The Challenges to the Welfare State in Norway

B. A. Thesis

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I declare that I have worked on this thesis ‘The Challenges to the Welfare State in Norway’ independently, using only the sources listed in the bibliography.

Brno, 4 May 2016

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Annotation

This Bachelor’s thesis analyses the debate about the Nordic model of the welfare state in Norway. The thesis focuses on the phenomena of welfare state, its characteristics, and the historic background which is vital for understanding its development. However, it primarily focuses on the contemporary situation, the factors that have influenced the transformation and the challenges the model faces. The key part is an analysis of the Norwegian governments from 2009 and 2013, using the content analysis method and the process tracing method. The goal is to find out whether the governments respond to the challenges consensually.

Key words: Nordic model, welfare state, Norway, challenges, content analysis method, process tracing method

Anotace

Tato bakalářská práce analyzuje debatu o severském modelu welfare state v Norsku. V práci je popsán fenomén sociálního státu, jeho charakteristiky a historický kontext nezbytný pro pochopení vývoje modelu. Pozornost je však zaměřena na současnou situaci, faktory, které přinesly změny a výzvy, jimž tento model čelí, a reformy, kterými prochází. Klíčovým bodem práce je analýza postojů norských vlád z let 2009 a 2013 pomocí obsahové analýzy a rozboru procesu, přičemž cílem je zjistit, zda vlády reagují na výzvy konsensuálně.

Klíčová slova: severský model, stát blahobytu/welfare state, Norsko, výzvy, obsahová analýza, rozbor procesu
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Introduction

This bachelor’s thesis analyses the contemporary debate about challenges to the welfare state in Norway. Welfare state is a concept of democratic governance based on the idea of social, economic, and political egalitarianism. The state as a key actor plays an active role in redistribution of wealth both via cash benefits and services between its members.\(^1\) This model is characteristic for all the Nordic countries – Denmark, Finland, Iceland, Norway, and Sweden – although it has faced a partial transformation since the 1990s. There is an ongoing debate, whether the model is sustainable in the contemporary changing world; therefore, the issue is topical.\(^2\) Furthermore, journals and articles are usually focused on Scandinavia as a whole and not on the individual countries.\(^3\) My aim is, therefore, to follow the sources and to analyse the situation in Norway. In this text, I am going to focus on factors, which have affected the transformation of the Norwegian welfare state, especially the current situation and challenges the model is facing.

I will pay my attention to the last two Norwegian governments, i.e. to the period from 20 October 2009\(^4\) to the end of the last year (31 December 2015). There are several reasons for that: firstly, the challenges for the Nordic model are long-term and, in view of the fact that the current government will probably still be in office for a year and a half\(^5\), an analysis of just the current government would not necessarily be illustrative enough. Secondly, most of the challenges have appeared exactly in this period (the economic, oil, and migration crisis). And the most importantly for my paper: as a consequence of the tradition of consensual democracy and multipartism, Norwegian governments should cope with the challenges in a similar way, no matter which side of the political spectrum they belong to\(^6\). Even though the priorities of the political parties are different, it is customary that the parties come together to solve the biggest issues. Taking into consideration that the left-wing government from 2009 and the

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\(^{2}\) For example a pan-Nordic research project (published just last year) which aims to find out how the national and international changes are affecting the Nordic model: DØLVIK, Jon E., Tone FLØTTEN, Jon M. HIPPE, and Bård JORDFALD. *The Nordic model towards 2030: A new chapter?*
\(^{3}\) As both already mentioned texts, or ALESTALO, Matti, Sven E. O. HORT, and Stein KUHNLE. *The Nordic Model: Conditions, Origins, Outcomes, Lessons.*
\(^{4}\) Stoltenberg’s Cabinet was re-elected in 2009; therefore, the coalition sat in the government from 2005 to 2013 in fact. Because of the extent of this thesis, I have decided to analyse the government since the 2009 parliamentary elections.
\(^{5}\) The Storting – the Norwegian parliament – always serves its full term of four years because the constitution does not allow snap elections. This in practice means that the government is more likely to be maintained.
current right-wing\textsuperscript{7} government from 2013 are opposition blocks, I would like to verify whether they have reacted to the new challenges in the same way indeed.

The objective of the first chapter – the theoretical part – is to explain the concept of the Nordic welfare state model in general and to identify its main challenges. On the basis of this chapter, I am going to conduct my own analysis on the case of Norway. I am going to focus on the existing research. The goal of the literature review is to gather, explain, and evaluate the necessary data. The chapter defines the main characteristics of the Nordic model, and its goal is also to shed light on the origins of the welfare state in Norway and briefly describe how it developed through history. These findings are necessary for understanding the current situation. Finally, I am going to zero in on the challenges the Nordic model of welfare state is facing these days.

The following chapter will explain the used methodology and how the analysis was conducted, and the third chapter will concern the analysis itself. The analysis consists of two steps. Firstly, I am going to analyse relevant documents made by the 2009 and 2013 governments. The documents will be tested by means of content analysis. This will allow me to find out whether and how much the challenges are perceived by the governments. In the second step, I am going to pay attention to what is happening in reality, what reforms have been introduced, what reforms are planned, and what the debate in Norway is about. What legislation has been implemented? How are the institutions and instruments changing? To answer these questions, I will study the official documents of the government (acts and regulations, draft resolutions and bills, white papers, reports and plans, etc.), statements of its ministers, media and social media (Twitter), and I will use the method of process tracing. The resulting reflection should show how the governments deal with the challenges and whether their approach has been the same or similar. The topic has not been well explored yet, so I believe my work will be seminal.

The goal of this bachelor’s thesis is to answer the following research questions:

The main question is:

1. **Are the responses of the left-wing government from 2009 and the right-wing government from 2013 to the challenges in accordance with the consensual long-term strategy of maintaining the Nordic welfare state model?** \textsuperscript{8}

\textsuperscript{7} Many would call the current government centre-right. However, it is the most right-wing government Norway has ever had, so I have decided to use this term.
If the consensus among the political parties through the spectrum falters, one of the main characteristics of the Nordic model crumbles – reality is in contradiction to the model. If there is a political consensus, the model works. However, to be able to answer this question, secondary questions are necessary:

2. What are the challenges to the Nordic welfare state model according to scholars?
3. Are they perceived by the governments of Norway from the years 2009 and 2013, and how much?

It is important to identify the challenges to be able to ascertain if and how the governments react to them. If not, the consensual long-term strategy of maintaining the welfare state eroded.

I have chosen Norway not only because of my personal motivation (my studies in Bergen, interest in the language, and my future specialization), but also because of the scientific dimension. The welfare state model is characteristic for all of the Nordic countries, and taking into consideration that European integration and the European Union itself is believed to be one of the challenges to the model, my text could contribute to the European Studies. Furthermore, the whole concept is well recognized worldwide and we can learn a lesson from the Norwegian approach both in the Czech Republic and in the European Union as a whole.

8 Further explained on p. 5.
1 Theoretical part

The theoretical part provides an overview of the concept of welfare state in Norway. The aim of this chapter is to underline the main characteristic features of the model and to set the concept into historical context and explain why the model has been established in Norway (as well as in other Nordic countries). I am going to outline the evolution of the Norwegian welfare state model, especially the reforms of the 1990s that are important to understand the contemporary situation. Especially important for my analysis is the part devoted to the challenges to which the Nordic welfare state model faces.

Firstly I would like to define the ‘Nordic model’. Francis Castle says that there are ‘families of nations, defined in terms of shared geographical, linguistic, cultural and/or historical attributes and leading to distinctive patterns of public policy outcomes’. Nordic countries, or more narrowly Scandinavian countries, are such a group. Because of some specific features a model which distinguishes these countries from the rest of the world was constructed. According to Erikson et al., the core of this model ‘lies in broad public participation in various areas of economic and social life... the cornerstone of the model is universalism... and the goal is a set of egalitarian institutions...’ This definition is based on characteristics of the model. Marking the characteristics of the model is probably the best way how to define the model for the purposes of this thesis and it will be more discussed below.

Last but not least, I would like to point out that different scholars refer to the concept as a ‘Nordic model’, ‘Scandinavian model’, ‘welfare state model’, and their combinations as e.g. ‘Nordic welfare model’. Since Norway is included in all of the definitions and the terms concern the same idea anyway, the terminology will be used in this paper interchangeably, like other authors have done before.

1.1 Characteristics of the Nordic model

The literature on the characteristics of the Nordic model is very extensive; however Alestalo, Hurt and Kuhnle summarize the analytical findings into free main features: stateness, universalism and equality. Stateness implies that the state is a predominant actor in the welfare state system. Its relationship with people is however rather positive and close. It is

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11 E.g. HILSON, Mary. The Nordic model: Scandinavia since 1945.
possible to track this feature in broad public employment and especially extensive public services and cash benefits which are based on high taxation. **Universalism** means that the mentioned social policies cover the whole population – programmes for all are preferred to selective ones. There is a notion of universal social rights; therefore, the benefits are not transferred only to those in need but to all. **Equality** is the goal of the welfare state policies – the class, income and gender differences are supposed to be small and poverty basically absent. Stateness and universalism are therefore characteristics of institutions; equality is a characteristic of the welfare policy outcome.\(^\text{12}\)

To illustrate how the system of universalism should theoretically work, we can mention a few examples: Education should be free or cheap and available to all and the same applies to health care. Child allowances should be provided to all families with children, not only the poor ones. Old-age pensions as well as unemployment benefits should be based on the same principle for everybody, and so on.\(^\text{13}\)

Another important feature is the form of democratic governance, i.e. the way in which political decisions are made. The decision-making process is based on compromises and the consensus is reached across various parties representing various interests. Conflicts are resolved according to a specific pattern – before decisions are formally made, various civil society organizations are involved in the political process. This can be described as a ‘triangular relationship’ between the government, trade unions and employers’ associations. Generally, we call this type of governance *consensual*. There are more reasons for this arrangement. Firstly, in small and unitary countries (like Norway), it is easier to reach a compromise in decision-making, and secondly, because governments are almost always coalitions and often minority ones, the compromises are necessary. This system of governance is instrumental in developing the Nordic model.\(^\text{14}\)

Many scholars have noted that majority of the welfare state reforms was based on broad political compromises and consensus.\(^\text{15}\) For example, the social insurance system has undergone cuts in the times of economic crisis, no matter from which part of the political

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\(^{13}\) ERIKSON, Robert. The Scandinavian model: welfare states and welfare research, p. vii-viii.

\(^{14}\) ALESTALO, Matti, Sven E. O. HORT and Stein KUHNLE. The Nordic Model: Conditions, Origins, Outcomes, Lessons, p. 6-7, 9.

spectrum the government was. The conservative parties have put aside their criticism, and even the new right-wing populist parties are on the same boat with social democrats regarding the preservation of the welfare model, even though they wish immigrants did not have such an access to the benefits.\textsuperscript{16} To maintain the welfare state is a goal for all the parties and it is a matter of a long-term strategy. The same course should be therefore found in the policies of both governments from 2009 and 2013 in the analytical part of this paper.

Another feature of the Nordic model is \textit{solidarity} and \textit{trust}. If the social policies were abused, the solidarity of people, those whose taxes pay for the benefits, would get under stress. Therefore, solidarity is not absolute, but conditional – dependent on trust. It is also important to underline the fact that most of the universal social programmes are supported by the majority of Scandinavian population.\textsuperscript{17}

Last but not least, it is the ‘work-friendliness’, i.e. policies which support full employment and ‘family-friendliness’. The welfare state not only takes part of the burden off families by providing care for children, old and sick family members, but its social policies also have an indirectly pro-natalist, and pro-gender character. For example, a generous parental leave and day-care boost the labour market and create good conditions for women to have children and at the same time not to be marginalized in the society.\textsuperscript{18}

\subsection*{1.2 Historical context and evolution of the Norwegian welfare state model}

The emergence of the welfare state in Scandinavia was possible thanks to specific historic preconditions. Alestalo and Kuhnle described the ‘Scandinavian route’ from semi-feudal societies and absolutists states to modern societies with democratic regimes and welfare states in \textit{Scandinavian Model} (p. 3-39) already in 1987; the book has become a kind of ‘Bible’ for researchers interested in the Nordic welfare state topic. The route is common to all the Scandinavian states because of their historical close relationships. After all, even though Norway has existed as an independent entity since 900 A.D., it was under the rule of Denmark for more than four hundred years after 1380 and the dominance over the country

\textsuperscript{16} DØLVIK, Jon E., Tone FLØTTEN, Jon M. HIPPE and Bård JORDFALD. \textit{The Nordic model towards 2030: A new chapter?} p. 97.
\textsuperscript{17} ALESTALO, Matti, Sven E. O. HORT and Stein KUHNLE. \textit{The Nordic Model: Conditions, Origins, Outcomes, Lessons}, p. 25.
\textsuperscript{18} Ibid., p. 27.
was taken over by Sweden in the aftermath of the Napoleonic wars in 1814. The federation lasted until 1915.19

Based on this development, the authors suggest a distinct Scandinavian route which was not paved by revolutions like elsewhere in Europe (the bourgeois revolutions in France and England, or the peasant revolution in Russia), but by the peaceful shaping of the relationship between the aristocracy and peasantry during the late preindustrial period. The position of peasantry was increasingly stronger, which was connected with weakening position of landlords. This development was probably possible because Scandinavia became a periphery in Europe in economic and political terms. The fact that Scandinavia was dependent on European power centres led to weakening of the power of aristocracy over the peasants.20

An important condition was the class formation. The rise of independent farmers was important due to the political cleavage between the urban upper classes and rural peasants. Later, the working class of industrial workers came into existence. Thus, the model of tripolar class structure – upper class, farmers, working class – was created in Scandinavia. Since the ethnic and religious cleavages were absent, the social structure was stable (see also Rokkan et al. 1970).21

Moreover, even though the economic position of Scandinavia was peripheral, as already mentioned, the overall economic development of the countries was more than positive – from the 1870s, they were the fastest growing economies in Europe22, and today, Norway is one of the richest countries in the world, based on the GDP (PPP).23

Modern welfare state started to develop in the last decades of the 19th century. This period was the dawn of industrialization and urbanization, but also the introduction of social insurance programmes. These social insurance measurements were inspired by developments in Germany. In Norway particularly, an industrial accidents law which forced employers pay insurance for their workers was passed in 1894.24 After this breakthrough, it is possible to

21 Ibid, p. 9-11.
trace the shift towards universalism. Several compulsory social security schemes were introduced in Norway: sickness insurance (1901), national pensions (1936), unemployment insurance (1938), and finally, child allowance (1946). This was followed by the era of the golden age of the Nordic welfare state which lasted from the 1960s to the late 1980s.\(^{25}\)

Moreover, since the 1970s, Norway has been able to use large oil reserves\(^{26}\) which have contributed to the national wealth significantly.

The period from the 1990s to the 2009 government (where my analysis starts) began with a crisis which led to reforms and adjustments of the welfare state, and ended in the same manner by the financial crisis of 2008. Several global changes have put the welfare state model under scrutiny, as well: technological innovations (including the Internet, cell phones, and digitalization), the economic crisis (the Asian financial crisis), the IT bubble collapse, and the need for greener economy as a consequence of greenhouse gas emissions or aging of population. Immigration is not a new challenge either. The first wave of newcomers came as a result of the Balkan wars, and the second one after the 2004 EU’s enlargement in the form of labour migration.\(^{27}\) Incidentally, the immigrants from Poland are still the largest immigrant group in Norway.\(^{28}\)

Because of all these factors, several reforms were introduced during this period which changed the basic welfare arrangements.\(^{29}\) The welfare state conditions changed, and to preserve the model, some reforms had to be introduced. Researchers, however, have refuted the end of the Nordic model. They claim that the model is still intact and even though it was put to the test several times, it was able to revive and maintained the core attribute of universality.\(^{30}\)

In the next few paragraphs, I am going to emphasize the main changes to the model. Firstly, the generosity of the ‘family-friendly’ policies is still preserved, which means that even in the times of crisis, cuts and reforms, they are given the top priority. In Norway, these


\(^{26}\) KANANEN, Johannes. The Nordic welfare state in three eras: from emancipation to discipline, p 7.

\(^{27}\) DØLVIK, Jon E., Tone FLOTTEN, Jon M. HIPPE, and Bård JORDFALD. The Nordic model towards 2030: A new chapter? p. 10.


programmes were even largely extended, so the fertility rates remain more or less stable. The family schemes also encourage men to take an active role in childcare. Some of the researchers suggest that the strength of the ‘family-friendly’ policies correlates with the high number of women participating in politics and administration in Scandinavia.\footnote{ALESTALO, Matti, Sven E. O. HORT, and Stein KUHNLE. The Nordic Model: Conditions, Origins, Outcomes, Lessons, p. 30, 33.}

Another important sphere of the welfare state is the \textit{employment policy}. In comparison with the family schemes, this is the area which has undergone some changes, even though the unemployment rates have always been very low and stable (approximately 4\%).\footnote{Harmonized unemployment rate. Retrieved from: https://data.oecd.org/unemp/harmonised-unemployment-rate-hur.htm#indicator-chart.} For example, the conditions for getting the unemployment insurance have become stricter, the period and the level of support has been lowered.\footnote{ALESTALO, Matti, Sven E. O. HORT, and Stein KUHNLE. The Nordic Model: Conditions, Origins, Outcomes, Lessons, p. 32.}

Probably the most affected area is the \textit{pension system}. Firstly, a component of private savings has been added, and secondly, the connection between the contribution to the system and the benefits received has been drawn.\footnote{Ibid, p. 35.} These reforms are necessary due to the demographic and economic development; also, an increase in share of the retired population can be a bigger challenge for the welfare state.

The \textit{social security programmes} in general have been cut down, both by reduction of benefits and by tightening qualification. For example, in early 1990s, Norway introduced stringent criteria for disability pensions, or adjusted transitional benefits for single parents.\footnote{DØLVIK, Jon E., Tone FLOTTEN, Jon M. HIPPE, and Bård JORDFALD. The Nordic model towards 2030: A new chapter? p. 89.}

The changes have not touched only the schemes, but also the organization of the welfare state. One of the examples is the concentration of power. In the post-war decades, there was a trend of \textit{decentralization} and until the crisis in the 1990s, the power of local governments continually increased, even though the central state intervened in many areas.\footnote{ALESTALO, Matti, Sven E. O. HORT, and Stein KUHNLE. The Nordic Model: Conditions, Origins, Outcomes, Lessons, p. 37.} Another point to mention is \textit{privatization}; however, most of the welfare delivery is still public.
1.3 The challenges of the Nordic welfare state

The objective of this chapter is to explain the current situation. According to experts, the model has survived, but can it be maintained? I am going to analyse the present state of knowledge on this issue. Firstly, I will identify the challenges to the Norwegian welfare state pointed out by scholars and experts. Furthermore, I will also mention the policies which could be reactions to these challenges. What factors have influenced the changes the reforms must react to? What are the issues the current debate is about? Afterwards, the aim of the analytical part is to find out whether the problems defined by scholars on a theoretical level are discussed in real politics.

The ability to reform and adjust the existing form of the welfare state is pivotal to its sustainability in the times of new pressures, both domestic and external. The model has faced and will face changes which will require political reforms and adjustments.

For the analysis of the challenges to the Nordic welfare state, I have found especially useful the report *The Nordic Welfare State towards 2030* which was published last year and looks into the most recent developments and discusses the factors which could challenge the model’s sustainability.

1.3.1 Demographic change

The problem of the aging population is well-known. The number of retired people is growing, and the elderly also draw social benefits longer than they are expected to and more than the state can afford to. This situation is known as the ‘double-ageing’ challenge and it will undoubtedly have a significant impact on welfare spending, and reallocation of resources will be needed. Aging of the population does not have an impact only on the pension system; it also increases the pressure on care and health services which need to be financed, although the level of labour force stagnates. This development has been addressed by reforms of the pension system, i.e. by postponing the retirement age and reducing the generosity of pensions.

1.3.2 International migration

The Nordic countries have been remarkably homogenous (except the Sami population in Lapland) which was also important for the welfare state in the sense of identity-building. This condition is however changing.

Before the World War II, a lot of people emigrated from the Nordic countries especially to North America. However, this trend changed after the war, and Nordic countries became recipients of immigration. It was firstly the labour immigration from Southern Europe, which was followed by a wave of refugees, asylum seekers and family reunification immigrants within the global movement from South to North in the 1970s. This course remained and in the 1990s, people from war-torn countries, such as Yugoslavia, Iraq and Somalia, started to come. This development has contributed to a dramatic demographic change from homogenous societies to heterogeneous ones.38

The situation has had a huge impact on the welfare state. Immigration affects the class structure. Attempts to socially integrate and culturally assimilate the newcomers have been made. Active labour market integration programmes, as well as language training and social studies have been introduced and paid by the state. However, the results have not met the expectations and the social integration policies have more or less failed since many of immigrants are still outsiders and excluded from social life. It is a matter of fact that immigrants and their descendants have lower employment rates which may create pressure on the Nordic model. The economic pressure occurs if immigrants withdraw more money from the welfare state than they contribute to the system. Moreover, even if the welfare state was able to handle this financial pressure, national support for the model could be jeopardized if majority citizens become less willing to contribute to the system once they believe that their money is going to people unlike themselves.39

All the Nordic countries used to be very open to newcomers and their welfare states used to provide social protection for all denizens without discrimination. However, the demographic heterogeneity has been increasing: according to the newest statistics, 16.3% of population are immigrants or Norwegian-born to immigrant parents40. The burden for the welfare state has become greater, and immigration is a sensitive issue now. As a result, we

can observe strengthening of the populist right-wing parties which are more critical of immigration, as is the Progress Party (Fremskrittspartiet) in Norway. Other parties of the political spectrum started to react to the changing conditions, too. Nonetheless, the Norwegian openness is still to be continued.\textsuperscript{41}

Scholars have not reacted to the so called European migrant crisis yet. However, the report by NorMod warns that factors like regional conflicts, economic situation and the climate change could raise the level of immigration, and especially countries with a developed welfare state (like Norway) could become more and more attractive.\textsuperscript{42} Increased immigration may help solve the problem of the aging population and stagnation of labour force; however, another scenario in which immigration could cause further problems can occur if a solid wage floor and improved integration policies are not be presented. In that case, immigration might be a potential source of social inequalities.\textsuperscript{43} The literature does not give an answer to the question how to face this challenge.

1.3.3 European integration

The concept of globalisation is mentioned by scholars as one of the challenges. Scandinavian countries have always been open and global – which can be seen in their participation in many organizations, from the regional Nordic cooperation to the global one. ‘A common feature of globalization theories is that \textit{economic integration} and national vulnerabilities weaken the national welfare state’s capacity to conduct a policy of its own free will’.\textsuperscript{44} In reality, only the European Union is seen as a challenge, because it is the only ‘organisation’ which has the feature of supranationality, which has an impact on the ability of its member states to resolve some problems because of the change in reach of national policymaking. Of course, international problems need to be solved by collective actions and supranational regulations. At the same time, however, the scope for national action becomes smaller and smaller.\textsuperscript{45}

\textsuperscript{41} ALESTALO, Matti, Sven E. O. HORT, and Stein KUHNLE. The Nordic Model: Conditions, Origins, Outcomes, Lessons, p. 34.
\textsuperscript{42} DØLVIK, Jon E., Tone FLØTTEN, Jon M. HIPPE, and Bård JORDFALD. \textit{The Nordic model towards 2030: A new chapter?} p. 150-151.
\textsuperscript{45} DØLVIK, Jon E., Tone FLØTTEN, Jon M. HIPPE, and Bård JORDFALD. \textit{The Nordic model towards 2030: A new chapter?} p. 151.
Norway has turned down its membership in the European Community/Union twice in referendum.\(^46\) However, as a member of the European Free Trade Association (EFTA), the country takes part in the EU single market; therefore, many rules apply to it, as well. Other Nordic countries are members of the EU (Denmark, Finland and Sweden), and they maintain their welfare states. Nevertheless, according to the theoretical framework, the governments should oppose the European integration.

1.3.4 Economic changes

Economic crises have led to a concern for sustainability of the welfare state. Is financing of the universal welfare system possible? A lot of cuts, adjustments and belt-tightening was necessary. However, the Norwegian figures of economic development from the mid-1990s are impressive. The growth was moderate, yet steady even in the times of economic crisis. Some of the scholars therefore suggest that the Nordic welfare state have stood the test of globalization and ‘there is thus no clear-cut relationship between scope of the welfare state and economic performance’.\(^47\) Nevertheless, I believe there is a correlation between the fact that Norway has enjoyed more continuity of welfare state programmes than the other Nordic countries\(^48\) and the positive economic development in times of crisis. Furthermore, there are well-founded concerns that the oil crisis will have much further impact on the Norwegian economy than the crisis of 2008.

1.3.5 Changes in class structure and inequality

The welfare state was built by parties of poor farmers, workers and not very wealthy urban residents. On the grounds of this class formation, the universalistic, egalitarian and state-centred system could be established. However, this setting is changing because of the economic growth, increase of educated people, and shifts in labour division. The proportion of farmers and manual workers is decreasing and comfortably well-off middle class people

\(^{48}\) Edited by Nanna KILDAL and Stein KUHNLE. Normative foundations of the welfare state the Nordic experience, p. 28.
(white-collar workers) form the majority of the population. One of the preconditions of the model is therefore disappearing.\footnote{ALESTALO, Matti, Sven E. O. HORT, and Stein KUHNLE. The Nordic Model: Conditions, Origins, Outcomes, Lessons, p. 23.}

As already mentioned, there is a broad political support for preserving the Nordic model. However, will the support be maintained as the society changes? One of the answers to this challenge could be to keep equality as much as possible. Inequality can be affected for example by tax-policies.\footnote{DØLVIK, Jon E., Tone FLØTTEN, Jon M. HIPPE, and Bård JORDFALD. The Nordic model towards 2030: A new chapter? p. 150.}

### 1.3.6 Climate change

One of the reasons to put climate change on the list of challenges is related to the immigration issue. Not a negligible number of people from the countries hit by the global warming are already heading northwards. Likewise, this problem is related to the issue of collective action as new international rules come into force and narrow the scope of national action. Furthermore, new climate conditions and the extreme weather in the far north will bring the need for adaptation as the changes in settlement patterns will occur. Last but not least, of all the Nordic countries, the climate change protection and adaptation to a greener economy can be the most difficult for Norway and therefore create a real challenge. That is because the country has a carbon-dependent production and the whole economy is very dependent on oil and gas.\footnote{DØLVIK, Jon E., Tone FLØTTEN, Jon M. HIPPE, and Bård JORDFALD. The Nordic model towards 2030: A new chapter? p. 147.} I would like to add that the melting of icebergs can bring Norway not just further sources of oil and funding of the welfare state, but also an international conflict (for example, with Russia).

To conclude this chapter, the research question 2 has been answered. The scholars highlight six major challenges to the Nordic model – demographic change, international migration, European integration, economic changes, changes in class structure, and climate change. Furthermore, the authors of NorMod emphasize that the Nordic model is a political construct. Therefore, the ability to overcome challenges the model faces depends on the
ability of politicians to renew policy instruments and to reach strategic compromises. To find out how they have been doing so far is a matter of the analytical part of this paper.

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52 DØLVIK, Jon E., Tone FLØTTEN, Jon M. HIPPE and Bård JORDFALD. The Nordic model towards 2030: A new chapter? p. 11.
2 Methodology and data

In this chapter, the used methods will be defined and described together with their techniques. The case study is based on two methods: content analysis and the process-tracing method.

2.1 The content analysis

There are many definitions of the content analysis. For example, Neuendorf defines the content analysis as a ‘systematic, objective, quantitative analysis of message characteristics’\(^{53}\). Systematic means that there are explicit and consistent rules for both the selection and evaluation process. Objectivity can be translated as reliability. If the analysis is conducted by another researcher, the conclusions should be the same. Even though perfect objectivity in content analysis is rare\(^{54}\), I will do my best to present a reliable and replicable analysis, and valid data. K. Krippendorff adds these three characteristics as a condition of a research\(^{55}\).

The definition of the content analysis as a quantitative method was used already more than 60 years ago by Berelson\(^{56}\). Nevertheless, Smith\(^{57}\) already considers a combination of quantitative and qualitative analysis possible. This approach is also used by Berg and because it is the most appropriate for this analysis, I will continue with this approach. Berg’s modified definition says that content analysis is ‘a careful, detailed, systematic examination and interpretation of a particular body of material in an effort to identify patterns, themes, biases and meanings’\(^{58}\). This method can therefore have two forms: both quantitative and qualitative. Even though the quantitative version of the method is more traditional, the qualitative form is very valuable when working in an interpretive paradigm.

My textual analysis will be the combination of both the approaches. The analysed data will be transformed into variables which are possible to measure. Like in a quantitative analysis, the frequency of the phenomenon in texts will be counted; and like in a qualitative analysis, the patterns discovered will be put into a broader context.

\(^{53}\) NEUENDORF, Kimberly A. *The content analysis guidebook*, p. 1.
\(^{54}\) WIMMER, Roger D. *Mass media research: an introduction*, p. 164.
\(^{55}\) KRIPPENDORFF, Klaus. *Content analysis: an introduction to its methodology*, p. 18.
\(^{56}\) BERELSON, Bernard. *Content analysis in communication research*, p. 18.
\(^{57}\) SMITH, H. *Strategies of social research: the methodological imagination*, p. 218.
\(^{58}\) BERG, Bruce L. *Qualitative research methods for the social sciences*, p. 338.
Last but not least, Disman reminds us that when analysing, the documents should not be made for the purpose of our research\textsuperscript{59}. This condition is met because the governmental documents which will be analysed have not been created for the purposes of any analysis.

Many authors describe the process of conducting content analysis\textsuperscript{60}. In general, the steps are the following: first, we need to formulate the research question and select a data sample. Secondly, we develop systematic criteria of sorting the data into various categories. Then we determine and define the unit of analysis (which can be a word, theme, sentence, concept, etc.) because the messages have to be unitized before they can be analysed. Then the content is coded according to established definitions, and the number of entities in each category is counted for descriptive statistics. Finally, the collected data are analysed and conclusions are drawn. The qualitative content analysis not only produces statistical data, but it also uncovers patterns which are significant to a social reality. Thus, we can offer an explanation for our findings and interpret them.

The following paragraphs will deal with the content analysis regarding this thesis. The research question related to the content analysis is the question \textit{3 (Are the challenges identified by scholars perceived by the governments of Norway from the years 2009 and 2013, and how much?)}. The data for this analysis are going to be relevant documents created by the corresponding governments. The research of these documents has several advantages: they are official, not subjective statements, and the data for this analysis are easily available.

The first step is to define categories for every variable. The categories can be constructed \textit{inductively} or \textit{deductively}. An inductive approach derives the categories from the data analysed. In a deductive approach, a categorical scheme which had been developed from a theoretical perspective before the analysis is used and the theory is assessed.\textsuperscript{61} The latter is the case of this paper since I will define categories from the previous related studies. This way I can test whether the governments feel the challenges defined by scholars as threats indeed.

The level of units is going to be a document. To be sure that the documents reflect the attitude of the governments, I have chosen only the documents created by the governments which are approximately at the same qualitative level. The first category of documents includes \textbf{white papers} (Meldinger til Stortinget). These are prepared when the government

\textsuperscript{59} DISMAN, Miroslav. \textit{Jak se vyrábí sociologická znalost: příručka pro uživatele}, p. 124.
\textsuperscript{60} WIMMER, Roger D. \textit{Mass media research: an introduction}, p. 167-8.; BERG, Bruce L. \textit{Qualitative research methods for the social sciences}, p. 362.
\textsuperscript{61} BERG, Bruce L. \textit{Qualitative research methods for the social sciences}, p. 247.
wishes to present matters to the Parliament (Stortinget) which do not require a decision. These papers deal with specific fields and should suggest future policies. The documents and the discussion in the Parliament afterwards are usually the basis for bills later on. Another category of documents I have chosen to study are the Official Norwegian Reports (Norges offentlige utredninger, shortly NOUs), which are similar to reports and plans. However, there is a difference between ‘reports and plans’ and the NOUs. Reports and plans are made by permanent employees, researchers or external staff who submit their conclusions to the Government. That means that these documents are apolitical. On the contrary, the NOUs result from a political decision of the Government or a ministry which establishes working groups for various issues. The last group of documents are Propositions to the Parliament (Proposisjoner til Stortinget). Propositions are prepared when the Government suggests to the Parliament that a decision should be made.

Afterwards, the units will be classified into categories according to the related meaning (the coding process). The categories correspond to the challenges to the Nordic model as defined in the theoretical part. All the documents are available on the official website of the Government of Norway. It is possible to search for them by dates when they were published, topic they are about, and ministries which dealt with them. Therefore, I am going to look for documents in the specific period corresponding to the ruling period of the particular government. Then I am going to define themes which are in accordance with the categories of my analysis. For example, the category of ‘international migration’ is going to be defined by the themes ‘the asylum situation’, ‘immigration’ and ‘integration’; the category of European integration will refer to the themes ‘European policy’ and ‘EEA’; the climate change category reflects the themes ‘CO2 handling’, ‘pollution’ and ‘climate’; and so on. The problem is that some documents can fall into more themes on the website of the Government; however, in the content analysis, a unit cannot be in more categories than one. In such a case, I will deal with the document separately and decide which category is more ‘suitable’ for it. For example, the NOU 2015: 15, titled as ‘Environmental Pricing’, is about the climate change; however, its main purpose is to define the costs of the climate policies, so the document falls into the economics category. Generally, uncertain cases can usually be assigned according to the ministry which shielded the document – in the case of the NOU 2015:15, it is the Ministry of Finance, which clearly belongs to the economics category.

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However, all such cases need to be decided individually, so that the reliability is as high as possible.

As a result of the comparative directed content analysis, I will get data about the priorities of the governments, in particular, how important are the challenges highlighted by researchers. Then I will be able to answer my research question 3 and get closer to answering the question 1.

Finally, I would like to make a few notes on the strengths, weaknesses and limitations of this method. On the plus side, this method is inexpensive and the data are easily available. Most importantly ‘it provides a means by which to study a process that occurs over long periods of time that may reflect trends in a society’\(^\text{63}\). The major limitation is that the method is ‘ineffective for testing causal relationships between variables’\(^\text{64}\). That is why another method – process-tracing – has been added to this research.

### 2.2 Process-tracing

Because of the limitation of the content analysis, another method has been added. The goal is literally to trace the process between the challenges of the Norwegian welfare state and the real outcome policies. Therefore, this part should answer the research question 1 (*Are the responses of the left-wing government from 2009 and the right-wing government from 2013 to the challenges in accordance with the consensual long-term strategy of maintaining the Nordic welfare state model?*).

‘Process-tracing methods are tools to study *causal mechanisms* in a single-case research design’\(^\text{65}\). In other words, they can be used for detailed examination of observable phenomena of causal mechanism. The method helps us to recognize a mechanism leading to the origins of a specific phenomenon observed. It tries to uncover and identify an intervening casual process between (an) independent variable(s) and the dependent variable.\(^\text{66}\)

The mechanism connects initial conditions and a specific outcome. It is ‘a set of hypotheses that could be explanation for some social phenomenon’\(^\text{67}\). To trace causal

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\(^{63}\) BERG, Bruce L. *Qualitative research methods for the social sciences*, p. 364.

\(^{64}\) Ibid., p. 365.

\(^{65}\) BEACH, Derek and Rasmus Brun PEDERSEN. *Process-tracing methods: foundations and guidelines*, p. 2.

\(^{66}\) Kořan in DISMAN, Miroslav. *Jak se vyrábí sociologická znalost: příručka pro uživatele*, p. 44.

\(^{67}\) Checkel, J. T. in Qualitative Methods in International Relations: A Pluralist Guide, p. 115.
mechanisms, the researcher maps the process. Then he or she can understand how the independent variable is causing the changes in the dependent variable.

The data for process-tracing are usually of qualitative nature, such as expert surveys, interviews, press accounts, and documents. And as Checkel specifically says, the process-tracing is compatible with content analysis.\textsuperscript{68}

According to the definition, I am going to reconstruct the sequence of events and to identify the causal chain which links independent and dependent variables. By this method, I will be able to identify the origins of the reforms in welfare state. Were they already presented in the Government political platform? Do they react on the challenges the welfare state faces? Or are the reasons completely different? By means of process-tracing I am going to look at my findings in a broader context. The data analysed by this method are official documents of the government, the statements of its ministers, media, including social media (Twitter) etc.

Furthermore, I would like to specify the process-tracing method used in this paper. The method can be divided into three variants: theory-testing, theory-building and explaining-outcome process-tracing.\textsuperscript{69} Taking into account that the aim of this thesis is not to build a new theory and a sufficient general theory which would be tested is not available, I am going to use the explaining-outcome process-tracing method. The goal is to craft an explanation of a particular outcome in a specific case.

Other different approaches to process-tracing can be found, as well. The approach used here will be narration – that is a detailed ‘story’ in chronological order which aims to explain how the examined event happened. A further step would be an analytical explanation which transforms the narration into analytical causal explanation in an explicit theoretical form\textsuperscript{70}. Like I said earlier, I do not intent to build a new theoretical framework; my ambition is to find out whether real politics are a response to the identified challenges of the Norwegian welfare state.

\textsuperscript{69} BEACH, Derek and Rasmus Brun PEDERSEN. Process-tracing methods: foundations and guidelines, p. 3.
\textsuperscript{70} Kofan in DISMAN, Miroslav. Jak se vyrábí sociologická znalost: příručka pro uživatele, p. 45.
3 Analytical part

3.1 Content analysis

It is important to remark that the current government from the year of 2013 still has one year and a half ahead and the number of documents is therefore lower than the number of the 2009 government. To be able to draw conclusions from the figures, the numbers must be converted into percentage shares. We can see the number of documents published by both governments below:

Table 1: The number of documents for the 2009 and 2013 Norwegian governments

<table>
<thead>
<tr>
<th>Type of document</th>
<th>2009 government</th>
<th>2013 government</th>
</tr>
</thead>
<tbody>
<tr>
<td>White papers</td>
<td>139</td>
<td>70</td>
</tr>
<tr>
<td>NOUs</td>
<td>67</td>
<td>36</td>
</tr>
<tr>
<td>Propositions</td>
<td>734</td>
<td>380</td>
</tr>
<tr>
<td>Total</td>
<td>940</td>
<td>486</td>
</tr>
</tbody>
</table>

Source: the author of the thesis

In 2009, the government was formed by the Labour Party, Socialists Left Party and Centre Party. This government published 940 documents which – as a unit – belong to my content analysis (White papers, Official Norwegians Reports, and Propositions to the Parliament). The following table summarizes the numbers of the documents according to the categories as defined in the methodology and its proportional share in percentage.

Table 2: 2009 Norwegian Government – challenges

<table>
<thead>
<tr>
<th>Category</th>
<th>Number of units</th>
<th>Share of the documents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Demographic change</td>
<td>4</td>
<td>0.43%</td>
</tr>
<tr>
<td>International migration</td>
<td>12</td>
<td>1.28%</td>
</tr>
<tr>
<td>European integration</td>
<td>8</td>
<td>0.85%</td>
</tr>
<tr>
<td>Economic situation</td>
<td>38</td>
<td>4.04%</td>
</tr>
<tr>
<td>Changes in class structure and inequality</td>
<td>13</td>
<td>1.38%</td>
</tr>
<tr>
<td>Climate change</td>
<td>13</td>
<td>1.38%</td>
</tr>
<tr>
<td>Other</td>
<td>852</td>
<td>90.64%</td>
</tr>
<tr>
<td>Total</td>
<td>940</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: the author of the thesis
The biggest share (4.04%) is represented by documents on the economic situation as the challenge to the Norwegian welfare state. Nevertheless, we cannot relate this result with certainty to the global financial crisis of 2008 because it had a little impact on Norway. The second most important topic for the left-wing government concerns changes in the class structure and inequality and climate change, with the same share in the documents. They come in at less than half the amount of the documents on economic issues, with 1.38%. Then the theme of international migration follows (1.28%). European integration does not seem to be on the top of priorities (0.85%); however, demographic change (0.43%) remains the one which is given the least attention. Together, the share of the topics defined as challenges to the Nordic model amount to 9.36% of the documents.

The current government was formed in 2013 by the Conservative Party and the Progress Party. We can see the data gathered for this government in the table below:

**Table 3: 2013 Norwegian Government – challenges**

<table>
<thead>
<tr>
<th>Category</th>
<th>Number of units</th>
<th>Share of the documents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Demographic change</td>
<td>9</td>
<td>1.85%</td>
</tr>
<tr>
<td>International migration</td>
<td>17</td>
<td>3.50%</td>
</tr>
<tr>
<td>European integration</td>
<td>40</td>
<td>8.23%</td>
</tr>
<tr>
<td>Economic situation</td>
<td>44</td>
<td>9.05%</td>
</tr>
<tr>
<td>Changes in class structure and inequality</td>
<td>12</td>
<td>2.47%</td>
</tr>
<tr>
<td>Climate change</td>
<td>7</td>
<td>1.44%</td>
</tr>
<tr>
<td>Other</td>
<td>357</td>
<td>73.46%</td>
</tr>
<tr>
<td>Total</td>
<td>486</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: the author of the thesis

The biggest share deals with the economic situation (9.05%) which is distinctive for a right-wing government; moreover, even though the economic crisis did not have much of an impact on Norway as noted earlier, the oil crisis which burst out during rule of the 2013 government affected the Norwegian economy significantly. The second category is, quite
surprisingly, the European integration with 8.23%. Most of the documents include the implementation of the EU’s directives (‘consent of approval of a directive’). However, many of them had been passed by the European Parliament before this government was created. With a little distance (3.5%), the next category is the international migration. This could be explained by the presence of the Progress Party in the government, since anti-immigration policies were one of the main issues of the party before the election\textsuperscript{74} and the corresponding ministries have been assigned to the party\textsuperscript{75}. Nevertheless, there is no clear-cut evidence that it is a result of the current European migrant crisis\textsuperscript{76}. The social themes of class structure and inequality and demographic change follow, where the egalitarianism is given a higher priority (2.47%) than the aging population within the demographic category (1.85%). The climate change is given the least space (1.44%). Together, the share of topics defined as challenges to the Nordic model amount to more than one quarter (26.54%) of the documents.

Furthermore, I would like to compare the figures for both of the governments:

\begin{table}[h]
\centering
\begin{tabular}{|l|c|c|}
\hline
Category & 2009 government & 2013 government \\
\hline
Demographic change & 0.43\% & 1.85\% \\
\hline
International migration & 1.28\% & 3.50\% \\
\hline
European integration & 0.85\% & 8.23\% \\
\hline
Economic situation & 4.04\% & 9.05\% \\
\hline
Changes in class structure and inequality & 1.38\% & 2.47\% \\
\hline
Climate change & 1.38\% & 1.44\% \\
\hline
Other & 90.64\% & 73.46\% \\
\hline
Total & 100\% & 100\% \\
\hline
\end{tabular}
\caption{Comparison of the 2009 and 2013 Norwegian governments}
\end{table}

Source: the author of the thesis

The most remarkable is the fact that the right-wing government from 2013 has a substantially higher share of documents concerning the challenges defined by scholars in all the categories than the 2009 left-wing government. One of the explanations of the higher amount of documents might be the fact that the 2013 right-wing government is more eager to


\textsuperscript{75} Further explained in the corresponding chapter of the process tracing method.

\textsuperscript{76} The number of documents corresponding to the international migration theme is 10 in 2014 and 7 in 2015. Therefore, the number is not increasing with the migrant crisis.
make changes in the topics discussed to carry through their policies based on their ideology. Whether these changes are to the benefit of preservation of the welfare state is harder to determine; that is why, I use also the process tracing method.

Left-wing governments have ruled most of the time after the World War II, specifically the Labour Party which was the most influential political party also in the 2009 government. Therefore, the party’s most important policies had already been implemented, so it was more or less satisfied with the status quo and the government prepared fewer documents dealing with the challenges. On the other hand, the current government is more eager to change the current policies. Even though the Conservative Party has been in the government many times, it used to be backed by parties oriented more towards the centre of the political spectrum (usually the Liberal, Centre or Christian Party). However, it is now in the government with the Progress Party which has become a governing party for the first time. For these reasons, the 2013 government could lean more towards the right-wing policies.

As a consequence of the differences, only the topic of climate change is given approximately the same space. The biggest difference is within the European integration theme, where the number of documents by the 2013 government is almost ten times higher. The grand total of all the challenges is 17.18% more in the current governments’ documents which is not a negligible difference.

To conclude this chapter, I can answer the research question 3 – the governments from years 2009 and 2013 do perceive the challenges to the Nordic welfare state model as identified by scholars, albeit to a very different extent. Specifically, the 2013 right-wing government evinces more interest in these topics. Their motives are uncertain and have to be examined more in the next chapter that will enable us to answer the research question 1.

3.2 The process-tracing

The goal of this chapter is to explain the motives and trends of the policies of the 2009 left-wing government and the 2013 right-wing government.

77 Since the end of the World War II, the Labour Party was a governmental party for approximately 49 out of 75 years (41 years alone and only 8 years in a coalition). For the full list of Norwegian governments, see: Norske regjeringer siden 1945. Retrieved from: https://www.regjeringen.no/no/om-regjeringa/tidligere/ministerier_regjeringer/nyere_tid/regjeringer/id438715/.
78 Ibid.
3.2.1 Demographic change

3.2.1.1 The 2009 government

Stoltenberg’s Second Cabinet fully supported the reforms of the pension system so that the welfare schemes could be sustainable. It came as no surprise since all the governmental parties – the Labour Party, the Socialist Left Party and the Centre Party – together with other, even opposition parties – the Conservative Party, the Liberal Party and the Christian Democratic Party – signed a broad agreement on a common approach about the future of pension reforms in 2007. As a result, the only party represented in the Storting which did not join the agreement was the Progress Party. The Norwegian social welfare scheme has undergone the main changes already in the spring of 2009. The main instrument of the law was the change of the retirement age, which used to be fixed at 67 – the reform allows people to choose when they want to retire (from the age of 62 to 75); however, the level of the benefits depends on that accordingly. The reform was fully supported by all the parties in the Storting (thanks to the agreement), but the Progress Party, which had been anticipated. The Progress Party claimed that the reform gave preferences to people working in the public sector and was less advantageous to those who worked in the private sector (i.e. voters of the party).81

The fact that Stoltenberg’s Second Cabinet wishes to continue in small adjustments of the pensions was stated in the Soria Moria declaration (i.e. the political platform of the government). The government declared to improve and renew the welfare schemes further, as well as to strengthen the participation in the labour force by groups which do not work now – especially senior citizens and handicapped. Accordingly, the government proposed changes in retirement pensions for disabled persons and new disability benefits (Prop. 130 L). The reform should provide better monitoring of individuals, new calculation rules and the

82 A ‘political platform’ is defined as a document stating plans, goals and intentions of a government. It is released at the beginning of the term in office.
opportunity to get a job should be better for the disabled.\textsuperscript{84} Other changes proposed were minor, concerning both private and public sectors, or parliament representatives.\textsuperscript{85}

In short, one can say that thanks to the broad agreement on supporting the adjustments to the pension welfare schemes to assure theirs sustainability, there was no serious debate on the topic. The only party which did not participate, the Progress Party, did not have a strong enough voice; therefore, all the amendments to the pension reform went smoothly.

3.2.1.2 The 2013 government

The current government consists of the Conservative Party which took part in the common agreement, and the Progress Party which opposed the pension reforms. Nevertheless, it seems that the Progress Party had to yield, because the Soria Moria declaration states that the broad agreement on the pension scheme will be upheld and the government will continue the implementation of the pension reform.\textsuperscript{86} The situation was later on explained by Robert Eriksson from the Progress Party who obtained the office of the Minister of Labour and Social Affairs. Although he had called the pension reform ridiculous earlier, after the government was formed, he said he could relate to the policies now. Eriksson clarified that the parties still had different opinions on the issue. Nevertheless, since he became the minister who was responsible for implementing the policies, he had to do the politics according to the political platform.\textsuperscript{87} In other words, the Progress Party obligated itself to follow up the pension deal.

All the major adjustments had already been passed by the left-wing government. Lately, the only new adjustment in the pension scheme concerned workers at sea.\textsuperscript{88} Therefore, there was not a bigger conflict regarding the pension reform within the government. Nevertheless, the members of the parliament from the Progress Party said they were not happy with the agreement and wanted to renegotiate. Carl I. Hagen, the ex-leader of the party, affirmed that he disagreed with the policies and the Conservatives went too far in this case.\textsuperscript{89} Even though I have not found sufficient evidence, this might me the reason why the Prime

\textsuperscript{85} The full list can be viewed at: https://www.regjeringen.no/no/tema/pensjon-trygd-og-sosiale-tjenester/pensjonsreform/dokumenter/id86832/.
Minister Solberg took the office of the Minister of Labour and Social Affairs from Eriksson and gave it to a member of the Conservative Party by the end of the year of 2015.

To sum up, even though the Progress Party which opposes the reforms of the pension scheme is represented in the government, thanks to the agreement made in the Soria Moria Hotel, the unanimous voice of the Cabinet as a whole was not broken up.

3.2.1.3 Summary

Both of the governments adopted the same stance on the demographic change challenge, which corresponds to the theory of maintaining the Nordic model. The only party deviating from the common stance, the Progress Party, could not change the direction of the policies, and even when it became a governmental party, it was bind to follow the broad agreement. As a result, the governments acted consistently.

3.2.2 International migration

3.2.2.1 The 2009 government

From the beginning of the governmental period, it was obvious that the asylum and immigration policy was going to be a conflicting theme within the government. Even though the Centre Party did not have a clearly defined opinion, the other two coalition parties did not adopt the same attitude: whereas the Labour Party was in favour of a tighter asylum and refugee policy, the Socialist Left Party wanted to maintain the Norwegian openness.90 The Labour Party went out of this as the ‘winner’: even though it is stated in the political platform that a multicultural society is an asset to Norway, the government planned to be stringent in the immigration policy.91

Already in October 2009, the government appointed a committee for the asylum policy which should carry out a strict and fair asylum and refugee policy and examine the legislative consequences of proposals submitted by the Cabinet.92 In 2010, Audun Lysbakken, the minister for Children, Equality and Social Inclusion from the Socialist Left Party proposed a plan for better inclusion of the immigrants.93 All in all, the Socialist Left Party is the most

open to immigration and believes that the only challenge which springs from it is integration and inclusion of the newcomers.

To the contrary, the Labour Party led small reforms tightening the rules within the Immigration Act (passed under the 2005 Cabinet). For example, the government changed the immigration regulation to enable faster transfer of immigrants who committed a crime; however, none of the changes were much discussed and they were almost ‘invisible’. Nevertheless, what caught the attention was the matter of a low level of knowledge of Norwegian among the immigrants who obtained the residence permit or Norwegian citizenship. This was caused by the fact that language classes were only voluntary. The goal of extending the right but also the obligation to Norwegian language training was already set in the political platform. However, the vision did not get a real shape until 2011 when the Labour Party published a report proposing the introduction of mandatory 600 hours of Norwegian language for all the immigrants. This resulted in Proposition 79 L (2010 – 2011). The idea got a broad support and was implemented the same year. Without the language courses, immigrants cannot get a permanent residence permit and Norwegian citizenship.

In 2013, the left-wing government prepared a white paper called ‘Diversity and community’. On its basis, the Storting reached a broad agreement on the Norwegian integration policy, except for the opposition Progress Party. The paper claimed that immigrants were resources for the country and would create wealth, and the Progress Party could not agree with this. A month later, a report by the office Statistics Norway was published, estimating a price the state had to pay for every non-western immigrant at NOK 4.1 million. As a result, the figures broke the myth that immigration is profitable and the report became largely debated both by the parties and in the media. The criticism of the
Progress Party even increased and led to the Party’s calculations of how the number of immigrants could be lowered in half\(^\text{100}\). That happened just before the 2013 elections.

Although the coalition did not have the same view on immigration, it conducted a moderate policy of tightening the rules for newcomers. I have failed to find any major changes and I would classify the adjustments as almost invisible. Nevertheless, it is important to note, that the government decided to mitigate immigration even before the migrant crisis started.

3.2.2.2 The 2013 government

As for Solberg’s Cabinet, however, we can observe more ‘visible’ changes and adjustments to the immigration policy. Even though the Conservatives are generally pro-immigration (especially concerning labour immigration)\(^\text{101}\), since the Progress Party, the most anti-immigrant party, became their coalition partner, this development could be predicted. Firstly, the government continues in tightening the rules introduced by the left-wing government: for example, the mandatory language test introduced in 2011 was expanded also with a test in civics\(^\text{102}\). Moreover, faster transfer of the immigrants who committed a crime in Norway was accompanied by a possibility to expel the immigrants who committed a serious crime abroad\(^\text{103}\). Secondly, the government brought forward new issues: the rules of the loss of Norwegian citizenship\(^\text{104}\) or how to prevent immigrants from sending their cash benefits to their country of origin\(^\text{105}\).

One of the initiatives was given more attention – tightening the requirements for the residence permit suggested by the Progress Party. In the spring of 2015, the Minister of Justice, Anders Anundsen, proposed that the period of stay necessary for obtaining the permit should be extended from three to five years. The minister explained that the government would be then more certain the permit would not be given on factitive grounds, such as

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a marriage of convenience. This idea was later extended with another requirement, a permanent job, by the Conservatives. Nevertheless, these ideas are still at the stage of a proposal.

Notwithstanding the Progress Party’s representation in the government, the policies were not just made sterner. In the light of the migrant crisis, the Labour Party’s ex-minister Støre proposed that the Parliament should pressure the government to accept ten thousand refugees from Syria. Even though the Labour Party earlier agreed on tightening immigration, the ex-minister said this was the time when Norway should open its door a bit more. After a debate, the Labour Party got the Conservatives on their side and reached a compromise to accept eight thousand Syrian refugees within three years. The proposal got support of all the parties, except the Socialist Left Party which is convinced that the number was too small, and the Progress Party, for the exact opposite reasons.

Last but not least, by the end of the last year, a new ministerial post at the Ministry of Justice, the Minister of Migration and Integration, was established. That signalises that Solberg’s Cabinet is taking the migrant crisis which broke up in 2015 seriously. The office was given to a Progress Party politician, Sylvi Listhaug, who had already promised stricter measures against the asylum flow and a better inclusion of the accepted refugees. The minister highlighted the need for action if the Norwegian welfare state should be maintained. Until then, the two related issues of immigration and integration were divided between the Ministry of Justice and the Ministry of Children, Equality and Social inclusion. Therefore, the new arrangement should be more effective.

Given these points, it is obvious that the 2013 government is stricter in the immigration policies, which is not given only by the current migrant crisis, but especially by the representation of the Progress Party.

3.2.2.3 Summary

In essence, apart from the Socialist Left Party, there is a broad consensus on the moderation of immigration, in the case of the Progress Party we can even speak of restriction. Therefore, we can conclude that the governments act consensually and in accordance with the model.

3.2.3 European integration

3.2.3.1 The 2009 government

The parties in the government have very different views on the European integration. The Labour Party has a very pro-EU attitude and even though the party members are not united on the issue, its leaders supported the Norwegian membership in both of the EC/EU referendums\textsuperscript{111}. In the 2009 party programme, the party highlighted the importance of the EEA agreement and did not change the view on the EU membership. The party claimed that a full participation in the integration would give Norway a greater political influence and an opportunity to safeguard the national interests better than the EEA agreement. However, the programme admitted that some members of the party believe that Norway should stand outside of the EU.\textsuperscript{112} The Labour Party was the only euro-optimistic party in the 2009 coalition. The Social Left Party not only strongly opposes the Norwegian membership in the EU but it also wants Norway to withdraw from the Schengen agreement.\textsuperscript{113} Finally, the Centre Party shares the same opinion with the Social Left Party, both on the EU membership and the EEA agreement. Their political programme states that the current agreement with the EU binds Norway too much and weakens the national political and economic freedom. Therefore, they believe Norway should replace the EEA agreement with a bilateral trade and cooperation agreement which would not force the country to adopt the EU legislation.\textsuperscript{114} Since the coalition parties had the opposite opinions on the European integration challenge, the reached consensus on the approach was very vague. The Labour Party had to give in its euro-optimism; on the other hand, the Socialist Left Party and the Centre Party also had to temper the dissent to the EEA agreement. The consensus approach is defined in the Soria Moria declaration; however, it only says that the Norwegian relationship should stay as it is.

\textsuperscript{111} EU-kampen. Retrieved from: https://snl.no/EU-kampen.
The government promises not to apply for the EU membership and to ‘safeguard Norwegian interests’.

Since the government did not have a united voice on the EU issue, quite early after beginning of their governance (7 January 2010), they decided to form an independent working group which was supposed to evaluate the Norway-EU relationship to take a new approach. However, the group worked on the final document for two years. Meanwhile, the Norway-EU relationship was put aside a bit. It was maintained, of course, but the priority was given rather to external policies than to the relationship itself. In June 2010, the Norwegian Prime minister Stoltenberg met the EU representatives Herman Van Rompuy and José Manuel Barroso in Brussels. The main subjects discussed, however, overlapped other challenges – the economic crisis or climate change – and the Norway-EU relationship was not given the priority.

Besides, in this period the Norwegian government decided not to implement the EU postal directive. This was quite a significant step to take since it was the first time Norway exercised its rights to make reservations to the EEA agreement. Even though the postal directive might be seen as an uncontroversial topic, the government had its reason for this decision which was driven by the euro-sceptic Centre Party. It is an agrarian party whose aim is to protect people in the rural area. To explain: the Norwegian state post is universal, and it is obliged to deliver mail to all parts of Norway for a standardized price six days per week. The post loses money in the rural areas and earns more in the urban ones; therefore, it is tempting to deliver less frequently or increase the prices in the less profitable areas which would be possible with the postal directive. The rejection of the implementation of the directive was therefore to protect the inhabitants of rural areas, and the cornerstone of the welfare state – universalism.

In October 2012, the independent working group finally finished its document. The report especially pointed out the democratic deficit, so Kristin Clemets – the leader of a think tank and a politician from the then time opposition party of the Conservatives – suggested to

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establish a ministerial office for the European affairs to strengthen the coordination and efficiency between Norway and the EU and help Norway ‘safeguard its national interests’. However, the Minister of Foreign Affairs Støre stated he did not find it a good idea, and the proposal was not implemented.

By the end of the governmental period, Stoltenberg’s Cabinet generally made only marginal, uncontroversial decisions where a consensus was not difficult to reach, e.g. eco-labelling (Prop. 68 S:2012-2013) or customers rights (Prop. 76 L:2012-13). To sum up, since the 2009 government consisted of parties which opposed each other on the EU issue, major development was not possible. The government approached a very moderate attitude via indeterminate goals, implementing only the least controversial EU legislation with no real impact.

3.2.3.2 The 2013 government

The policies of the 2013 government have also been affected by the parties’ position. The Conservative party is probably the most euro-optimistic party in Norway; it was the only party which was united on the issue of Norwegian membership in EC/EU both referendums. According to the Conservative Party programme, the access to the EU’s internal market through the EEA agreement is very important to maintain the level of welfare in the country. However, the Conservatives see the fact that Norway is affected by decisions made in a system where the country is not represented as a problem. Therefore (in the long term), they would like to replace the agreement with a full membership. To find out the views of the Progress Party on the European integration is a tough task. Their stance on this remains unclear. In general, it seems they are open to a new referendum, so that the Norwegians could decide themselves. However, the party states that the membership is not an issue at present. For the 2013 government, it was therefore easier to reach a consensus on the long-term strategy concerning the EU matter. Nevertheless, their political platform states

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122 All the documents can be found on the page of the government: https://www.regjeringen.no/no/id4/
the same empty formula of ‘safeguarding the Norwegian interest’ although it also promises more active politics and a daily follow up of EU rules.126

From the beginning of its governance period, Solberg’s Cabinet has kept its promises. Just after one month, the government established a new office the previous cabinet had refused – a minister at the office of the prime minister responsible for the EEA Affairs and EU Relations.127 The office has been taken by a pro-EU conservative politician Vidar Helgesen who has embarked on a closer relationship with the EU. From his Twitter account, we can learn, for example, that in October 2014, Norway took part in a top-EU level meeting for the first time in twenty years, or that he participated at a meeting of the EU ministers of Nordic countries in Stockholm.128 Furthermore, thanks to Helgesen, a new strategy for cooperation with the EU has been prepared. The strategy highlights the need to involve more in debates at the European level at an early stage, not when the negotiations have already been closed. As a key instrument for achieving this goal, a European policy coordination committee within the government has been established.129 Moreover, the Prime Minister Solberg also visited the EU representatives in Brussels. Although the topic discussed remained of the same nature as earlier – climate change, economics and also immigration was added – president Barroso welcomed that the new government pursues for more active European policy.130

The fact that the right-wing government paid more attention to the EU matters could already be seen in the content analysis. Most of the documents are propositions to approve various EU regulations, directives, etc. These concern for example consumer affairs, the e-call service, credit transfers, research and innovations, railway infrastructure, air traffic management, European satellite navigation systems, sale of timber and wood products, and so on. As a result, the new minister for EU affairs Helgesen pointed out that Norway became the Europe’s number one in implementing the European internal market rules (on 6 October 2015)131. A big share of the documents implemented the decisions made in the EU before the 2013 government took office because the 2009 government did not do so. Most notably, the

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128 All tweets at: https://twitter.com/vidarhelgesen
right-wing government implemented the postal directive\textsuperscript{132} which the left-wing government refused, as mentioned earlier. Altogether, the right-wing government moved closer to the EU.

To conclude, during the right-wing government, Norway started to have a more active policy towards the EU and the relations have become closer. The major reasons can be traced to the Conservative Party visions. Even though the membership will not probably be on the agenda for a long time, there is a visible development. The government does not perceive the EU legislation as a threat to the Norwegian welfare state; on the contrary, they believe that it strengthens it.

3.2.3.3 Summary

To assess the results of this part, the analysis of the European integration as a challenge to the Norwegian welfare state shows that both of the governments declare to safeguard Norwegian interests; however, they understand the term ‘Norwegian interests’ differently and have a different ‘recipe’ on how to go about it, according to their ideology. Therefore, the governments approached the challenge not just in a different way, but even oppositely. Since the point of the European integration challenge is in the shift of power on a supranational level and a loss of sovereignty, we must conclude that only the 2009 government acted in accordance with the Nordic model.

3.2.4 Economic changes

Since 2001, Norway has had a fiscal rule for use of the Government pension fund, the Global (known as the ‘oil fund’): up to 4\% of the fund can be used in the state budget the following year\textsuperscript{133}. Except for a few quarters of a year, the fund has been increasing steadily\textsuperscript{134}. The number of factors related to the national economy is infinite; however, they can be divided into two main categories of policies – the fiscal policy which then adds or subtracts from the ‘oil fund’, and the workforce policy, efficient production of high quality goods and services in sufficient demand.


\textsuperscript{133} Retningslinjer for bruk av oljepenger (handlingsregelen). Retrieved from: https://www.regjeringen.no/no/tema/okonomi-og-budsjett/norsk-okonomi-bruk-av-oljepenger-/retningslinjer-for-bruk-av-oljepenger-ha/id450468/.

\textsuperscript{134} Markedsverdi. Retrieved from: http://www.nbim.no/no/fondet/markedsverdi/.
3.2.4.1 The 2009 government

The 2008 financial crisis had a little negative impact on Norway because the lack of demands for services and goods from abroad was outweighed by an increased demand for oil\textsuperscript{135}. The oil-industry with its corresponding supply-industry is arguably Norway’s most important industry. Even though Stoltenberg’s cabinet also sat in the government before 2009, the 2009 budget might be slightly different due to the fact that it was the election year – it was presented before the election, but revised after it. The financial crisis had started about a year before that, and although Norway had not felt much of its implications, the budget was affected by it. The Minister of Finance, Kristin Halvorsen (the Socialist Left Party), said that the importance of maintaining a low unemployment rate was the governing consideration for the budget, justifying a slightly higher use of the oil money. Therefore, the withdrawal from the oil fund was a little more than the ‘allowed’ 4% given by the fiscal oil fund rule.\textsuperscript{136}

The left-wing coalition ran an election campaign emphasizing their ability to govern steady in uneasy times. After the election, the government replaced the finance minister Halvorsen who was viewed by many as a danger to the state’s finances due to her insufficient little experience\textsuperscript{137} with a more economically educated politician, Sigmund Johnsen (the Labour Party). The revised budget used 4.3% of the oil fund\textsuperscript{138}.

In the following budget for 2010, the biggest change was an increase in the funds to the municipalities. The use of the ‘oil fund’ dropped to just below 4%.\textsuperscript{139} In 2011, the situation stayed very much the same. According to the finance minister Johnsen, the budget was adapted to fit the economic situation and designed to strengthen the workplace, economic growth and welfare. The use of oil money was slightly less than 4% again.\textsuperscript{140} In 2012, the situation was almost the same, as well. Johnsen spent less of the oil money (about 3.3%) and saw the outlook for the Norwegian economy to be very good.\textsuperscript{141} Little changed a year later, and the estimated use of oil money was at 2.9%.\textsuperscript{142} Lessened use of oil money relative to the size of its fund could be seen as the government’s way of to strengthening the economy. This

\textsuperscript{135} EDITED BY NANNA KILDAL AND STEIN KUHNLE. Normative foundations of the welfare state the Nordic experience, p. 73.
is a concept known as Keynesian economics: to spend more in bad times and less in good times.\footnote{\O konomien ingen forstår. Retrieved from: http://www.vestviken24.no/vv24naringsliv/okonomi-og-naringsliv/okonomisk-politikk/okonomien-ingen-forstar/s/5-83-32858.}

Throughout the government’s last period, several actors, including the head of the Central Bank, argued in favour of setting the fiscal rule for the oil fund down to 3%, rather than 4%. The left-wing government did not take any actions to change it. But before the last election, they started to talk about changing it to be more restrictive. This can be seen as a standpoint for election campaign purposes or a way of limiting the possible new government and their ability to spend money recklessly.\footnote{Fornuftig innskjerping av handlingsregelen. Retrieved from: http://www.aftenposten.no/meninger/leder/Fornuftig-innskjerping-av-handlingsregelen-7340110.html.}

In short, the 2009 government did few structural changes, and kept a “steady course”.

\subsection*{3.2.4.2 The 2013 government}

Before the new government took over, there was a debate whether they would want to spend more money than the fiscal rule of the ‘oil fund’ allowed, or possibly circumvent it by labelling their communication/transport expenditures as extraordinary spending or investments. Their reasoning for this would be that it would increase growth and productivity, so it would not be part of the normal spending, but rather an investment.\footnote{Slik vil Frp omgå handlingsregelen. Retrieved from: http://www.dagbladet.no/2013/10/03/nyheter/innenriks/samfunn/valg13/frp/29567041/.}

The 2014 budget was made by the previous left-wing government and revised by the new right-wing government. The new Minister of Finance, Siv Jensen from the Progress Party, said the previous government took first steps to turn the Norwegian economy and society in a new and better direction with the budget for 2014, and that the revised budget would maintain the same course. The changes were small indeed, and they only adjusted the budget prepared by the 2009 government, only adjust.\footnote{Revidert budsjett 2014. Retrieved from: http://www.statsbudsjettet.no/Revidert-budsjett-2014/.}

The first budget created solely by the right-wing government was passed the next year. The government wanted to increase the money spent from the ‘oil fund’ in the budget from 2.8% to 3%.\footnote{Finansminister Siv Jensen vil bruke 163,7 milliarder oljekroner i statsbudsjettet. Retrieved from: http://www.dn.no/nyheter/okonomi/2014/10/08/1007/Statsbudsjettet/finansminister-siv-jensen-vil-bruke-1637-milliarder-oljekroner-i-statsbudsjettet.} In her speech, the Minister of Finance, Siv Jensen (the Progress Party), said that the budget for the next year reflected the new priorities of the new government which wanted to facilitate economic growth and create new jobs. At the same time, the government wanted to strengthen the most import aspects of the Norwegian welfare. The government also suggested increasing the investments
considerably, pointing out that Norway had low productivity growth for the last eight years. Since the situation for Norwegian businesses competing on the international market worsened, the government set a goal to increase the growth of the economy. As a strategy, it increased tax breaks to make work and investments more profitable and to boost knowledge, research and innovation and prioritize transport and communications. This shows that although the right-wing government wanted to spend a little more money, for about 0.2 % more of the ‘oil fund’, they acted within the rules set more than a decade ago. They even wanted to ‘create an expert committee to figure out how the fiscal rule should be practised in a situation like this and if there is a need for additional guidelines’, the Minister said.148

Under the current government, the oil price has dropped and the unemployment has risen as a consequence of the decline in the oil industry. The crisis started at the beginning of their reign, but increased later on.149 Nevertheless, the budget for 2016 seemed to be more or less similar to the 2015 budget – it included a slight reduction in taxes, using a little more oil money (3% of the fund). The self-proclaimed prioritised sectors are communications/transport, health, law and police, municipalities and climate. ‘We are laying a good foundation to meet the necessary transformations that Norwegian economy is facing. The budget is contributing to growth in the number of jobs and counteract the unemployment caused by lower activity in the oil-business’, said the minister Siv Jensen.150 The unemployment is higher than during the last government151 but the use of oil money is still way below 4.3 % the previous government had spent at most.

3.2.4.3 Summary

Despite different rhetoric, the two governments have had a very similar view of the economy as a Keynesian model. The right-wing government is probably not willing to spend as much money as the left-wing government in bad times though. Nonetheless, the 2013 government wishes to have a higher use of money in general. This is justified by economists emphasizing investments in infrastructure, knowledge and research. They think this is how Norway will strengthen its workforce and innovation. The left-wing government had a slightly different view of the economy – to them, more welfare and less economic differences was what was the most beneficial for Norway. However, there is a broad

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consensus about maintaining the Government pension fund – Global, and managing the finances in a responsible way. There also seems to be a consensus about preserving Norway’s competitiveness in the workforce and businesses, but the methods differ a bit. In line with the literature sources, there is not a correct answer, since the challenge of economic changes is a matter of political and economic ideologies. Nevertheless, since the approach of the governments is very similar, I would conclude that they have acted in accordance with Nordic model.

3.2.5 Class structure and inequality

3.2.5.1 The 2009 government

Based on the party programmes of the governmental parties, there was a consensus about this challenge. The political platform stressed the need for equality of women and men and protection of the indigenous (Sami) people and national minorities, and opposed any discrimination. Furthermore, the economic inequality should be reduced, and the government’s goal is to achieve a society without poverty. A fair distribution of wealth between different groups is the key. Therefore, collective goods should be shared fairly, and those who earn more should contribute more to the community to create a more equal society and establish better living conditions. Nevertheless, the government planned to keep the taxes the same, as they are.\textsuperscript{152}

The assumption that everybody is equal has been seen as a doctrine and nobody would dare to doubt it. Generally, the level of equality in all aspects is very high in Norway; nevertheless, especially gender equality is a very frequent topic. There is not much more the governments can do; however, they all want to be perceived as guardians of egalitarianism, so they publish documents which do not bring anything new, just specify, clarify and remind the importance of the issue. This can be confirmed, for example, by a white paper on gender equality reminding 100 years since women got vote (Meld. St. 44, NOU 2012: 15), a paper on equal living conditions of disabled (Meld. St. 45), or proposals against discrimination, for example, based on the parental leave (Prop. 126 L) or sexual orientation and gender identity (Prop. 88 L).\textsuperscript{153} There is no discussion on this to be found.

\textsuperscript{152} The political platform of the Norwegian government. Retrieved from: http://www.eu-norway.org/news1/Presentation-of-Norwegian-political-platform/#.VxeSmzCLTiW.
\textsuperscript{153} All the documents are available on the webpage of government: https://www.regjeringen.no/no/id4/
Nevertheless, the above mentioned does not apply to one kind of equality – the economic equality. In 2011, the Minister of Labour Hanne Bjurstrøm pointed out in her speech that since the rich did not become richer and the poor poorer, the issue did not catch the attention of the media. She also said that the amount of poor people in Norway depended on the chosen method of calculation; however, no matter which method used, Norway is one of the top three countries in the world with the least amount of poverty.\(^{154}\) Generally, the 2009 government considered this as an outcome of their policies. In 2006, there was a tax reform made by Stoltenberg’s Cabinet, taxing more people with higher income in accordance with the leftist ideology. However, the real debate started in 2013 (probably as part of the electoral campaign) when the leader of the Socialist Left Party Lysbakken claimed that the differences (meaning economic inequality) declined in the time of their government. The statement was then verified by Aftenposten\(^{155}\). After the positive reaction, Lysbakken even added that the percentage of poor people in Norway is the lowest since 1998 (1.2% less) thanks to the coalition’s governance. Especially the Progress Party opposed this suggestion. Newspapers took an insight into the issue again, and it turned out that the number of the poor is higher than in 2006 (when the re-distributional measurements took force).\(^{156}\)

In short, the government had a common viewpoint on equality and declared measures which should provide better distribution of wealth. The previous government changed the tax system in 2006 which contributed to lower economic inequality. Nonetheless, in 2009-2013, no policies with a real impact were introduced, and it was even proven than poverty slightly increased in the time of Stoltenberg’s Cabinet.

### 3.2.5.2 The 2013 government

In the political platform of Solberg’s Cabinet, we can find a lot of similarities: the government has planned to focus on gender equality, protection against discrimination, the rights of lesbian, gay, bisexual and transgender (LGBT) individuals, and minorities. Also the goal of removing poverty is identical with the left-wing government. As for the distribution of wealth, however, the government has a different opinion than its predecessor (according to the platform) and has promised to the overall level of taxes, including the wealth tax, and remove


the inheritance tax.\textsuperscript{157} This should come as no surprise, since the Progress Party was founded on the concept of less taxation and less governmental intervention (the name of party used to be ‘Anders Lange’s Party for a Strong Reduction in Taxes, Duties and Public Intervention’\textsuperscript{158}).

As for the consensual topics, the government published similar documents like Stoltenberg’s Cabinet, e.g. a document giving a historical overview of the rough assimilation of the Romany people (NOU 2015: 7) or on the fight for equal opportunities for women and men (Meld. St. 7).

The debate on poverty which started in 2013 continued: the Progress Party minister for Children, Equality and Social Inclusion Solveig Horne pointed out that the number of children living in poor families has increased from 5% to 8% in ten years.\textsuperscript{159} As a response to that, the government prepared a strategy against children poverty in the spring of 2015\textsuperscript{160}. Based on the report, the government allocated NOK 106 million to fight children’s poverty in autumn. The measures should assure that children would have the same opportunity for participation and self-development despite the income of their family. For example, everybody should have the opportunity to participate regularly in at least one organized leisure activity along with others\textsuperscript{161}. Nevertheless, these measures will not solve the problem of poverty in its essence.

Concerning the redistribution of wealth, the right-wing government is going in the opposite direction than the left-wing one. The changes predicted in the political platform have already happened. The inheritance tax has been removed and the wealth tax reduced. Moreover, the government lowers the income tax every year (i.e. three times already)\textsuperscript{162}. These changes may increase the differences between the rich and the poor and increase inequality. Nevertheless, the government believes, in accordance with the ideology of right-wing parties, that increased differences are necessary to increase wealth for all. This approach is regularly criticized by the previous government, especially the Labour Party and the Socialist Left Party. The leader of the Labour Party, Støre (who replaced Stoltenberg in 2014),

\textsuperscript{157} Politisk plattform. Retrieved from: https://www.regjeringen.no/no/dokumenter/politisk-plattform/id743014/.
\textsuperscript{160} Barn som lever i fattigdom. Retrieved from: https://www.regjeringen.no/no/dokumenter/barn-som-lever-i-fattigdom/id2410107/.
is the most critical, pointing out that what the government is doing goes against the traditions of the welfare state which is based on high taxes. Støre is also worried that the system is not sustainable with the new approach and that the tax cuts concern especially those who have the most.\textsuperscript{163}

To sum up, the 2013 government declares to fight inequality; however, it does the opposite in real policies. Substantial tax cuts will increase disparities, especially due to the wealth tax cut and the inheritance removal. Although the government wishes to remove poverty among children, the policies planned (e.g. a leisure activity per week for everyone) do not solve the core of the poverty problem. Solberg’s government goes against the core features of welfare state in this area.

3.2.5.3 Summary

Generally, there is a broad consensus about gender equality and against any discrimination. These values are deeply rooted in the Norwegian society. This cannot be said, however, about economic equality, where the discussion has a clear traditional left and right logic. While the left-wing government supports fair distribution of wealth by imposing higher taxes on the rich, the right-wing government decreases the taxes. One can therefore conclude that as for the challenge of the class structure and equality, the broad consensus of the welfare state has eroded. And it is the 2013 government which has been deviating and disrupting the core features of the Norwegian welfare state.

3.2.6 Climate change

3.2.6.1 The 2009 government

Stoltenberg’s Second Cabinet evinced a broad consensus on the climate policies. The issue was highlighted by all the parties of the 2009 government and was reflected also in the political platform where it pervaded all the chapters. Norway had been reducing its pollution via CO\textsubscript{2} taxes, national emissions quota and purchasing CO\textsubscript{2} equivalents for a long time prior the 2009 government which continued to do so. Moreover, the government was active both in the international and domestic scene.

In 2009, Norway became a leader in the international policy field. Immediately at the beginning of its governance, the government played an active role in negotiations on a new global climate agreement in Copenhagen\textsuperscript{164} and next year, the Norwegian Prime Minister served as chairman of the UN Secretary-General’s High-Level Panel on Climate Finance\textsuperscript{165}. However, the Norway’s International Climate and Forest Initiative (NICFI) was probably the most important. By the end of 2009, Stoltenberg said he would initiate a climate group consisting of the most important rainforest countries.\textsuperscript{166} The conference took place in Oslo in May 2010, and the goal was to reach an agreement reducing emissions from deforestation and forest degradation in developing countries (REDD+)\textsuperscript{167} funded mostly by Norway. The programme is still ongoing.\textsuperscript{168}

In the domestic scene, the government proposed ‘Klimakur 2020’ as the strategy of the CO\textsubscript{2} emissions reductions. A big part of that was a goal to develop a CCS (carbon capture and storage) technology.\textsuperscript{169} Stoltenberg announced that Norway would start this industrial project in the existing natural gas power plant at Mongstad. This was a huge industrial project that would create high-tech jobs, develop new technology to extract CO\textsubscript{2} from the pollution and store it in the ground. That would decrease Norway’s climate gas emissions to a minimum and later, the technology could be exported to the world benefiting the entire globe. The Prime minister called the project a “Norwegian moon landing”.\textsuperscript{170} It is important to note that the decision on the project at Mongstad was taken already in 2006,\textsuperscript{171} although its realization started later on. Unfortunately, Norway was not so successful in this area. Already in 2010, it was obvious that the project was more expensive than planned,\textsuperscript{172} and by the end of the government’s term, the project of carbon capture and storage (CCS) was dropped because it did not have results. Even though the research centre still continues to operate, the CCS

project at Mongstad has been a gigantic and expensive failure.\textsuperscript{173} As a result, purchasing more quotas remained the main instrument of the environmental policies at the domestic stage.

The 2009 government approached an active policy towards the fight against the climate change both in the international and domestic scene. Some of the initiatives were more successful, some of them less. Nevertheless, we can say that the government was aware of the climate change challenge and reacted to it appropriately.

### 3.2.6.2 The 2013 government

With the start of the new government, there were well-founded concerns that the right-wing government would not continue in the ambitious goals of Stoltenberg’s Second Cabinet. The reason was that the coalition’s most right-leaning party – the Progress Party – has shown some elements of climate scepticism and stands outside the broad political agreement on the Norwegian environment policies. Nevertheless, the Conservative party declared it would support the same climate policy measurements as the previous government.\textsuperscript{174} For those reasons the Ministry for Environment was given to the Conservative Party, and now it is governed by the ex-minister for EEA and EU Affairs, Vidar Helgesen.\textsuperscript{175}

All the fears could be dispelled with the first document on the environmental policies since the new government announced it would strengthen the climate policies. The budget for environmental policies was increased by NOK 4 billion, and the change of the name of the Ministry of the Environment to the Climate and Environment Ministry signalizes that the government takes the climate change seriously. Furthermore, the document confirms the government will continue to purchase climate quotas and finance the REDD+ programme in the same way as the previous administration.\textsuperscript{176} The following documents have been prepared using the same rhetoric of Stoltenberg’s Cabinet.\textsuperscript{177}

As a follow up, Norway was the second OECD country that ratified the second commitment period of the Kyoto Protocol (known as the Doha Amendment) in 2014, committing to reduce the emissions of greenhouse gases to 30% compared to the 1990 levels


\textsuperscript{175} Regjeringens medlemmer. Retrieved from: https://www.regjeringen.no/no/om-regjeringa/solberg/regjeringensmedlemmer/id543170/.

\textsuperscript{176} Økning på Miljøverndepartementets budsjett. Retrieved from: https://www.regjeringen.no/no/aktuelt/okning-pa-miljoverndepartementets-budsje/id745294/.

by 2020. What more, the government has decided to extend this commitment unilaterally at the beginning of 2015, promising to reduce the emissions by at least 40% by 2030. This commitment is in line with the EU’s climate goals, so the government also pledged to start a dialogue with the EU on fulfilling jointly their climate targets. The proposal was backed by all the parties in the Storting, except the Progress Party whose leader Siv Jensen stated she was not convinced the anthropogenic climate change was real. Nevertheless, Norway submitted its climate goals to the UN Framework Convention on Climate Change in advance of the Paris conference held in December 2015. The conference reached a universal agreement on the climate protection for the first time in history. Although the agreement has not still been ratified, the Prime Minister Erna Solberg has promised ‘Norway will do its share’.

Generally speaking, Norway’s commitment to the climate policy remains the same as the one of the 2009 government, and in some fields it has even been strengthened. Despite the fears that Solberg’s cabinet will take against the ambitious climate policies because of the participation of the Progress Party, this has not happened.

3.2.6.3 Summary

The discovery of oil and gas in Norway has led to welfare. However, the petroleum industry has also been the main cause of the increase in Norway’s CO₂ emission. The country is very dependent on the natural wealth; therefore, the protection of the environment is one of the main long-term priorities. As a consequence, there is a broad consensus on the climate policies. The only exception is the Progress Party; however, it has not had an impact on the governmental policies. Hence, we can conclude that both the governments have perceived the climate change as a challenge and acted in accordance with the model.

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4 Conclusion

The purpose of the presented thesis is to look into the contemporary debate about the challenges to the welfare state in Norway. The model which is characteristic for all the Nordic countries has undergone a lot of changes due to several factors since the 1990s, both internal and external ones, and there is an ongoing debate whether the welfare state is sustainable. I was interested in the two last Norwegian governments: the left-wing government from 2009 and the current right-wing government elected in 2013. There is a premise that due to the specific form of governance in the Nordic countries, there is a consensus among the whole political spectrum to maintain the welfare state. The fact that the last two governments have been built by oppositional blocks helped me find out whether they have reacted to the current challenges to the model in the same or similar way.

The first step was to identify the challenges the model faces (the research question 2: What are the challenges to the Nordic welfare state model according to scholars?). After examining the present state of knowledge, I have identified six challenges: the demographic change, international migration, European integration, economic changes, class structure and equality, and finally, climate change. In the next step, I was interested in the following question: Are the challenges perceived by the governments of Norway from the years 2009 and 2013, and how much? And especially in the main research question of the thesis: Are the responses of the left-wing government from 2009 and the right-wing government from 2013 to the challenges in accordance with the consensual long-term strategy of maintaining the Nordic welfare state model?

To summarize the result of the analysis: regarding the challenge of the democratic change, I have found out that there is a broad consensus between the governments and parties involved, except the Progress Party, to reform the pension system, which is in accordance with maintaining the Norwegian welfare state. Nevertheless, the amount of documents published by the 2013 government is four times higher on this issue. There is a consensus on the international migration challenge as well, with the exception of the Socialist Left Party, which resides in tightening the immigration policies. Yet, like in the case of previous challenge, the number of documents is higher (even though to a smaller extent) for the right-wing government. European integration is the first issue on which the governments have a totally different view, even an opposite one: while the left-wing government kept distance from the EU, the right wing government would like to get closer to the integration. The content analysis has also showed the biggest difference in the number of documents on this
challenge, with the right-wing government having almost ten times more documents. The following challenge of economic changes has been dealt by the governments with a similar approach; however, the right-wing government has twice as many documents on this theme as the left-wing government. The issue of the class structure and inequality has seen different approaches, where even though the left-wing government prepared fewer documents, it was the one which acted in accordance with the model. And finally, the challenge of the climate change has been dealt with in a broad consensus, although the Progress Party is against the agreement. Also it is the only issue, where the results of the content analysis are comparable.

The categories of challenges as defined by scholars are in a very different extent: the proportional share of documents is higher for the 2013 government in all the categories. Seemingly, we can find a pattern: the challenge on which the approach varies the most – European integration – has also the biggest difference in the number of documents; and the most consensual topic – climate change – has a negligible difference. Nonetheless, this pattern cannot be seen in the other challenges; therefore, I have identified three factors which could explain the difference in the amount of governmental documents. The first one is the fact that Stoltenberg’s Cabinet sat in the government already from 2005 and their visions could have already been implemented earlier. Moreover, the Labour Party reigned most of the time since the World War II (for about 49 years in total), and the welfare state is mostly a result of their policies. Therefore, they do not wish to change the system, if not necessary. On the other hand, the right-wing government might seek to conduct different policies according to their ideology. The second factor could be time: even though the challenges examined remain the same, their importance varies. For example, the 2008 economic crisis did not have such an impact on the Norwegian economy as the current oil crisis has had so far, which could explain why the number of documents is double for the current government. And finally, the third factor could be the Progress Party: it is remarkable that in case of the four challenges where the high numbers are not easy to explain, all the issues have been dealt with by the ministries held by the Progress Party.\footnote{Demographic change – the Minister of Labour and Social Affairs (held by Robert Eriksson from the Progress Party till the end of 2015, when my analysis ends); international migration – the Minister of Justice and Public Security (Anders Anundsen), the Minister of Children, Equality and Social Inclusion (Solveig Horne), the Minister of Immigration and Integration (Sylvi Listhaug); economic changes – the Minister of Finance (Siv Jensen); Class structure and inequality: the Minister of Children, Equality and Social Inclusion, the Minister of Labour and Social Affairs, the Minister of Finance. All of the ministers have been mentioned in the thesis.} Altogether, further exploration of the documents would be needed to uncover the motives and external factors. Lastly, we cannot forget the fact that the
2013 government is still in power, and the results of the analysis may be different if it is conducted later.

Taking into consideration the above mentioned, the findings of the thesis are the following:

1. The 2009 left-wing government responded to all the challenges according to the Nordic model.
2. The 2013 right-wing government has acted according to the model in four of the challenges (demographic change, international migration, economic changes and climate change), and contrary to the model in two challenges (European integration, class structure and inequality).
3. This means that the responses of the governments have been in accordance with the consensual long-term strategy of maintaining the Norwegian welfare state in four out of six challenges defined. This would suggest that the consensus has been rather maintained; nevertheless, we cannot forget that the importance of the challenges has not been the same. The deviation from the European integration does not have to mean much; after all, other Nordic countries – Denmark, Finland, and Sweden – are member states of the EU and they have managed to maintain their welfare state. However, the different approach on the class structure and inequality challenge can be crucial, since this issue is a cornerstone of the welfare state model.
4. The Progress Party, which has become a governmental party for the first time, deviates from the common consensus of the (both coalition and opposition) parties in two challenges (demographic change, climate change). In two other challenges, it has acted consensually with its coalition partner, but not in accordance with the model (European integration, class structure and inequality). This means that the Progress Party deviates from the model in four out of six challenges. Therefore, further research on the impact of the Progress Party on the model could be beneficial.

To conclude, the Norwegian welfare state has been under pressure several times and it is not likely that this will change and the challenges will disappear, rather the opposite. For now, the main pillars of the model have remained untouched and the long-term consensus on maintaining the model has been in effect in most of the areas. Nevertheless, there is a visible shift in priorities made by the current right-wing government, and we might witness a transformation of the model in the future.
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