shown without it.

As can be seen from Table 46.1, the size of the welfare state in the Nordic countries in terms of public expenditure is no longer necessarily a distinctive feature of the Nordic welfare states. The Nordic countries, with the exception of Iceland, have been high spenders in both the mid-1990s and in recent years. Similarly, the level of social

**Table 46.3 Selected social policy outcomes in the OECD countries, 1995–2015**

	Gini		Poverty rate before social transfers <sup>b</sup>				Poverty rate after social transfers <sup>b</sup>				Social transfer effect <sup>c</sup>					
	~1995	~2005	~2015	$\Delta^a$	~1995	~2005	~2015	$\Delta^a$	~1995	~2005	~2015	$\Delta^a$	~1995	~2005	~2015	$\Delta^a$
<b>Nordic</b>																
Denmark	21.5	23.2	26.3	4.8	25.0	23.6	24.9	-0.1	4.7	5.3	5.5	0.8	20.3	18.3	19.4	-0.9
Finland	22.2	26.6	26.0	3.8	32.7	30.5	34.1	1.4	4.1	6.6	6.3	2.2	28.6	23.9	27.8	-0.8
Iceland		27.3	24.6	-	-	15.9	19.9	-	-	6.3	6.5	-	-	9.6	13.4	-
Norway	24.3	27.6	27.2	2.9	26.3	23.8	24.9	-1.4	7.1	6.9	8.1	1.0	19.2	16.9	16.8	-2.4
Sweden	21.1	23.4	27.8	6.7	29.6	26.7	25.4	-4.2	3.7	5.3	9.1	5.4	25.9	21.4	16.3	-9.6
<i>Mean</i>	22.3	25.6	26.4	4.6	28.4	24.1	25.8	-1.1	4.9	6.1	7.1	2.4	23.5	18.0	18.7	-3.4
<i>SD</i>	1.4	2.1	1.2	1.6	3.5	5.4	5.1	2.4	1.5	0.7	1.5	2.1	4.5	5.4	5.5	4.2
<i>Mean without Iceland</i>	22.3	25.2	26.8	4.6	28.4	26.2	27.3	-1.1	4.9	6.0	7.3	2.4	23.5	20.1	20.1	-3.4
<i>SD without Iceland</i>	1.4	2.4	3.4	4.4	5.4	6.4	7.4	8.4	9.4	10.4	11.4	12.4	13.4	14.4	15.4	16.4
<b>Continental</b>																
Austria	23.8	26.1	27.6	3.8	-	29.9	31.4	-	-	9.7	8.7	-	-	20.2	22.7	-
Belgium	28.7	27.7	26.8	-1.9	-	30.6	34.4	-	-	9.2	9.8	-	-	21.4	24.6	-
France	27.7	28.8	29.5	1.8	35.0	33.0	36.4	1.4	7.6	7.2	8.1	0.5	27.4	25.8	28.3	0.9
Germany	26.6	29.7	29.3	2.7	28.7	32.7	33.5	4.8	7.2	8.3	10.1	2.9	21.5	24.4	23.4	1.9
Netherlands	29.7	28.4	28.8	-0.9	25.6	24.8	26.7	1.1	6.9	7.8	7.8	0.9	18.7	17.0	18.9	0.2
<i>Mean</i>	27.3	28.1	28.4	1.1	29.8	30.2	32.5	2.4	7.2	8.4	8.9	1.4	22.5	21.8	23.6	1.0
<i>SD</i>	2.3	1.4	1.2	2.4	4.8	3.3	3.7	2.1	0.4	1.0	1.0	1.3	4.4	3.5	3.4	0.9
<b>Southern</b>																
Greece	35.2	34.6	34.0	-1.2	-	32.7	37.5	-	-	12.7	14.9	-	-	20.0	22.6	-

Italy	32.7	32.4	33.3	0.6	27.5	34.8	35.0	7.5	14.6	12.6	14.4	-0.2	12.9	22.2	20.6	7.7
Portugal	35.9	37.7	33.6	-2.3	-	33.9	33.8	-	-	13.2	12.6	-	-	20.7	21.2	-
Spain	34.3	32.4	34.5	0.2	-	27.2	37.1	-	-	14.2	15.3	-	-	13.0	21.8	-
Mean	34.5	34.3	33.9	-0.7	-	32.2	35.9	-	-	13.2	14.3	-	-	19.0	21.6	-
SD	1.4	2.5	0.5	1.3	-	3.4	1.8	-	-	0.7	1.2	-	-	4.1	0.9	-
<b>CEE</b>																
Czech Republic	25.7	26.1	25.8	0.1	25.1	27.9	28.7	3.6	4.3	5.5	6.4	2.1	20.8	22.4	22.3	1.5
Estonia	-	34.9	33.0	-	-	29.0	30.5	-	-	13.4	16.1	-	-	15.6	14.4	-
Hungary	29.4	29.1	28.8	-0.6	-	36.9	34.8	-	-	6.4	10.1	-	-	30.5	24.7	-
Latvia	-	36.3	34.6	-	-	35.6	29.8	-	-	17.7	16.2	-	-	17.9	13.6	-
Poland	-	32.7	29.2	-	-	33.8	28.3	-	-	12.3	11.1	-	-	21.5	17.2	-
Slovak Republic	-	28.8	25.1	-	-	26.7	24.4	-	-	7.3	8.4	-	-	19.4	16.0	-
Slovenia	-	24.6	25.0	-	-	26.7	29.4	-	-	8.5	9.2	-	-	18.2	20.2	-
Mean	27.6	30.4	28.8	-0.2	-	30.9	29.4	-	-	10.2	11.1	-	-	20.8	18.3	-
SD	2.6	4.4	3.8	0.5	-	4.4	3.1	-	-	4.4	3.8	-	-	4.9	4.2	-
<b>Liberal</b>																
Australia	30.9	31.5	33.7	2.8	28.4	28.8	26.4	-2.0	11.4	13.2	12.8	1.4	17.0	15.6	13.6	-3.4
Canada	28.9	31.7	31.8	2.9	26.2	24.5	25.3	-0.9	10.7	11.7	14.2	3.5	15.5	12.8	11.1	-4.4
Ireland	32.4	32.3	29.7	-2.7	-	33.1	37.6	-	-	13.6	9.8	-	-	19.5	27.8	-
Japan	32.3	32.9	33.0	0.7	19.0	28.7	32.8	13.8	13.7	15.7	16.1	2.4	5.3	13.0	16.7	11.4
New Zealand	33.5	33.0	34.9	1.4	27.1	22.4	23.3	-3.8	8.4	11.0	10.9	2.5	18.7	11.4	12.4	-6.3
Switzerland		27.6	29.6	-	-	14.4	15.8	-	-	9.5	9.1	-	-	4.9	6.7	-
UK	33.7	33.5	36.0	2.3	32.2	30.9	29.8	-2.4	10.5	10.5	10.9	0.4	21.7	20.4	18.9	-2.8
US	36.1	38.0	39.0	2.9	26.4	26.3	26.7	0.3	16.7	17.0	16.8	0.1	9.7	9.3	9.9	0.2
Mean	32.5	32.6	33.5	1.5	26.6	26.1	27.2	0.8	11.9	12.8	12.6	1.7	14.7	13.4	14.6	-0.9

**Table 46.3 Continued**

	Gini	Poverty rate before social transfers <sup>b</sup>	Poverty rate after social transfers <sup>b</sup>	Social transfer effect <sup>c</sup>												
<i>SD</i>	2.3	2.9	3.2	2.0	4.3	5.8	6.5	6.5	2.9	2.6	2.9	1.3	6.1	5.1	6.5	6.4
<b>Other OECD</b>																
Chile	52.7	51.1	45.4	-7.3	-	22.6	18.0	-	-	19.2	16.1	-	-	3.4	1.9	-
Israel	33.8	37.8	36.0	2.2	-	25.3	24.2	-	-	13.8	19.5	-	-	11.5	4.7	-
Korea	-	30.6	29.5	-	-	15.8	17.7	-	-	14.3	13.8	-	-	1.5	3.9	-
Luxembourg	25.9	28.1	30.6	4.7	-	-	-	-	-	-	-	-	-	-	-	-
Mexico	50.4	48.6	45.9	-4.5	-	-	20.3	-	-	-	16.7	-	-	-	3.6	-
Turkey	49.0	43.0	40.4	-8.6	-	-	19.5	-	-	-	17.2	-	-	-	2.3	-
<i>Mean</i>	42.4	39.9	38.0	-2.7	-	21.2	19.9	-	-	15.8	16.7	-	-	5.5	3.3	-
<i>SD</i>	11.8	9.4	7.1	5.9	-	4.9	2.6	-	-	3.0	2.1	-	-	5.3	1.2	-
<b>OECD mean</b>	<b>31.8</b>	<b>31.9</b>	<b>31.6</b>	<b>0.6</b>	<b>27.7</b>	<b>27.8</b>	<b>28.2</b>	<b>1.3</b>	<b>8.8</b>	<b>10.8</b>	<b>11.7</b>	<b>1.7</b>	<b>18.9</b>	<b>17.0</b>	<b>16.5</b>	<b>-0.5</b>
<b>OECD SD</b>	<b>8.1</b>	<b>6.3</b>	<b>5.3</b>	<b>3.6</b>	<b>3.8</b>	<b>5.6</b>	<b>6.2</b>	<b>4.7</b>	<b>4.0</b>	<b>3.9</b>	<b>3.8</b>	<b>1.5</b>	<b>6.3</b>	<b>6.6</b>	<b>7.6</b>	<b>5.1</b>

Source: OECD Income Distribution Database

Notes:

<sup>a</sup> Change from 1995 to 2015.

<sup>b</sup> The ratio of the number of people in total population whose income falls below the poverty line taken as 50 percent of the median household income of the total population, before and after social transfers, respectively.

<sup>c</sup> The net effect of social transfers in reducing the poverty rate, measured as the difference between poverty rate before and after social transfers.

expenditure is high, or even higher, in many Continental and Southern European welfare states, the latter of which have been catching up rapidly over the past two decades. Thus, on average, compared to the other regimes, the Nordic countries show a slower increase in social spending over time. However, there are large and persisting differences among the Nordic countries. While Sweden was clearly leading in terms of social spending in the mid-1990s, its spending has decreased and is now below that of Finland and Denmark, which, in 2014, were among the highest-spending countries alongside France, Belgium, and Italy. Of all the Nordic countries, Iceland has been catching up the most, but its spending levels relative to GDP still rank clearly below the OECD average.

Another general indicator of the scope of the welfare state typically associated with the Nordic model is the size of tax revenue. All Nordic countries indeed feature levels of tax revenue far above the OECD average but, with the exception of Iceland, the level of tax revenue proportional to GDP was lower in 2015 than in 1995. Among OECD countries, only the Nordic countries and the Central and Eastern European countries show decreasing tax revenues. Tax revenue levels in the Continental welfare states today equal those of the Nordic countries, but social contributions play a greater role in those countries' revenue mix. By contrast, in the Nordic countries, direct income taxes are more important—a feature of universalistic welfare states.

When looking at the general indicators in Table 46.1, the distinctiveness of the Nordic welfare state seems less obvious today than during the post-Second World War era, yet its policy emphasis still makes the Nordic welfare states distinct from the other OECD countries (Table 46.2). First, all Nordic countries put strong emphasis on services, as measured by the share of total social expenditure for benefits in kind. With the exception of Finland, nearly half of social spending was directed to services in 2013. The Liberal welfare states share similar emphasis on service spending, albeit at lower absolute levels, due to their overall lower social spending relative to GDP. The share of service spending has also increased, most notably in the Nordic countries during the past two decades, although welfare services have become more relevant in many other countries' welfare policy mix.

The truly distinctive feature of the Nordic welfare states, however, is their emphasis on social investment. Both in relative and in absolute terms, the Nordic countries spend much more on welfare policies supporting human capital accumulation and utilization, namely on education, care for children and the elderly, active labour market policies, and other services, than most of the other OECD countries. In Denmark, Norway, and Sweden, the latter of which is considered as the cradle of social investment policies, the spending on social investment exceeds that on income-compensating cash benefits, and comprised over half of total social spending in 2010. In Finland, the level of social investment spending as a percentage of GDP is high, but its relative importance in total social spending is less distinctive than in the other Nordic countries. Iceland, again, is an exception, with an emphasis on social investment that is considerably lower than in the other Nordic countries. As in many other welfare states, the emphasis on social investment policies is also growing in the Nordic countries, with the exception of Norway.

In terms of social policy outcomes, both the distinctiveness and the homogeneity of the Nordic welfare states have been fading. On the one hand, the distribution of income remains less unequal in Nordic countries than in the other OECD countries, and the poverty rates are also lower (Table 46.3) but, on the other hand, inequality has significantly risen within the Nordic cluster, whereas it has increased at a slower pace, or even decreased, in the other welfare regimes. In particular Sweden, Denmark, and Finland have become more unequal in terms of income distribution. Furthermore, although poverty rates before social transfers have been declining in the Nordic countries, with the exception of Finland, poverty rates after social transfers have been increasing overall, and particularly in Sweden. The poverty-alleviating effect of social transfers has thus been declining, and this trend is unique within the OECD. In Finland, the effect of social transfers in reducing poverty used to be the highest among OECD countries but, while it is still considerably higher than in the other Nordic countries, France now ranks first. Altogether, the role of social transfers in alleviating poverty is greatest in the Continental welfare states, followed by the Southern European and the Nordic countries. As the standard deviations indicate, the Nordic countries grow apart with regard to both inequality and poverty, while the diverging trend is less obvious in the OECD average.

Overall, the indicators analysed here reveal that the Nordic countries are less distinctive from the other welfare states than before. The Nordic and the Continental countries have been converging in terms of the indicators used, although differences can still be found in the financing structure and the organizational principles of the welfare state. Rather than growing more alike, the Nordic welfare states seem to have moved partly in different directions. In the light of the indicators used here, Sweden has changed the most during the observation period, showing lower overall spending, more emphasis on services and social investment and, at the same time, increasing inequality and poverty. Although Iceland has been catching up with the other Nordic countries, its welfare policies remain different in terms of overall effort, policy emphasis, and policy outcomes.

## FAREWELL TO NORDIC UNITY?

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So far, we have pointed to common roots and similarities in welfare state patterns and trajectories. We have also raised key features that have distinguished the Nordic model from other welfare models. As we have shown, one may still find statistical evidence of Nordic similarity, albeit not necessarily in the same areas as before. However, although certain common traits persist, and apparently some path-dependency exists in how welfare states change, continuing similarity cannot be taken for granted, nor assumed to be a predictor for the future. There are country case studies that doubt, or are critical to, path-dependency and group similarity. Comparative undertakings appear to have become more uncertain or vague in their conclusions than those published a decade or two ago, even if they conclude that Nordic unity, at least to some degree, still exists (Olafsson 2013; Kvist et al. 2012; Halvorsen et al. 2016; West Pedersen and Kuhnle 2017).



If common roots were important to explain the development and characteristics of Nordic social policy and unity, one may ask what is left of them. Certainly, welfare states now operate in a very different environment. Instead of industrialization, we now live through an age of globalization powered by networks supported by digitalization and information and communications technology (ICT). Agriculture represents a minor share of gross national product (GNP), while the service sector accounts for most of it. At the same time, the future of work, new social risks, and the ways to respond to them are being discussed. With increasing transnational exchange and immigration, Nordic nation-states are no longer Lutheran monocultures, nor do they consist of relatively homogeneous ethnic or linguistic populations. With rapid social change and the growth of the middle classes, the class structure has become different; values and expectations have changed accordingly. The power equilibria have changed, eroding the power resources of the left and bringing populist parties to the parliaments. Trade unions are weaker, while the voices of employers and industry may have become louder. Instead of a growing workforce and rapid economic growth, which in the past helped to fund new social investments, these countries face a rapidly ageing population and more stagnant employment and productivity levels.

Such shifts are apparent in the political landscape; claims for better social rights have slowly given way to concerns over their financing. For Finland, Kantola and Kananen (2013) argue that the country has moved away from a Nordic normative tradition, with an emphasis on social rights, equity, and state responsibility, towards a 'competition state'. In all Nordic countries, universalism is being reconsidered (Anttonen et al. 2012) and notions and practices of citizenship as a set of social duties, and not only as rights, feature more prominently in policy rhetoric and agendas (Hvinden and Johansson 2007). This is especially visible in efforts to increase labour market participation with the help of 'sticks', rather than just 'carrots' (Greve 2018; Kvist and Greve 2011), a trend that also points to how one's position in the labour market might be becoming more important than before, with a greater role for occupational welfare, at least in some of the countries.

Increasing diversity and mobility are making citizenship-based universal solutions less possible, less desirable, and less likely. The once-praised standardized public services that improved health and well-being for the majority of the population may not be enough for modern consumer-citizens who expect individual treatment and responses adapted to their unique situations. Consumerism and choice are increasingly common starting points for service reforms, which entail the privatization of public services. Privatization of services and market-orientated management practices have become reality in all Nordic countries, although to a varying degree and in different policy areas. According to Burström (2015) and Szebehely and Meagher (2017), the privatization of health and social services in Sweden has accelerated, so Sweden is becoming more similar to other OECD countries. Such a process is happening also in Denmark (Kvist and Greve 2011) and Finland (Anttonen et al. 2012; Kangas and Kvist 2019). In Norway too, a focus on efficiency and market solutions has led to service reforms inspired by new public management, although the primacy of public-sector provision remains (Botten et al. 2003; Dølvik et al. 2007).

Greve (2017) has concluded that the distinctiveness of the Nordic model is diminishing and the Nordic countries are becoming less egalitarian and universalistic. Social protection depends more on performance in the labour markets and occupational and fiscal welfare (Kvist and Greve 2011). This shift will affect socio-economic differences, especially the fate of immigrants who, due to weaker or shorter labour market attachment, cannot always count on achieving such good living standards.

For some time, developed welfare states have been ‘mature’, aiming at cost containment and redesign (Pierson 2001). The political focus aims at structural reforms and resilience. International organizations, such as the EU, the OECD, and the IMF, stress financial sustainability. Despite existing institutional differences, broad megatrends are depicted as common challenges and reforms as musts everywhere. In many countries, welfare politics is characterized by technocratic adjustment procedures, with their consequent policy adjustments, rather than interest—or idea-based innovation. Kuisma and Nygård (2015) argue there is no longer one unified Nordic model, but rather several models. They argue that there is also growing influence from the EU in terms of a higher accentuation of soft-law governance and policy learning, as well as the use of best practices, which has given politicians in Nordic countries a wider repertoire of policy responses to similar challenges such as economic openness, ageing populations, or labour market inefficiencies. They see increasing emphasis on areas that are high on EU agendas, such as social investment, social inclusion, and employment promotion. On the other hand, they also point to existing differences in starting points that, alongside country-specific adjustment, lead to the diversification of policies.

As this brief survey shows, Nordic welfare states do change, and they change in somewhat different directions. New policy orientations have been adopted, while some of the old ones have been abandoned or transformed. Moreover, the core ideas underlying policies are shifting and being debated: Nordic universalism is being reconsidered and notions and practices of citizenship as a set of social duties as well as rights feature more prominently in policy rhetoric and agendas (Hvinden and Johansson 2007).

## CONCLUSION

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This chapter has argued that the concept of the ‘Nordic model’ can be understood in different ways. We have summarized similarities in historical roots and characteristics. Our empirical overview showed that some common traits associated with a Nordic model still seem to exist.

Yet we have also pointed out that the Nordic welfare states today operate in a new environment. They have responded to new, different challenges, and adopted new policy orientations, while abandoning or transforming old ones. More recent research literature shows that income-replacing benefits have become less generous. The pension reforms carried out in all Nordic countries have made pension benefits less generous and have stressed individual earnings over the entire working career. Furthermore, the role

of labour market attachment is more pronounced, unemployment benefits are more conditional, and the ongoing reforms of the health and social service sector may have wide-ranging consequences. Such reforms may steer the Nordic countries in somewhat different directions. Ongoing policy transformation has also led to debates about the core ideas that underline the policies and their aims.

In short, the Nordic model's distinctiveness does not seem as evident as before. Nevertheless, the strong emphasis on public services and social investment still appears to distinguish the Nordic welfare states from others. The inbuilt emphasis on labour market participation of the Nordic countries lays the foundation and continuity for the tax-based welfare state. This in turn, by design, facilitates investment in human capital accumulation and its broad and efficient utilization. This combination may keep the Nordic model distinct and sustainable for years to come.

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