

Editorial

Anybody interested in the relations between work and welfare should be interested in the Nordic model and its recent transformation, since the Nordic countries appear to be the ones that have been able to reconcile work and welfare. Hence we are very happy to have our second annual integration Week to be organised in Oslo by our Norwegian colleagues ([SNE](#) and [NOVA](#)) with the support of some Nordic institutions. During this Week, among other activities, the merits and mysteries of the Nordic model will be discussed. When we analyse the ways Nordic countries have organized the relations between work and welfare, we should try to derive analytical, methodological and theoretical lessons about the interaction between the economic, social and political variables, in order to better grasp the various linkages that can connect (or disconnect) work and welfare

The programme and the objectives of this Integration Week differ from the previous one (Warsaw Conference, 2007). It comprises a lot of meetings and discussions about the various RECOWE tasks as well as presentations on the best European research on work and welfare! It is an important annual step in a continuous activity (research activity, data collecting, training, dialogue and publications). Some recent activities are announced in this Newsletter, which are also posted on the Focus of the website. We hope that the participants will keep a good memory of their stay in Oslo!

Bruno Palier, Denis Bouget

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1 – INTERVIEW OF THE MONTH

JOAKIM PALME, DIRECTOR, INSTITUTE FOR FUTURE STUDIES, SWEDEN

by Caroline de La Porte



Joakim PALME
Strand 4 – Toward Employment -
Friendly Welfare State
Partner 28 – Institute for Future
Studies

The Nordic social policy model is viewed by academics and policy-makers in the EU countries as an ideal model for combining sustained economic growth and adequate social justice and equality (in outcome). But since the early 1990s, the Nordic welfare state has faced considerable challenges, mostly endogenous (ageing of the population, economic problems, more support among the public and political parties for private provision of some welfare services, rise of anti-immigration discourses).

Question - How do you think that the challenges of the 1990s have affected the financial sustainability of the welfare state in the Nordic countries?

I think that there was less certainty about the financial sustainability of the welfare state before the crisis. The fact that the Nordic welfare states have survived, where it was also possible to implement changes, is notable. In addition, the employment rates have increased. In some ways, the situation looks better now than it did before the crisis, at least in the short-term. However, the issue of its long-term sustainability is not entirely resolved. These will be the subject of controversial political concern. The main reform responses could be to increase taxes, to lower entitlements and to increase the labour supply.

Question - To which extent have there been differentiated political responses to the challenges among the countries of the "Nordic" welfare state cluster (in Sweden, Denmark and Finland)?

There is a divergence between Denmark and the other Nordic countries. In Denmark, the second tier of the pensions is not mandatory (compared to Sweden and Finland where it is mandatory) and the replacement rates have

been decreasing already since the 1980s. By contrast, the elderly care has improved.

In Sweden and especially Finland, the reforms in the 1990s have been more far-reaching. Taxes were raised and benefits were cut. But in Sweden, the ceilings have increased recently by the centre-right government. In Sweden, there was a long-term rationalization of resources devoted to elderly care.

Regarding child care, it was expanded in Denmark and Sweden, while in Finland child care is not as extensive. But in Finland it is also possible for women to stay home and take care of the children (and get a municipal allowance). This possibility to take care of small children at home with a cash benefit is now also being introduced in Sweden. In Denmark, the possibility for women to stay home for a longer period also exists. There is a tension between the two modes of child-care: one on child care institutions and the other on prolonged absence of women from the labour market for the purpose of care.

Question - How do these responses affect the social sustainability (quality of social services) in these countries?

Social services have been under pressure the last two decades. There have been various responses from different sectors. In general, rationalization has been possible without dramatically affecting the quality of the social services. But there is a delicate balance between rationing resources and being able to deliver. In the universal health care system there has been a lot of rationing, but sometimes at the expense of quality in delivery of health care services. In countries where the health care system is insurance based, there are more resources.

Question - What fundamental differences have there been between the decisions about welfare policy taken by the elites in the Nordic countries and the public opinion about welfare services and other benefits?

In general, the elites have been more in favour of privatization than public opinion. Especially in the early 1990s, the elites in Sweden supported privatization. However, also the public supported the idea of having more private actors involved in the provision of social services at that time.

Question - In many European countries, the issue of immigration is being framed by populist parties as a burden to the system (and its welfare policies). Do you think that this influences public opinion regarding the form of welfare provision (private vs. public) and the conditions for membership (who to include and exclude from the welfare contract)? How does this affect reforms in welfare state policy?

There is no strong direct influence in Sweden. However, since the higher unemployment rates the last few years, then the attitude to immigrants has become slightly more hostile because many immigrants are lagging behind in employment policy. The current government is sharpening the conditions for access to benefits, for the short-term and especially the long-term unemployed. The social assistance, however, has not been changed. The political parties in Sweden (since Ny Demokrati in 1994 was dissolved) have not been as active about the immigration issue as those in Denmark.

Question - What are the main weaknesses of the Nordic welfare state?

There are two main problems. One is that of maintaining the logic (middle class inclusion) of the system. If the quality is not decent, then there will be a decline of middle class support. The second is to find an adequate and sustainable solution for the fiscal pressure from the ageing population. To increase the labour supply is one possibility, and one population group that has potential to contribute to resolving this problem is younger people. The transition from education to employment is long as young people have prolonged periods of education. Indeed, the Nordic countries (compared to some other European countries where young people enter the labour market earlier) have not been performing well in this area.

Question - Which features of the Nordic welfare state would be desirable to transpose to other welfare state configurations (corporatist, Latin rim, new member states) and do you think that this is feasible?

I think in particular the family policy in the Scandinavian welfare states functions well and is a model worthy of transfer, to facilitate labour market participation of women and also to incentivize families to have more children. These are in particular the subsidized child care and the design of the tax system.

Question - What are the alternatives to the comprehensive and universal welfare state, if the aim is to ensure a decent quality of life for citizens of a particular nation-state?

Well, it would be possible to combine the policies in other ways than in the Nordic countries. But if the aim is to create an inclusive welfare state, then nothing beats the universal systems. The alternative, that uses more targeting, creates more stigmatization. It is not everything in the Nordic model that should be copied, but when it works well, then it should be possible to combine equality and efficiency goals. It should obviously not be ruled out that other countries do things in different ways and achieve the same results.

Question - Do you consider that RECOWE is - aside a fruitful network for discussing academic work about welfare reforms - a nexus for exchanging experiences about reform challenges and solutions among various social policy experts?

Yes, given that the big challenges are to bridge the gap in research and policy-making, the comparative dimension in RECOWE is a network that should provide politicians with viable solutions. In addition, all countries are struggling with similar dilemmas and challenges. The EU is an interesting laboratory for policy learning (it used to be the ILO in the interwar period). Regarding the new member states, RECOWE provides them an opportunity to be involved in networks – on an equal footing - from which they were previously excluded. It is also a challenge for researchers from the western European countries to understand how the welfare states in the new member states are organized and RECOWE provides this opportunity through formal and informal ties developed among researchers.

2 – NEWS FROM THE NETWORK

CONFERENCES/WORKSHOPS

- **"The role of ideas, discourses and frames in welfare policies" organized by the Danish Research School: Welfare State and diversity, Aalborg University, 1st-3rd October 2008**

Policy studies increasingly focus on the role of ideas. This PhD course offers a wide variety of theories and methods that theorize on how and under what conditions ideas influence policy processes. This includes among others a what's the problem approach, framing analysis, discourse analyses and different strands of new institutionalisms. The lectures will approach questions such as how do ideas become embedded in power structures, what is the relation between problem representations and policy outputs, why do new ideas appear, and is it possible to identify causal effects of ideas? We invite PhD papers that deal with theoretical and methodological issues and examples of empirical analysis of the role of ideas.

Co-ordinators: Associate Professor Annette Borchorst and Professor Jørgen Goul Andersen, Aalborg University. The experts involved are: Carol Bacchi, University of Adelaide; Mieke Verloo, Radboud University Nijmegen; Bernhard Ebbinghaus, Universität Mannheim; Jørgen Goul Andersen, Aalborg University, Anette Borchorst, Aalborg University, Hanne Marlene Dahl, Roskilde University.

Deadline for registration and abstract:
15 June 2008

ECTS: two points for participation, additional three points for paper

Scholarships: Two scholarships of 500 Euro each are available for international students. Application for the scholarship requires a recommendation for participating in the seminar from your PhD supervisor.

The application is to be sent to [Annette Borchorst](#), together with your abstract, deadline June 15th.

Deadline for submitting papers:
17 September 2008

Papers should be written in English. On request, paper may be written in Scandinavian languages.

Fee: DKK 1000 (which will cover most of the meals). Expenses for travelling and accommodation must be covered by the participants themselves.

[For more information, programme and registration](#)

- **Doctoral workshop "Ageing in Europe", VU University Amsterdam, 11-12 December 2008**

The issue of population ageing and its impact on the welfare state is a key challenge regarding its sustainability. The impact of the welfare state in structuring society in age groups is to some extent problematic. Various systems, especially insurance based, have led to the development of social inequalities among older people. Various reforms have been implemented to counter these problems, but the question of the long-term sustainability of the welfare state in the view of population ageing still remains. PhD students in sociology and political science are invited to submit abstracts in this area (these may be qualitative, quantitative or conceptual). Comparative country analyses are especially welcome. Abstracts of 200 words should be submitted before September 30th and a complete paper should be prepared by the end of November 2008. There is a participation fee of 50 Euros that covers the material for the workshop and subsistence throughout the conference. The experts include Harald Kuenemund (University of Vechta, Germany), Wim Van Oorschot (University of Tilburg, The Netherlands) and Theor van Tilburg (VU University, The Netherlands).

Applications should be sent to [Kathrin Komp](#).

Download call for papers on the [RECWOWE website](#).



Institute for Research in Economics and Business Administration

[SNF](#), that is together with [NOVA](#), the co-organiser of the 2nd RECOWE integration week, was established as an independent research institution in 1991 through a merger of three applied research units in the vicinity of the Norwegian School of Economics and Business Administration ([NHH](#)), and is one of the largest and most influential institutes in Norway when it comes to applied research in economics and business administration. SNF is a part of the NHH-Group, dedicated to the task of initiating and undertaking contract research. SNF is a project based network organisation. Annually SNF organizes roughly 120 projects for a large number of different contract partners, drawing on a resource base of more than 100 highly qualified researchers and has an annual turnover of 6.5 million Euros. The objective of SNF is to improve the basis for decision making in industry and government through the development and dissemination of applied research in economics and business administration. The research staff of SNF consists of 15-20 full-time researchers. In addition, it engages more than 100 researchers from the scientific staff of the NHH, the [University of Bergen](#), and from other research institutions in Norway and abroad. SNF has organized its research in nine thematic research programs:

- Work and education
- Food and resource economics
- Telecommunications and media
- Climate and energy
- Globalization
- Finance and economic management
- Ethics and public management
- Branding
- Entrepreneurship, taxes and economic growth

The research activities in these programs are presented in more detail on www.snf.no. Publications are available on our home page free of charge. Recent international publications by members of our RECOWE-team have been published in journals like for

example Social Science & Medicine, Quarterly Journal of Economics, Applied Economics, Work, Employment & Society, Economic Journal, American Economic Review, Acta Sociologica, European Sociological Review, Journal of Social Security Law and International Journal of Social Welfare.

In accordance with our objective of being leading in applied research in economics and business administration, SNF has developed strong international connections to research institutions and to international research networks. Together with the University of Oviedo, SNF is the coordinator of Strand 3 – Quality and Quantity of Jobs – where the aim is to analyse the quality of employment and the public policies directed at enhancing it within EU member states. Our involvement in RECOWE so far has been mostly within this strand. We have written a chapter “Quality of work – concept and measurement” for a bilingual book, a book where Sverre Dahl is co-editor. Professor Arne Kalleberg was keynote speaker at the conference in Warsaw and gave an excellent talk. Karen M. Olsen is responsible for the work task “Changes in job quality and work orientations. A comparative perspective” which involves researchers and institutions from several of the RECOWE partners. The RECOWE team at SNF consists of researchers from three other Norwegian research institutions as well – NOVA, NHH and University of Bergen. NOVA has together with SNF organised the 2nd Annual Integration Week in Oslo which has been a major task for us the last year.

Our RECOWE team includes the following persons:

Sverre Dahl (SNF)
 Torild Hammer (NOVA)
 Hans-Tore Hansen (University of Bergen)
 Bjørn Hvinden (NOVA)
 Arne Kalleberg (SNF and University of North Carolina, Chapel Hill, USA)
 Torstein Nesheim (SNF)
 Karen M. Olsen (SNF/NHH)
 Axel West Pedersen (NOVA)
 Kjell Gunnar Salvanes (NHH)
 Anne Hege Henden Strand (University of Bergen)
 Kjell Vaage (University of Bergen)



3 – EUROPEAN NEWS

– Slow-down in social policy activity

Legislative proposals that are particularly sensitive, notably the draft directive on cross-border healthcare and the freedom of movement of patients are no longer on the EU agenda. One reason is to avoid the ignition of sensitive debates during the process of ratification of the Lisbon Treaty. The draft directives on temporary agency workers and on working time have also been halted although they are likely to re-emerge on the EU agenda during the French Presidency. So far, 13 Member States have completed the parliamentary ratification of the Lisbon Treaty that was signed in December 2007. The rest of the Member States should also ratify the Treaty within the coming year so that the ratification can be complete before the elections of the European Parliament in June 2009. For a more in-depth analysis of the process of ratification of the Lisbon Treaty consult the [36th edition](#) of the Tomorrow Europe newsletter, written by [Cécile Barbier](#).

– A Taxonomy of European Labour Markets Using Quality Indicators, Lucie Davoine, Christine Erhel, Mathilde Guergoat-Larivière, May 2008

A report commissioned by the European Commission to the [Centre d'Etudes de l'Emploi](#) about the quality of work has just been published. The report reveals considerable heterogeneity of job quality across the 27 Member States of the EU. Interestingly, the study also shows (on the basis of economic analyses) that there is not a trade off between increases in quantitative employment rates and high quality in jobs. The report also analyzes the European quality indicators, which were first defined in 2001 and points out that while important dimensions of job quality are covered, some crucial aspects of job quality are excluded, notably wages and work intensity. The empirical analysis of 27 countries should, however, be treated with

caution. In particular, while the UK, Denmark, Sweden and Finland (highest scores) were found to be part of the same cluster, it seems surprising that the report pointed to comparable child care structures in all countries of this cluster. A particular feature in Scandinavia is the existence of affordable child care institutions where availability of places is hardly a problem. In the UK, by contrast, child care institutions are mostly private and extremely expensive.

Download the report [here](#)

– "Let's Stop Being Gloomy About Europe", CEPS Working Document, Paul De Grauwe

Paul de Grauwe, from the [Centre for European Policy Studies](#), has recently done an analysis comparing productivity and welfare in the US and Europe. The analysis sidesteps the classical economic approach that equates welfare with GDP or GDP per capita. The paper first argues that a significant part of the productivity growth differential between the US and the EU is cyclical. Furthermore, the paper shows that the EU has kept its market share in world exports, while the US has been less successful in maintaining its market share in exports. The paper highlights that the combination of social security, less working time, more leisure time and high economic growth is indeed possible, but that there are still some core challenges to be met by Europe. These are the ageing of the population and the problem of getting youth into the labour market. The presentation of the rigidities in the continental and southern European countries is, however, oversimplified in the report. Nevertheless, it is a refreshing change from a lot of the alarmist and gloomy analyses that are dominant.

Download the paper [here](#)

4 – PUBLICATIONS

NETWORK MEMBERS' PUBLICATIONS IN THE AREA OF WORK AND WELFARE

– Citizenship in Nordic Welfare States. Dynamics of choice, duties and participation in a changing Europe

B. Hvinden and H. Johansson (eds.),
Routledge, London and New York, 264 pages

This book offers an innovative analysis of the ways in which the relationship between citizens and welfare states - social citizenship - becomes more dynamic and multifaceted as a result of Europeanization and individualization. Written by interdisciplinary contributors from politics, sociology, law and philosophy, it examines the transformation of social citizenship through a series of case studies, comparing Nordic countries and other European nations. It is divided into four parts focusing in particular issues. The first is a conceptual discussion about "social" and also "active" citizenship; the second is about activation, focusing on the reforms that broadly aim at better balancing rights and duties; the third focuses on deliberative participation of marginal groups in decision-making; the fourth part focuses on the impact of human rights legislation for welfare and legal protection against discrimination, in particular on the labour market. *Citizenship in Nordic Welfare States* will be of interest to students and researchers of social policy, comparative welfare, social law, political science, sociology and European studies.

To order [...](#)

– Conference Papers: The Nordic Model: Solutions for Continental Europe's problems?

A conference – [The Nordic Model: Solutions for Continental Europe's Problems?](#) – was recently organized at the centre for European Studies at Harvard University. It aimed to

analyze how the Nordic countries' social policy models could be used in the reform of the problems in the continental (and southern) European countries, in particular how to maintain economic growth and social justice. The Nordic model has sustained generous welfare states, larger public sectors, high taxation, strong social partners and low wage differences. Given that the Nordic model has survived the crisis of the 1990s, its social model is still referred to among countries that belong to different welfare state configurations.

Papers downloadable from the website of the conference include:

- "The impact of the Nordic countries' family policies on employment, wages and children" ([Datta Gupta et al., 2007](#));
- "Decommodification and activation in social democratic policy: resolving the paradox" ([Huo et al., 2008](#));
- "The Negotiated Nordic Labour Markets: From Bust to Boom" ([Dølvik, 2008](#)).



Reforming European Welfare States - Germany and the United Kingdom Compared

Jochen Clasen, Oxford University Press, Oxford, 272 pages

In this monograph Jochen Clasen makes an in-depth analysis of reforms in two countries from very different welfare state configurations. The longitudinal analysis covers a period of 25 years in three different policy areas: unemployment support, pensions and family policy.

[More information ...](#)